COUNCIL AGENDA: 9/30/14
ITEM: 10.7

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Harry Freitas
Leslye Corsiglia

SUBJECT: **SEE BELOW**

DATE: September 29, 2014

Approved

Date 9/30/14

SUPPLEMENTAL

SUBJECT: SUBMITTAL OF CITY'S DRAFT 2014-23 HOUSING ELEMENT TO THE CALIFORNIA DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

REASON FOR SUPPLEMENTAL

This item was presented at the City Council meeting on September 23, 2014, as Item 10.2. At the meeting, the Council requested that a recommendation on the item be deferred until September 30, 2014, after revisions to the City's Draft 2014-23 Housing Element (Draft) have been incorporated by staff based on Council and public input received.

RECOMMENDATION

Authorize the City Manager to submit to the California Department of Housing and Community Development (HCD) for a finding of substantial compliance with the Housing Element Law (Government Code section 65580 et seq.) and certification of a draft General Plan text amendment to revise the Envision San José 2040 General Plan Text to incorporate the draft Housing Element for 2014-2023.

OUTCOME

Approval of the recommended action will allow staff to submit the City's Draft 2014-23 Housing Element (Draft) to HCD for its 60-day review for certification and substantial compliance with Housing Element Law. State certification allows the City to remain eligible for key State housing and infrastructure funding and to fully implement its land use authority.

BACKGROUND

On September 23, 2014, the Mayor and City Council held a public hearing on the City's Draft 2014-23 Housing Element. The Housing Element is a State-required report contained in a local jurisdiction's General Plan that identifies strategies for meeting its regional fair share housing needs, assesses demographics, analyzes constraints to housing production, identifies the planned supply/inventory for future residential development, and summarizes the public input received. At the public hearing, staff received input from the Mayor and Councilmembers with specific recommended revisions to the Draft. Councilmember Rocha indicated that he would submit comments in a memorandum by Friday, September 26, 2014, which staff received. The Council approved the recommendation for staff to return to the Council on Tuesday, September 30 with an updated draft that responds to Mayor and Councilmembers' input.

Additionally, the City received public input at the September 23, 2014 Council meeting, and has also received input via previously submitted letters. Potential revisions to the Draft are discussed in the Analysis section below.

ANALYSIS

Council Input and Staff Response

At the September 23, 2014 Council meeting, staff received recommendations from the Mayor and Councilmembers for specific revisions to the Draft. Attached to this memorandum is an index of the recommended revisions and the associated analysis/response for each recommendation. Suggested revisions are included in the updated Draft in redline as tracked changes and in the Draft implementation workplan as tracked changes with yellow highlights, both of which are attached to this memorandum. In summary, staff incorporated most of the Council's recommendations that were related to revisions to the Draft text, and incorporated all of the recommendations provided by Council in the Draft implementation workplan. For the revisions that staff was unable to incorporate and/or that required additional analysis, staff provided a response in the attached index of recommended revisions.

The Council also asked staff for information regarding the progress made by other neighboring cities in Santa Clara County on their fair share housing needs. Below is a chart that summarizes the progress made for the 2007-14 RHNA cycle.

Geography	2007-14 Allocation	Building Permits Issued	% of Allocation
SCC Cities (exclusive of San José)	**24,527**	**17,390**	**71%**
San José	**34,721**	**16,029**	**46%**

*Staff was unable to obtain building permit data for Campbell, Los Altos, Los Altos Hills, and Morgan Hill but the chart does include the allocation for these cities

To summarize the chart, the jurisdictions in Santa Clara County had a Regional Housing Needs Allocation (RHNA) of 59,248 units across all cities and income categories. The jurisdictions in Santa Clara County – excluding San José – had an allocation of 24,527 total housing units across all income categories. Of that allocation, the collective cities (again minus San José) issued 17,390 residential building permits, or 71% percent of their allocation. Conversely, San José had an allocation of 34,721 total units, and issued 16,029 building permits across income categories, or 46% of the City's allocation. On both a percentage and absolute basis, the collective production of housing in neighboring cities was greater during the last RHHA period than what occurred in San José. Note that the production of SCC jurisdictions excluding San José is likely an underestimate, because data for Morgan Hill, Campbell, Los Altos, and Los Altos Hills were unavailable. Assuming that their housing production was greater than zero, the remainder of the County would have outpaced San José's production at an even greater rate.

Public Input and Staff Response

Throughout the public outreach process to-date and at the September 23, 2014 Council meeting, the City has received a significant amount of public input. The input was very important in shaping the Draft released on August 29, 2014 and staff has carefully considered the public comments received during the Draft revision process. Additionally, staff met with the Non-Profit Housing Association (NPH) and the Law Foundation of Silicon Valley on September 26, 2014 to review potential revisions to the Draft per their request. The following summarizes the revisions that staff is bringing back to Council for consideration. Several of the recommendations (items 1-4) align with Mayor and Council input and have been included in the updated Draft attached to this memorandum. Items 5-7 are additional items recommended by NPH and the Law Foundation for which staff awaits any additional comments and direction from Council.

1. Revise the language from "balance" to "protect" regarding mobilehomes in the implementation workplan.
2. Explore the potential to strengthen the City's Rent Control ordinance to protect the existing affordable rental supply and renters from evictions.
3. Monitor the City's jobs-housing fit – in addition to the jobs-housing balance – in order to assess the match/mismatch between jobs/wages and the cost of housing in San José.
4. Regarding the workplan item to work with the Valley Transportation Authority (VTA) on transit-oriented development, include the exploration of public and surplus lands owned by VTA as potential locations for new affordable housing development.
5. Explore a variety of mechanisms for the implementation of Urban Villages, including the community benefits mechanism.
6. Provide additional clarity on the timing of implementation workplan items where appropriate.
7. Update the Housing Element narrative regarding overcrowding to reflect the variety of causes of overcrowding.

EVALUATION AND FOLLOW-UP

Upon Council approval to submit the Draft to HCD, staff will finalize the Housing Element and submit to the State to initiate the 60-day review period as soon as possible. If the State's review proceeds on schedule and without resulting in significant, time-intensive revisions, staff intends to return to the City Council with a final Draft for Council consideration in December, 2014. If the State does have more substantive comments that will require more staff work, it is possible that the Housing Element may not be heard by the Council for adoption until 2015.

PUBLIC OUTREACH

The City has implemented a significant outreach process for the Housing Element Update process, including public and stakeholder meetings, a website presence, a customized project email address, and "e-blasts" announcing the availability of public meetings and the Draft review period. Please refer to previous transmittal memos for a complete description of public outreach efforts.

As mentioned in the Analysis section, staff met with NPH and the Law Foundation after the September 23, 2014 City Council hearing per their request to explore potential revisions to the Draft. No additional requests to meet or additional public input has been received since the Council hearing.

Future opportunities for public input will include an update to the City's Housing and Community Development Commission in October 2014, and Planning Commission and City Council hearings in December 2014.

COORDINATION

This memorandum was coordinated with the Office of the City Attorney.

FISCAL/POLICY ALIGNMENT

Submittal to and certification of the City's 2014-23 Housing Element allows San José to remain eligible for critical housing and infrastructure funding, such as the State's Housing Related Parks program, Infill Incentive Grant (IIG), Infrastructure and Economic Bank (I-Bank) & Infrastructure State Revolving Fund (ISRF), Workforce Housing Reward Program, Low-Income Housing Tax Credit Program, and Building Equity and Growth in Neighborhoods Program (BEGIN). Additionally, regional funding for infrastructure such as MTC's One Bay Area Grants

for transportation is also contingent upon Housing Element compliance. Finally, future funding is expected to link housing production and Housing Element certification to eligibility, such as the State's Cap & Trade program.

/s/
Harry Freitas
Director, Department of PBCE

/s/
Leslye Corsiglia
Director, Department of Housing

For questions, please contact Steve Piasecki, Interim Building Official, at (408) 535-7893.

Attachments:
- Updated Draft 2014-23 Housing Element & Implementation Workplan
- Index of Recommended Revisions

City of San José
2014-2023 Housing Element

REVISED PUBLIC DRAFT

September 2014

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Photo-Credits and Acknowledgments

This Housing Element was prepared through cooperation of staff in the City of San José Department of Planning, Building & Code Enforcement and the Department of Housing. The City thanks the public and stakeholders for the input they have provided during this update process, as well as the individuals and organizations with whom the City partners to provide housing opportunities and resources for San Jose's families, households, and individuals.

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Top row, from Left, Bernard André photographer provided courtesy of First Community Housing, remaining three are Dale Tan, high-rise photo.

Bottom Row: All Dale Tan except the top right, which is Jeffrey Peters of Vantage Point Photography provided courtesy of Charities Housing.

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Chapter I: Introduction

What is the Housing Element?

The Housing Element is one of seven State-required components of local general plans. Typically updated every five to eight years, cities and counties develop their Housing Element to plan for their "fair share" of the regional housing need across income levels and needs.

The determination of regional housing need begins with the California Department of Housing and Community Development (HCD) and California Department of Finance (DOF), which first calculate statewide housing needs based upon population projections and regional population forecasts used in preparing regional transportation plans. The Statewide need is then distributed to regional Council of Governments (COGs) throughout California, who work with cities and counties within their purview to assign each jurisdiction its share of the regional housing need, known as the Regional Housing Needs Allocation or RHNA. The RHNA itself is divided into five income categories that encompass all levels of housing need.

The City of San José is a member of the Association of Bay Area Governments (ABAG), the Bay Area's COG, which is composed of nine counties and 101 cities. For the Bay Area, this RHNA cycle covers an approximately eight-and-a-half year projection period from January 2014 to October 2022. It is important to note that the programs contained in chapter VII of this document correspond to HCD's planning period from January 31, 2015–January 31, 2023. The total RHNA for Santa Clara County in the 2014-2022 cycle is 58,836 housing units, of which 35,080 units (approximately 60%) are assigned to San José. The chart below compares the RHNA allocations for all cities in Santa Clara County.

Jurisdiction	2014-23 RHNA Allocation
Campbell	933
Cupertino	1,064
Gilroy	1,088
Los Altos	477
Los Altos Hills	121
Los Gatos	619
Milpitas	3,290
Monte Sereno	61
Morgan Hill	928
Mountain View	2,926
Palo Alto	1,988
San Jose	35,080
Santa Clara	4,093
Saratoga	439
Sunnyvale	5,452
Total	**58,559**

Envision San José 2040 General Plan

The *Envision San José 2040 General Plan* is San José's long-term plan for economic prosperity, urban vitality, and sustainable land use and development. The General Plan Task Force comprised 37 community members and was appointed on August 7, 2007. The Task Force held 51 meetings over a four year period and over 5,000 community members actively participated in the update process. At the final meeting on September 12, 2011, the Task Force unanimously voted on the Preferred Land Use Scenario for 470,000 new jobs, 120,000 new housing units, with a goal of 1.3 jobs to employed resident ratio. The Preferred Land Use Scenario, which the Council approved unanimously in November 2011, gives clear priority to fiscal sustainability through job growth and to improve the City's current Jobs to Employed Resident ratio, while providing sufficient densities and sites for future housing needs. San Jose's current 0.86 J/ER ratio is not an acceptable or a fiscally sustainable option. The General Plan and its implementing policies are intended to allow San José to become a regional job center. The General Plan 2040 includes growth capacity for the development of up to 470,000 new jobs and up to 120,000 new dwelling units. Combined with the City's current development and this additional growth capacity, San Jose could grow to 840,000 jobs and 430,000 dwelling units, supporting a residential population of 1.3 million people with a Jobs/Employed Resident Ratio of 1.3/1.

As the Capital of Silicon Valley, and home to many of the world's most innovative technology companies, San José is also one of the most expensive places in the country for residing. To maintain and strengthen San José's objective for long-term, widely shared prosperity, The General Plan seeks to support the interrelated goals of economic development and the creation of homes that are affordable for current and future residents. When households can afford housing, they have more resources to save, invest, support the community, and spend in the local economy. Additionally, when the cost of housing is within the reach of employee buying power, businesses are able to more easily hire and retain workers. San José envisions a future land use pattern that is more efficient, equitable, urban,

walkable, and dynamic than its existing, predominantly low-density and auto-centric form, and creating homes that are higher density, affordable, and built in the right locations is fundamental to helping the City reach General Plan goals. The General Plan directs housing growth to occur in a high-density mixed use format in identified growth areas including Downtown, North San José, Specific Plan Areas, Urban Villages and along transit corridors, station areas and commercial centers.

San José is well-positioned to plan for its housing needs through the Housing Element and to build on its strong record of leadership in facilitating the provision of housing needs for all segments of the population. In 2011, the General Plan was adopted by the City Council with ambitious goals to create a sustainable, prosperous, diverse, and equitable San José. The visionary goals align with and further the spirit of State law that each local agency prepares and adopts a comprehensive and long-range general plan for its physical development (Government Code section 65300).

Cities must ensure that their general plan and its component parts comprise an integrated, internally consistent, and compatible statement of development policies. Although the General Plan is an integrated general plan document, with each of the seven State-required elements addressed throughout the document, the City's Housing Element also exists as a section of the General Plan found in Appendix 11. This stand-alone report also includes with it an Appendix B: Housing Goals, Policies, and Actions, compiling housing-related General Plan programs and policies into one easy-to-read location.

A. Sustainability, Resiliency, and Regional Planning

Local governments have for decades been required to update their housing elements to demonstrate satisfaction of community housing needs as determined by the Regional Housing Need Allocation (RHNA) process. However, the 2014-22 RHNA is unique because it incorporates into this process for the first time a comprehensive approach towards integrating transportation, land use, and housing into planning to meet the environmental sustainability goals of The Global Warming Solutions Act of 2006, or Assembly Bill 32 (AB 32), and the Sustainable Communities and Climate Protection Act, or Senate Bill 375 (SB 375).

AB 32 requires the California Air Resources Board (CARB) to develop regulations and market mechanisms to reduce GHG emissions to 1990 levels by 2020, representing a 25% reduction statewide, with mandatory caps beginning in 2012 for significant emissions sources. Three approaches were adopted to meet goals for cleaner vehicles, cleaner fuels; and more sustainable development and land use patterns. Enacted in 2008, SB 375 implements the sustainable land use goals of AB 32 by requiring that the Metropolitan Planning Organization (MPO) for each region develop a Sustainable Communities Strategy (SCS) as part of its Regional Transportation Plan (RTP) in order to integrate transportation, land use, and housing policies towards meeting the emissions reduction target for their region.

In the Bay Area, ABAG – the Bay Area's COG as well as its MPO – and the Metropolitan Transportation Commission (MTC) have collaborated to meet the requirements of AB 32/SB 375 and the SCS through an integrated long-range plan called *Plan Bay Area*. The 2014-22 RHNA for Bay Area jurisdictions was developed to be consistent with *Plan Bay Area,* and include the following objectives:

- Increasing the supply, diversity, and affordability of housing
- Promoting infill development and a more efficient land use pattern
- Promoting an improved intraregional relationship between jobs and housing

- Protecting environmental resources, and
- Promoting socioeconomic equity.

Additionally, the Bay Area's sustainability strategy includes a framework called Priority Development Areas (PDAs). PDAs are locations that comprise or are adjacent to transit infrastructure, and that are nominated by local jurisdictions as appropriate places to emphasize future growth in a sustainable manner. The City of San José has 13 PDAs, which coincide with key growth locations identified in the General Plan.

Plan Bay Area is supported in part through targeted transportation investments funded by the One Bay Area Grant (OBAG) Program. OBAG is an approximately $800 million transportation program providing funding between FY 2012-13 and 2015-16 to facilitate the land use goals of SB 375. An important part of OBAG is that a portion of the funding is allocated to reward jurisdictions that accept and produce housing through the RHNA process. Santa Clara County has received the Bay Area's largest distribution of OBAG funding to date ($88 million), facilitated in part by San José's commitment and production of affordable housing. The OBAG program provides an innovative approach to linking important infrastructure resources to jurisdictions doing their regional fair housing share, and emphasizes the importance of planning for housing by requiring that a jurisdiction has a Housing Element certified by the Department of Housing and Community Development (HCD) in order to be eligible for funding.

It is important to note that OBAG is but one example of a larger trend linking housing policy to infrastructure investment. At the Federal level, HUD, DOT and EPA created the Partnership for Sustainable Communities to integrate planning and investment in housing, transportation, water infrastructure, brownfield remediation and land use planning. In California HCD is working on a 10-year strategic plan emphasizing cross sector outcomes and is also part of the Health in All Policies Task Force.[1] [2] In 2006, California passed Proposition 1C which raised $2.9 B in bond funds for several affordable housing programs. In addition the Housing-Related Parks Program (HRPP) awards grants for the construction of new parks to cities that have demonstrated a commitment to build affordable housing. San José was recently awarded $2.9 M through this program.

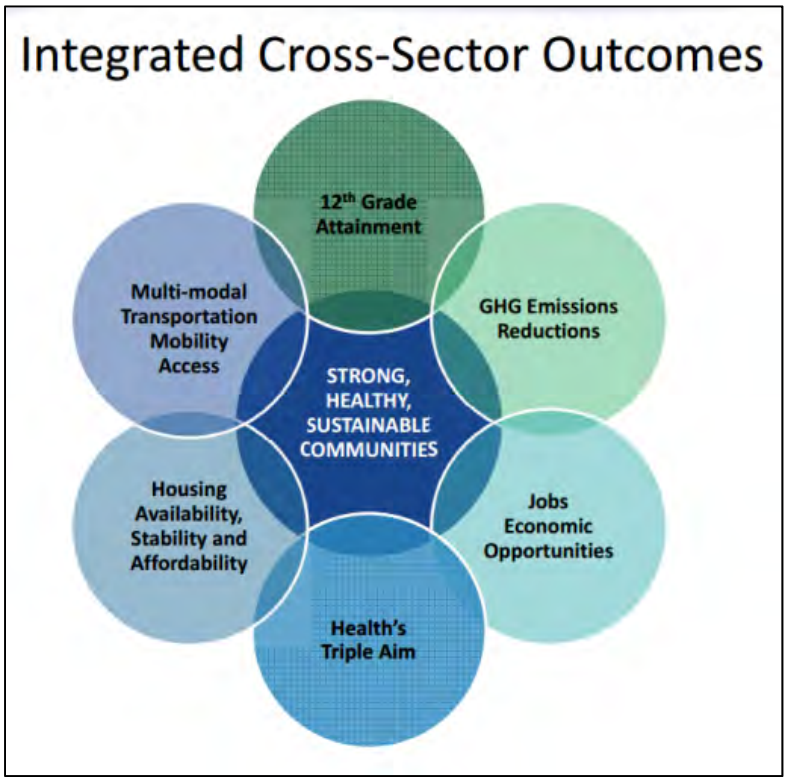


Figure 1: HCD Strategic Plan Outcomes

[1] California Strategic Growth Council, Health in All Policies Task Force: http://sgc.ca.gov/s_healthinallpolicies(hiap)taskforce.php
[2] California Department of Housing and Community Development: http://www.hcd.ca.gov/hpd/shp/cal_shp_strategy042114.pdf

California's Cap and Trade Program uses fees charged to polluters to fund various programs that reduce greenhouse gas emissions. In 2014, Cap and Trade will raise $130 M for the development of affordable housing near transit and bike and pedestrian infrastructure. Finally, there is a movement among policy makers to invest in resiliency measures that build the local capacity of individuals, organizations and systems to adapt and survive when shocks and disasters occur. Therefore, if San José is proactive in addressing its housing needs, it may be more competitive for infrastructure funds geared toward transportation improvements, new parks, and energy efficiency projects.

B. General Plan Consistency

Internal Consistency

State law requires that local general plans be internally consistent with their housing elements. Because general plans are typically updated every 15-20 years and housing elements are updated more frequently (generally every 5-7 years), the different update cycles create the potential for inconsistencies between the goals, policies, and programs contained in the two documents. Because a housing element affects the locality's policies for growth and residential land uses, a city should review the entire general plan, especially land use provisions, to ensure internal consistency is maintained upon any amendment to the housing element. As mentioned above, this Housing Element includes an Appendix B that identifies housing-related goals, policies, and actions contained in the General Plan. The Housing Element also includes an implementation workplan that links each action for the 2014-23 RHNA cycle to a General Plan housing policy to ensure alignment and internal consistency between the two documents. This Housing Element will also consider additional language to strengthen and further clarify the affordable housing goals contained in the General Plan as part of the Housing Element's implementation workplan.

External Consistency

The City of San José's Housing Element is intended to be consistent with other housing plans and policies, including the City's federal 2015-20 Consolidated Plan/Analysis of Impediments to Fair Housing and its local 2015-20 Housing Investment Plan.

- 2015-20 Consolidated Plan/Analysis of Impediments to Fair Housing: The federal Department of Housing and Urban Development (HUD) requires jurisdictions that receive federal housing and community development funding to develop a Five-Year Consolidated Plan and corresponding annual action plans that identify needs, goals, actions, and funding strategies. The report is called the Consolidated Plan because it includes a comprehensive strategy for multiple federal funding sources, including the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with Aids (HOPWA). While CDBG is a more flexible funding source that allows for investments in a variety of activities such as housing, economic development, and public service, other programs such as ESG and HOPWA are more targeted to specific housing and homelessness prevention activities.

  A key component of the Consolidated Plan is the inclusion of strategies to Affirmatively Further Fair Housing (AFFH) to meet federal fair housing and civil rights laws. The current mechanism to

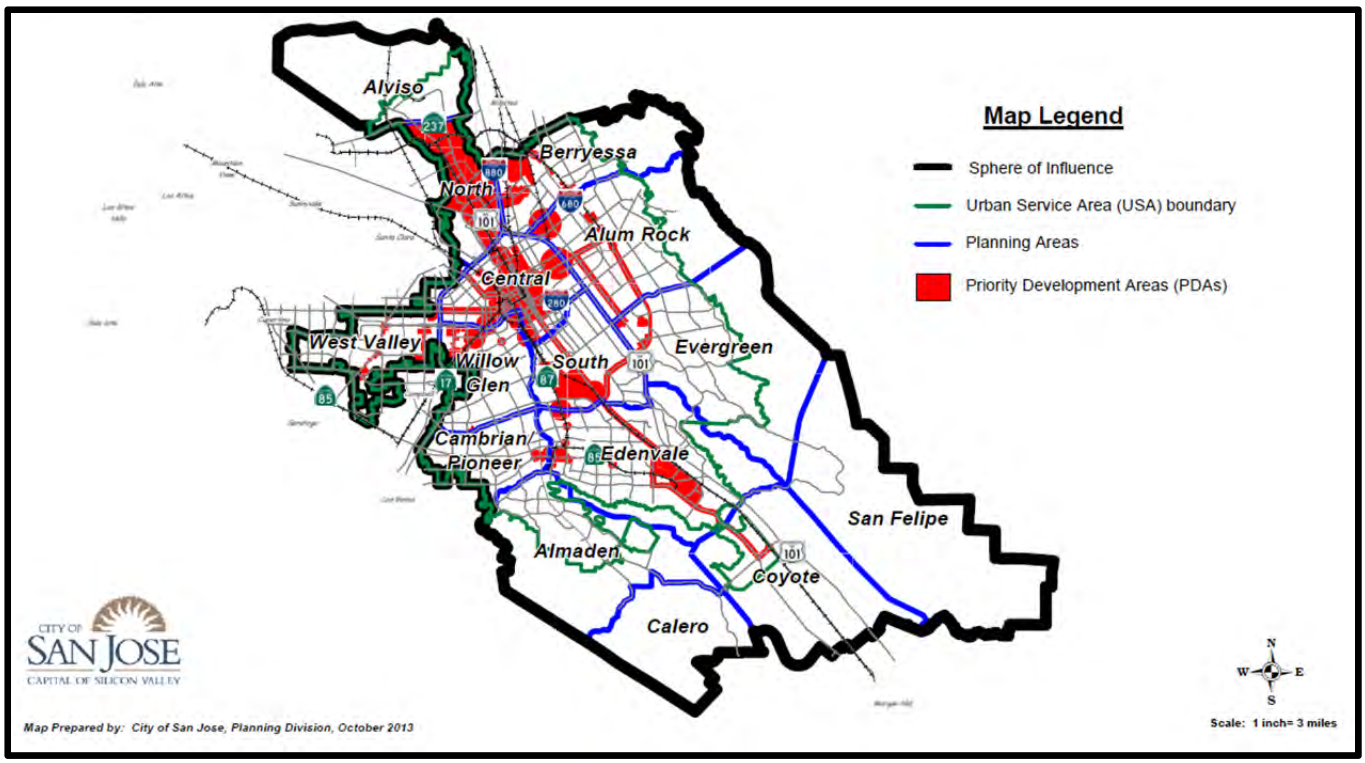
address AFFH requirements is through the Analysis of Impediments to Fair Housing (AI), which identifies barriers preventing individuals, households, and families from accessing housing opportunities and a strategy to mitigate or eliminate those barriers. In the past, this has primarily included issues related to discrimination against protected classes and landlord-tenant issues. HUD is currently in the process of updating its AFFH requirements to include assessment of fair housing issues related to land use planning, equitable development, and gaps in existing infrastructure and systems. Staff is proactively planning for strategies to meet the new fair housing requirements once adopted.

- 2015-20 Housing Investment Plan: San José's Housing Investment Plan (HIP) is a locally-determined plan that aligns local, regional, State, and federal funding sources towards achieving the City's housing and community development goals. As the name suggests, the HIP is an investment plan that comprehensively aligns strategies and all funding sources to meet the full range of housing and community development priorities. Some of the HIP policies and priorities may overlap with those found in the State and federal plans; others may be unique to San José and are locally-determined. Additionally, the alignment of the HIP with the other two plans allows for greater report streamlining.

The City's Housing Element aligns with the goals contained in the General Plan, while also supporting the goals contained in the City's federal and local housing plans for a range of affordable housing opportunities to low- and moderate-income workers, for an effective response to homelessness, for equitable and complete communities, and for sustainable, transit-oriented development.

C. Maps of Key Housing Sites in San José

The Housing Element contains several maps, including one that shows the location of potential housing sites showing the inventory of land suitable for residential development as required by State law. The map directly below is a key to help interpret these various maps by providing an illustration of several geographic boundaries referenced in the document.



Map I-1, Geography of San José, 2013

The thick black line is the San José Sphere of Influence, or the outermost physical extent that the City is expected to serve. The Sphere of Influence is regulated by the Santa Clara County Local Agency Formation Commission (LAFCO) to evaluate the most efficient and effective means of providing public services. San José's Sphere of Influence totals approximately 280 square miles.

The City's Urban Service Area (USA) is shown by the thinner green line. The USA boundary defines the area where services and facilities provided by the City of San José and other public agencies are generally available, and where urban development requiring such services should be located. All residentially-designated lands identified to satisfy the City's RHNA requirement are located within the USA. San José's Urban Service Area totals approximately 140 square miles, or about half the size of the Sphere of Influence. For reference, the City's separate Greenline/Urban Growth Boundary (UGB) (not shown) is largely coterminous with the USA, with the notable exception of Urban Reserves (South Almaden Valley and Coyote Valley) that are not planned for urbanization in the General Plan.

Planning Areas, shown by the blue lines, divide the City's Sphere of Influence into fifteen neighborhood-oriented areas. Planning Areas are particularly useful for data collection purposes because, unlike City Council Districts, they are not subject to periodic change. Planning Areas are frequently cited to provide a convenient summary of geographic patterns and trends. Finally, Priority Development Areas (PDAs), shown in red, are existing neighborhoods near transit nominated by San José and approved by ABAG/MTC as appropriate places to concentrate future growth. These PDAs coincide with growth locations identified through preparation of the General Plan.

D. Data Sources

Governmental Sources

This Housing Element uses a number of governmental data sources to analyze San José's housing needs, including Census data from the 2010 Decennial Census as well as from the annual American Community Survey. Other data sources include those from the U.S. Department of Housing and Urban Development (HUD), the U.S. Bureau of Labor Statistics (BLS), the U.S. Geological Survey (USGS), the Federal Reserve Bank, the California Department of Housing and Community Development (HCD), the Governor's Office of Planning and Research (OPR), the California Department of Finance (DOF), the California Community Care Licensing Division (CCLD), the California Department of Developmental Services (DDS), the California Energy Commission (CEC), the California Employment Development Department (EDD), the Association of Bay Area Governments (ABAG), and the County of Santa Clara.

The City of San José's own internal data sources, include data from the General Plan, the San José Zoning Ordinance (Title 20 of the Municipal Code), the Five-Year 2012-17 Housing Investment Plan, the 2010-15 Consolidated Plan, the 2013 Homeless Census and Survey, the Development Activity Highlights and Five-Year Forecast (2014-2018), and the Vacant Land Inventory. The City also used mapping data through Geographic Information Systems (GIS) datasets, which include information on existing and planned land uses, planning applications and entitlements, and building permits.

Non-Governmental Sources

A variety of non-governmental data sources were also used for this Housing Element, including data from the International Code Council (ICC), the National Housing Conference (NHC), the National Low Income Housing Coalition (NLIHC), the National Employment Law Project, Working Partnership USA, the National Association of Home Builders (NAHB), the Urban Land Institute (ULI), the American Planning Association (APA), Reconnecting America, the California Housing Partnership Corporation (CHPC), the Non-Profit Housing Association of Northern California (NPH), Sacred Heart Community Service (SHCS), the San Francisco Planning and Urban Research Association (SPUR), the Tri-County Division of the California Apartment Association (CAA), the Bay Area Council, Joint Venture Silicon Valley (JVSV), the Silicon Valley Leadership Group (SVLG), the Center for Continuing Study of the California Economy (CCSCE), the Association of Realtors (California and Santa Clara County), Affordable Housing Network of Santa Clara County, Somos Mayfair, Population Reference Bureau, San José Mercury News, Bloomberg News, the Wall Street Journal, Google, RealFacts, Marcus & Millichap, Redfin, MPF Research, Trulia, Dataquick, and Zillow.

E. Public Participation

State law mandates that in preparation of a housing element, a local agency shall "include a diligent effort to achieve public participation of all economic segments of the community" and describe how public input was incorporated (Government Code section 65583(c) (8)). This section provides a detailed summary of San José's outreach efforts, while the manner in which input has been incorporated into the document is described in Chapter VI: Programs. By way of background, the General Plan, which by definition includes this Housing Element, was clearly designed to embody community values and goals through an extensive and meaningful community based planning process. In fact, among the General

Plan's twelve Major Strategies, which strategies are considered fundamental to achievement of the City's Vision, Major Strategy #1 is Community Based Planning.

A broad variety of community engagement activities has enabled the General Plan to both reflect the community's values and priorities and embrace the City's diverse social and cultural fabric. By incorporating community sentiment, the General Plan process built significant public support for the primary direction of the General Plan, improved public perception of the planning process, and, most importantly, resulted in an improved General Plan. The General Plan is a direct expression of community values, identified and developed through an extensive community engagement process, including fifty one (51) Envision Task Force meetings, over one hundred twenty five (125) outreach meetings, and involvement by over five thousand (5,000) community participants. Key decisions in the General Plan process were directly connected to the priorities expressed by Task Force and community members. The following top planning priorities for the City's future were identified by community members:

- Promoting Economic Development
- Ensuring Fiscal Sustainability
- Providing Environmental Leadership
- Building Urban Villages and
- Promoting Transit Use.

In implementation of the General Plan, including the preparation of this Housing Element, San José has remained committed to effectively engaging representatives of all segments of the community. Upon adoption on July 18, 2013 of a Final Regional Housing Need Plan (2014-2022) for the San Francisco Bay Area, the City created a website URL (www.sanJoseca.gov/housingelementupdate) and customized project e-mail address (housingelementupdate@sanJoseca.gov) to share information and invite public feedback about the process. The URL and e-mail address were specifically mentioned during each outreach meeting identified below, and on January 15, 2014 an introductory "e-blast" was sent to a list of more than 3,000 persons and organizations with a demonstrated interest in the topic. The wide distribution of this e-blast was then further extended by subsequent communication from individual City Council District offices to their respective constituents and forwarding by the City Manager's Office to a list of more than 200 community groups. Also, on February 2, 2014, Janice Rombeck, a veteran journalist and former San José Mercury News reporter, posted an article about the project (including the date/time/location of future outreach meetings), at http://www.NeighborWebSJ.com.

The demographics analysis and needs assessment contained in Chapters II and III, respectively, were prepared early in the process and thus appropriately guided and informed the City's public outreach strategy. This strategy included a concerted, multi-phase effort to obtain feedback from a broad spectrum of stakeholders representing different City neighborhoods, various age and race/ethnic group categories, and special interests (e.g., business community, developers, realtors, housing advocates, etc.). Phase 1 outreach describes those informational meetings that occurred prior to public release and submission of the administrative draft Housing Element to HCD on October 6, 2014, while phase 2 outreach are those meetings that more specifically focused on review and comment on this draft document. Consistent with the City's Public Outreach Policy (City Council Policy 6-30), Spanish and Vietnamese translation services were made available as needed, thus encouraging participation by residents with limited English proficiency.

Outreach Meetings (Phase 1)

Who: County of Santa Clara
When: October 21, 2013, 4:00 pm
Where: San José City Hall, Room T-1239

This was an initial, staff-level coordination meeting with Rebecca Garcia, Manager of the County's Office of Affordable Housing and Steve Ross, Planner in the County Planning Office, to discuss the housing element update process, with particular focus on the subject of homelessness and approaches to addressing Senate Bill 2 (SB 2) which pertains to emergency shelters. As later discussed in Chapters III and IV, San José is in full compliance with SB 2, but like the County has taken a more progressive approach towards meeting the special needs of persons requiring emergency shelter, focusing on a "housing first" strategy that combines permanent housing with supportive services. For example, the City has promoted development of transitional first-step housing intended to help homeless and special needs individuals break the cycle of poverty, criminal activity, violence, abuse, and dependence on public assistance. These projects provide a supportive environment where individuals can be involved in the education, personal development, and training that is necessary to thrive independently.

The County of Santa Clara is a key partner in monitoring and addressing local housing issues. In June 2013, when the Board of Supervisors approved the agency's fiscal year 2014 budget, significant monies were allocated to a reserve fund for critical housing programs, including $4 million to the Permanent Supportive Housing Fund that serves the homeless with special needs. On October 22, 2013, immediately following this coordination meeting, the Board then approved an additional $4 million in funding to implement numerous housing-related programs. These programs include the first phase of a Reentry Housing Plan and associated Rental Assistance Program for Three Strikes offenders granted resentencing pursuant to Proposition 36, a Regional Community Re-Integration Initiative, a Custody Health High Users Initiative, and a Homeless Prevention and Emergency Assistance Program. Subsequently, on January 28, 2014, in the County's annual State of the County address, Mike Wasserman, President of the Board of Supervisors, reemphasized that homelessness would continue to be among the agency's top near-term priorities.

Who: Housing and Community Development Commission (HCDC)
When: November 14, 2013, 6:00 pm
Where: San José City Hall, Wing Rooms W-118 & 119

The San José Housing and Community Development Commission (HCDC) is an eleven-member commission that, per the Municipal Code (Chapter 2.08, Part 28), advises the Housing Department and City Council on existing and new housing programs and policies in the City (Note: as of July 1, 2013, the former Housing and Community Development Advisory Commission (HCDAC), Mobilehome Advisory Commission (MAC), and Advisory Commission on Rents (ACR) were combined, with HCDC now charged with the duties and responsibilities of all three former commissions).

Meeting Input: although not a formal Commission action, individual Commissioners recommended outreach to a wide variety of stakeholders, exploring additional protection of mobile home parks as a source of affordable/senior housing, focusing resources on housing for the extremely low income segment of the population, and encouraging "micro" units to enhance affordability.

Twenty six (26) members of the public completed the meeting attendee sign-in sheet, and five (5) persons provided oral testimony, as follows: Crisand Giles, Building Industry Association (BIA); James Zahradka, Law Foundation of Silicon Valley; Martha O'Connell, Chair of the San José Senior Citizens Commission; and two persons speaking on behalf of the Winchester Mobile Home Park community. Topics ranged from a discussion of the State HCD's past and current position on the matter of inclusionary housing, suggested analysis of the impact on housing of the General Plan's "jobs first" policy, encouraging consideration of the unique housing needs of the elderly, and ensuring protection of mobile home parks as a source of affordable/senior housing.

Who: Youth Commission
When: November 25, 2013, 6:30 pm
Where: San José City Hall, Council Chambers

The San José Youth Commission is an eleven-member commission that, per the Municipal Code (Chapter 2.08, Part 48), fosters greater involvement of youth in civic affairs, studies any problems, activities and concerns of youth as they relate to municipal policies, programs or projects, and makes recommendations to the City Council.

Meeting Input: although not a formal Commission action, individual Commissioners emphasized the need for schools, libraries, community centers, and employment centers in close proximity to planned new housing in the City. The Commission also pointed out the importance of housing affordability, and advised that homelessness among teens was a growing concern. Affordability was cited as a factor resulting in more frequent moves by families, which acts to disrupt the schooling of children. Finally, the Commission encouraged sustainable and balanced types of development, suggesting that a community comprised of longer-term owners was likely to have greater stability.

Ten (10) members of the public completed the meeting attendee sign-in sheet; however, no persons chose to provide oral testimony.

Who: Fair Housing Consortium, comprised of the Legal Aid Society (LAS) of Santa Clara County, the Law Foundation of Silicon Valley, the Asian Law Alliance (ALA), and Project Sentinel
When: December 12, 2013, 10:00 am
Where: Legal Aid Society, 480 North First Street, San José

The City of San José funds the Legal Aid Society (LAS) with Community Development Block Grant (CDBG) monies for the provision of fair housing services to landlords and tenants. LAS provides help with evictions, rental repairs, deposits, rental agreements, leases, rental disputes, mortgage delinquency, home purchase counseling, housing discrimination and other housing related issues. Legal Aid staff is responsible for fair housing counseling, conciliation, fair housing education, referrals, investigations and audits. These responsibilities may extend to monitoring of HUD subsidized complexes on a request basis.

Meeting Input: the discussion group, comprised of one or more representatives of each of the above-referenced agencies, as well as others participating on behalf of several of the Law Foundation's five programs, including the Fair Housing Law Project (FHLP), Mental Health Advocacy Project (MHAP), and Public Interest Law Firm (PILF), expressed support for imposition of a housing impact fee to help construct and rehabilitate affordable housing units and the creation of various governmental incentives

to moderate rent increases among housing units otherwise exempted from the City's Rent Stabilization Ordinance. In addition, the group encouraged an evaluation of the process/effectiveness of various other existing housing-related City ordinances, including but not limited to Evictions (Chapter 17.23, Part 6), Mobile Home Park Conversions (Chapter 20.180), and Requests for Reasonable Accommodation (Chapter 20.160) of the San José Municipal Code. It is important to note that San José is in compliance with Federal and State fair housing laws in providing "reasonable accommodation" to persons with disabilities. Specifically, Chapter 20.160 (Requests for Reasonable Accommodation) describes the application process for making a request for reasonable accommodation, whose intent is to accommodate the housing needs of persons with disabilities to the greatest extent feasible and to evaluate individual requests on a case-by-case basis. The entire San José Municipal Code is available to the public on the City of San José webpage.

Who: San José Silicon Valley Chamber of Commerce
When: January 9, 2014, 3:30 pm
Where: Chamber of Commerce, 101 West Santa Clara Street, San José

The San José Silicon Valley Chamber of Commerce is a non-governmental organization of nearly 1,500 dues-paying members that represent approximately 250,000 employees throughout the region. A key component of the Chamber's mission is to represent the interests of business to government. This particular meeting brought together members of the Chamber's Development Review Committee, Public Policy Committee, Today's Young Professionals (TYP) network, and other interested parties.

Meeting Input: the meeting was attended by approximately fifty (50) members, involving active discussion by representatives of each of the groups identified above. Various suggestions for the City to consider included focus on "quality of life" issues (e.g., neighborhood vitality, crime, schools, etc.) to help attract additional investment, boosting the supply of owner-occupied housing to improve affordability and help contain the recent rise in rental costs, addressing the housing issue from a broader regional perspective thereby spreading the costs in imposition of any affordable housing fees/taxes/bonds over a larger area with smaller expense to individual households/businesses, and bringing greater flexibility to the City's secondary unit Zoning Code provisions.

Who: San Francisco Planning and Urban Research Association (SPUR)
When: January 16, 2014, 2:00 pm
Where: 76 South First Street, San José

The San Francisco Planning and Urban Research Association (SPUR) is a member-supported non-profit organization that, through research, education, and advocacy, promotes good planning and good government throughout the Bay Area. The organization began in San Francisco in 1910, opened a San José office in 2012, and released its first San José report, "Getting to Great Places", in December 2013 (http://www.spur.org/publications/spur-report/2013-12-12/getting-great-places). This report succinctly explains the fiscal impacts of land use as follows:

> *"Both jobs and housing generate property and sales taxes, but housing creates much more demand for city services such as schools, parks, health services and waste disposal. A city needs to have a balance of both jobs and housing to bring in enough income to support these vital services. Relative to its Silicon Valley neighbors, San José is*

housing-rich and jobs-poor. It has functioned as a bedroom community for nearby job centers, creating a fiscal imbalance in which revenues do not keep pace with the demand for city services."

Meeting Input: this meeting was with Leah Toeniskoetter and Sarah Karlinsky, SPUR San José's Director and Deputy Director, respectively, and focused on the balance between jobs and housing and the challenges and opportunities in creation of Urban Villages. The Getting to Great Places report contains a dozen recommendations for implementation of the General Plan, and suggests that "attempts to promote a balance between jobs and housing do not in themselves present urban design problems. Housing, employment, retail and public facilities are all essential to complete urban communities, and although a diverse mixture is desirable, each of these uses may predominate in well- or poorly designed areas."

Who: Senior Citizens Commission
When: January 22, 2014, 10:30 am
Where: San José City Hall, Room T-955

The San José Senior Citizens Commission is an eleven-member commission that, per the Municipal Code (Chapter 2.08, Part 42), studies, reviews, evaluates and makes recommendations to the City Council related to any and all matters affecting elderly people in the City, including health, education, employment, housing, transportation and recreation. This meeting was with the seven-member Housing and Human Services Subcommittee of the Senior Citizens Commission, which membership includes both the Chair and former Chair of the full Commission.

Meeting Input: the meeting was attended by several members of the public. Following the staff presentation, the Subcommittee identified three critical senior housing issues and passed a motion to prepare a letter to the City Council articulating their concerns. These housing issues are: (1) displacement; (2) gentrification; and (3) preservation of low income supply. Written materials were distributed that included an HCD memo entitled, "The State of Housing in California 2009: Supply and Affordability Problems Remain" and a 2004 report called, "Preparing for the Aging Baby Boomers" from the California Strategic Plan on Aging Advisory Committee. The cover page of the HCD memo reads as follows:

"Over the next decade, the greatest population growth is projected for residents aged 55 and over. This trend is significant because older Californians have the highest housing demand per 1,000 people—the result of divorces, separations and deaths. Baby boomers are projected to dominate changes in the housing market until at least 2030. A rapid increase in one-person and older households is likely to continue for the next several decades—driving the need for more housing and different housing products."

As well, the State's Assisted Living Waiver Program (ALWP) was cited as a potential future source of affordable housing for seniors in San José. Unfortunately, the ALWP is not currently available within Santa Clara County, and only offered in select counties within the Central Valley and Southern California. In short, the ALWP provides financial assistance to eligible Medi-Cal beneficiaries residing in skilled nursing facilities, enrolling them into licensed Residential Care Facilities for the Elderly (RCFEs) and Public Subsidized Housing (PSH), thereby allowing them to remain in a community.

Who: Downtown Planning Area Neighborhoods
When: January 22, 2014, 6:00 pm
Where: Roosevelt Community Center, 901 East Santa Clara Street, San José

This was the first of several neighborhood meetings, with discussion in this meeting focused on housing issues particular to the Downtown area. The meeting was attended by a handful of local residents, all of whom had lived in Downtown for several decades and some their entire lives. Thus, these participants had unique and valuable perspectives on change they have witnessed in local housing issues over time.

Meeting Input: among the housing issues identified by participants were increased homelessness, the gradual loss of transitional housing opportunities, and the potential for increased use of Single Room Occupancy (SRO) facilities, secondary units, and "micro" units to help address affordability. On the homelessness issue, the group emphasized the ineffective nature of periodic creek clean-ups, which merely temporarily displace homeless encampments that are quickly reestablished. As well, new San José Public Library/San José State University visitor guidelines on allowable personal belongings at the Martin Luther King, Jr. and other library facilities (http://www.sjpl.org/policies-procedures/visitor-guidelines-personal-belongings) was cited as having potential to worsen the Downtown homelessness situation. In essence, to promote safe access for all library patrons, large or oversize items (e.g., bedrolls, duffle bags, large suitcases, etc.) are generally not allowed.

Who: Citywide Orientation
When: January 28, 2014, 6:00 pm
Where: San José City Hall, Wing Rooms W-118 & 119

Similar to the prior outreach meeting at Roosevelt Community Center, this "citywide orientation" hosted at City Hall was intended to familiarize participants with the housing element update process and, given the meeting location, focused attention on housing issues particular to the Downtown area. The meeting was attended by ten (10) members of the public and included active participation by virtually everyone present.

Meeting Input: questions and comments were primarily focused on the housing needs of persons in younger and older age groups. One attendee from the Bill Wilson Center, which each year serves more than 10,000 clients in Santa Clara County and has been providing support to runaway and homeless children since 1973, expressed concern for the ongoing housing needs of youth that have "aged out" of foster care and transitional housing programs. Regarding homelessness, the City was asked to include community members from the surrounding neighborhood when developing a response. Another attendee asked about the financial impact of rapid rent increases on senior citizens living on fixed income, and the potential expansion of rent control to enhance affordability. Another attendee provided both oral and written comments (via distributed comment cards) that San José "needs adequate parks, police, and other services. Housing needs to not have fees waived, everyone needs to pay for services," and also expressed concern about density increases in the Spartan Keyes neighborhood. Another attendee stated that funding for affordable housing should not come from sales taxes because of their regressive nature. Yet another attendee emphasized the need to identify funding sources to help pay infrastructure costs associated with implementation of the City's Urban Village plans.

Who: Edenvale Planning Area Neighborhoods
When: January 29, 2014, 6:00 pm

Where: Southside Community and Senior Center, 5585 Cottle Road, San José

This was the second of several neighborhood meetings, with discussion focused on housing issues both citywide and particular to the Edenvale area. The meeting was attended by a handful of local residents.

Meeting Input: one attendee, a relatively new resident of the Bay Area and actively involved with Sacred Heart Community Service (SHCS), a non-profit Community Action Agency that currently helps more than 200 Santa Clara County families each month with financial assistance to prevent them from becoming homeless, commented that the region is at risk of being competitively "priced out" due to high housing costs. These costs are detrimental to residents' quality of life and the ability for multiple generations to maintain close ties in establishing separate, affordable living arrangements in the area. Another attendee stated that impact fees imposed on developers were not the solution to affordable housing as these fees would simply be passed on to consumers and result in even higher costs. Another attendee suggested that the City "ask more of developers" (and that now is an opportune time given strength in the housing market). In exchange, the City could streamline review processing time, for example. Other comments concerned the walkability and connectivity of the Hitachi/iStar area, urging construction of a pedestrian overcrossing and reopening of the old IBM tunnel under Highway 85 to provide a connection to various public amenities (e.g., hospital, library, farmers market, etc.) in the adjacent neighborhood to the south. Similarly, another attendee cited the need to incorporate specific design features, such as benches, small green spaces, and shade elements, to ensure that walkability meets the unique needs of the senior population.

Who: Alum Rock Planning Area Neighborhoods
When: February 6, 2014, 6:00 pm
Where: Mayfair Community Center, 2039 Kammerer Avenue, San José

This was the third of several neighborhood meetings, with discussion focused on housing issues both citywide and particular to the Alum Rock and other areas. The meeting was attended by thirteen (13) residents of the neighborhood and elsewhere, including the Winchester area of San José. Language translation services were requested and provided to several meeting attendees.

Meeting Input: one attendee supported imposition of a housing impact fee to help address affordable housing and homelessness issues, and another suggested that an insufficient supply of affordable housing is evidenced by extensive wait lists/times for Section 8 voucher recipients to find subsidized housing. One attendee asked about plans for housing the disabled, which are an identified "special housing needs group" in State law, and another wondered if the City was seeking to promote housing types attractive to single, driving industry workers. Another attendee inquired about the State's RHNA methodology as it pertains to demolition or displacement of existing housing (i.e., whether unit production is counted on a gross or net basis). As relates to the City's efforts to prepare an Urban Village Plan for Valley Fair/Santana Row and Vicinity, several representatives from the Winchester Orchard Neighborhood Association sought to ensure they have a voice in future decisions about revitalization efforts, expressing concern about the potential loss of affordable housing at the Winchester Mobile Home Park and more generally lamenting traffic congestion and the substitution of former neighborhood retail (e.g., bookstore) by more expensive offerings at Santana Row.

Who: Willow Glen Planning Area Neighborhoods
When: February 10, 2014, 6:00 pm

Where: Willow Glen Community Center, 2175 Lincoln Avenue, San José

This was the fourth of several neighborhood meetings, with discussion focused on housing issues both citywide and particular to the Willow Glen and other areas. The meeting was attended by twenty four (24) residents of the neighborhood and elsewhere, including the Winchester area of San José.

Meeting Input: numerous attendees provided oral comments, and seven written comment cards were also completed and submitted. Discussion emphasized preservation of the existing housing stock, including but not limited to mobile homes, senior housing needs, homelessness, various Urban village planning concerns, and traffic/transit issues. As to mobile homes, one attendee suggested the need to declare a moratorium on mobile home park conversions and another pointed out that the City's rent stabilization ordinance has not been effective in containing a steady rise in costs (e.g., one mobile home resident pointed to a rise of 48% in 15 years, to what is now "equivalent to what many people pay for mortgages for a single family home").

As to senior housing needs, multiple comment cards indicated that an ability to "age in place" will require home retrofits and repairs, such as wheelchair ramps/lifts, grab bars, stair replacement, and proper lighting, along with maintenance and repair of heating, electrical, and plumbing systems, hot water heaters, roofing, etc. One attendee asked about opportunities for a neighborhood stabilization program to provide retrofit/repair services for properties that have been subject to foreclosure. Another attendee expressed concern about the trend towards rental housing construction, and the lack of upkeep that can be associated with rental properties. Similarly, a representative of the American Red Cross indicated that structures that are aging and/or subject to neglect are more prone to fire ("we respond to an average of three single-family house or apartment fires per week"), and that local caseworkers are routinely asked to assist in finding interim or replacement housing for low-income clients.

As relates to Urban Village planning and traffic/transit issues, several attendees expressed concern about congestion resulting from land use intensification and multi-modal roadway improvements, citing the area around Valley Fair/Santana Row as an example. One attendee referenced the City's approach to considering an intersection "built out" and no longer requiring mitigation, but that mitigation measures are in fact still necessary. Another attendee asked if there had been any studies on transit ridership by residents in the vicinity of new, higher density development, and emphasized the importance of inter-agency coordination in achieving intended goals. In general, the existing transit system was criticized for being ineffective in serving people's needs. Another attendee expressed the need for a City policy to incorporate affordable housing into Urban Village plans, with another attendee citing The Alameda as an example of where the housing supply includes a good mix of incomes.

Who: Santa Clara County Housing Action Coalition
When: February 14, 2014, 11:00 am
Where: Santa Clara Central Park Library, 2635 Homestead Road, Santa Clara

The Santa Clara County Housing Action Coalition (HAC) is a broad coalition of organizations founded in 1993. It was established in response to the need for a positive voice for smart residential development that supports investment in infrastructure, places people close to jobs and services, and alleviates pressure to sprawl. It has served as a model for other communities (e.g., Housing Leadership Council of

San Mateo, San Francisco Housing Action Coalition, etc.), and is a unique organization where disparate groups—labor, environmentalists, business and builders—unite under a focused agenda.

Meeting Input: the meeting included a guest panel presentation and discussion on the status of the housing element update process with staff from various local agencies, including the cities of San José, Sunnyvale, Mountain View, Santa Clara, Milpitas, and Los Gatos. As well, about forty (40) HAC members and staff from the County of Santa Clara were present to engage in a subsequent question and answer session. Questions included how housing advocacy groups can be most helpful in the process, and what key policies/programs cities have found the most and least effective from the previous cycle. Advocates were encouraged to directly participate in local update processes through attendance of outreach meetings, and to actively educate a wide variety of constituents, including State legislators, school boards, and parent-teacher associations. As relates to involvement by school administrators, there was discussion regarding a disconnect between planning for housing and schools, as school overcrowding is a growing concern in areas of population growth. Among the challenges, several cities referenced the dissolution of redevelopment agencies and a lack of State housing funds as preventing more aggressive solutions to an affordable housing problem that is shared throughout the South Bay. One attendee pointed out that the affordable housing gap has grown in recent years, as Silicon Valley has been an engine for job growth but without a commensurate increase in housing. Another attendee indicated that ABAG's Priority Development Areas (PDAs) would result in "systematic gentrification" of neighborhoods by funneling growth and resources into these relatively small geographic areas. The topic of regionalism came up several times as panelists and participants discussed how cities in Santa Clara County could potentially work together to pool affordable housing resources.

Who: Santa Clara County Association of Realtors
When: February 19, 2014, 10:00 am
Where: 1651 North First Street, San José

The Santa Clara County Association of Realtors (SCCAOR) is a local members-only organization that provides education, research, and leadership for licensed real estate brokers and agents operating under a strict code of ethics developed by the National Association of Realtors. This particular meeting was with the Local Government Relations (LGR) Committee of the SCCAOR.

Meeting Input: the meeting was attended by approximately twenty (20) members, and involved active discussion with numerous attendees. One attendee emphasized the need for innovative, "out of the box" thinking to address the housing issue, including the potential use of idle public lands for housing and soliciting interest from non-profit organizations (e.g., churches) for more intense development of these land holdings. Several attendees expressed sentiments to the effect that "homeownership is not a right, but a privilege" and that the only viable solution to improved housing affordability is increased supply. Several attendees indicated that international housing markets (e.g., Asia, Europe, etc.) can provide guidance on ways to improve our local housing supply and to effectively plan Urban Villages, including higher densities, smaller living spaces ("micro" units), and shared housekeeping facilities. Similarly, one attendee suggested that live/work arrangements had potential to meet the needs of some younger persons, and another attendee said greater diversity of housing types was needed to prepare for anticipated future demographic shifts (esp. growth in the senior and young adult populations). Another attendee emphasized the need for relaxation of regulations on secondary units, and yet another attendee cautioned that the City "should not tax what it wants to build." On this point, it was argued that higher densities require costly steel construction, and that developers must be incentivized to build at

densities of eight stories or more to help overcome cost hurdles. Finally, it was suggested that the City's dual efforts to both improve housing affordability and improve the jobs-housing ratio (by prioritizing employment) were in fundamental conflict with one another.

Who: Berryessa Planning Area Neighborhoods
When: February 20, 2014, 6:00 pm
Where: Berryessa Community Center, 3050 Berryessa Road, San José

This was the fifth of several neighborhood meetings, with discussion focused on housing issues both citywide and particular to the Berryessa and other areas. The meeting was attended by five (5) residents of the neighborhood and elsewhere, including the Alum Rock area of San José.

Meeting Input: all attendees provided oral comments, and two written comment cards were also completed and submitted. One attendee from Rebuilding Together, a community non-profit whose vision is "a safe and healthy home for every person" and which has a network of 200 chapters nationwide including Rebuilding Together Silicon Valley (RTSV) located in San José, stated that some money "should be allocated to programs that do repairs and modifications to help keep the elderly and disabled in their homes." As for new homes, the importance of "universal design" was emphasized so as to allow aging in place without need for expensive retrofits. Concerns were also expressed about the need for preservation of the City's mobile home stock as affordable housing for seniors and other low-income persons. The point was made that many longtime residents are "housing rich, income poor" such that mobility is oftentimes limited due to cost implications. Another attendee emphasized that housing growth should be coupled with transportation improvements, citing the Evergreen area as an example where the infrastructure is insufficient to accommodate what growth has occurred in recent decades. As well, the same attendee worried that the Berryessa BART station area was poorly served by transit, and that traffic impacts resulting from people using cars to get to and from the station could be a problem. As relates to the future Alum Rock BART station area, the attendee emphasized the need for preservation of the Church of the Five Wounds historic landmark building.

Who: West Valley Planning Area Neighborhoods
When: February 25, 2014, 6:00 pm
Where: Calabazas Library, 1230 South Blaney Avenue, San José

This was the sixth of several neighborhood meetings, with discussion focused on housing issues both citywide and particular to the West Valley and other areas. The meeting was attended by fifteen (15) residents of the neighborhood and elsewhere, including the Winchester area of San José.

Meeting Input: numerous attendees provided oral comments, three written comment cards were completed and submitted, and one attendee from the Affordable Housing Network of Santa Clara County submitted a half-page document outlining six "principles for ending Silicon Valley homelessness and affordable housing crisis." In discussion of the homelessness issue, attendees inquired about a tentative proposal reported in local media and considered by the City Council's Community and Economic Development Committee (CEDC) the prior day for use of underutilized hotels/motels to house the homeless (for reference, see http://www.sanJoséca.gov/DocumentCenter/View/27031). In essence, a master-leasing program is proposed to provide qualified non-profits with grants for the leasing of multiple rooms from a hotel/motel owner and then sublease to homeless persons. One attendee asked why Single Room Occupancy (SRO) facilities weren't more common, and also whether places like the

former Agnews Developmental Center could be used as dormitories. An attendee with Solari Enterprises, a full service property management organization specializing in multi-family affordable housing, inquired about the status of Low-Income Housing Tax Credits (LIHTC). Another attendee expressed concern that major employers were not participating in a solution to the local housing shortage. As an example, the attendee cited Apple's new 2.82 million square foot "Campus 2" project, approved by the Cupertino City Council in October 2013, which according to the attendee generates a 6,000-unit housing supply shortfall in the area. Another attendee was interested to know if the Urban Village boundary/plan for Santana Row/Valley Fair and Vicinity could be changed to exclude the Winchester Ranch Mobile Home Park, and if the Housing Element would evaluate household income and housing affordability issues among seniors.

F. Outreach Meetings (Phase 2)

Who: Affordable Housing Developer and Lender Focus Group
When: June 18, 2014
Where: San José City Hall, Room T133

City staff invited Affordable Housing Developers and lenders who have been involved in recent projects in San José to share their ideas and concerns.

Meeting Input: this meeting was attended by three representatives from EAH, Abode Services and the Santa Clara County Housing Authority. Meeting participants stated that new State funding from Cap and Trade and Proposition 41 will be helpful but a local source such as the housing impact fee would be needed. Participants asked that the City be clearer about what it values and how it will allocate resources for affordable housing development. One participant acknowledged that targeting resources to extremely low income and homeless people makes sense when resources are scarce because these groups are the neediest, but also noted that funds go further when subsidies are shallower for developments targeting 50-60% AMI. Participants indicated that subsidies are currently negotiated on a project by project basis which makes spending money on predevelopment costs difficult if development subsidies are uncertain. The City of Fremont was commended for clearly communicating its values by setting rates for different income level targeting.

One participant noted that developments of 100 or more units achieved economies of scale, and were less costly than seeking tax credit funding for smaller scattered site developments.
Participants suggested looking into using California Tax Credit Allocation Committee (TCAC) provisions to submit a single application for several scattered sites within a certain radius.

For microunits, State TCAC unit size minimums may need to be changed because all bathrooms must be built to larger ADA specifications adding to the cost of the development. Dan Woo at Charities Housing was identified as being very knowledgeable about microunits and as a resource. Another issue relates to State TCAC requirements that 30% of assisted units be three bedrooms for large families. Developers noted that demand for such units is less in urban areas, and developers have trouble renting large units in San José although they are required to build them.

For mixed use Urban Villages, participants noted that ground floor retail is a burden for affordable housing developers. One possible solution is to master lease the groundfloor space to the City at 50% of

market rate for municipal offices, libraries, or community centers. This allows the developer to underwrite the space and places the responsibility for leasing on the City.

Who: Planning Commission Hearing #1A
When: August 27, 2014
Where: San José City Hall, Council Chambers

City staff presented at the first of two Planning Commission meetings during this Phase 2 of community outreach. The purpose of this first presentation was to provide the Commission and the public a high-level overview of the legal requirements and purpose of the Housing Element, the analytical and content requirements, the context of housing needs, a review of the update process to-date, and next steps. Staff returns to the Planning Commission on September 10, 2014 to provide a summary of the public input received, the implementation workplan as a response to identified needs, and the adequate sites inventory.

Who: Citywide Community Meeting #1
When: September 3, 2014 (Scheduled)
Where: San José City Hall, Room Tower 332

City staff presented an overview of the Housing Element Update process to date. Staff discussed the draft housing element, the implementation workplan, the site inventory, and fielded questions.

Meeting Input: One participant asked how to make meaningful corrections to the draft, another called for the dispersion of affordable units throughout the City. Another participant asked if staff had "ground truthed" the affordable sites in the adequate sites inventory to see if they were viable for low income housing tax credits. Another attendee asked how the City might incentivize single room occupancy (SRO) development. Some attendees expressed support for the Housing Impact Fee and the need for more ordinary citizens to get involved in the issue. A representative from the Law Foundation of Silicon Valley expressed the need to revisit Just Cause Evictions and to expand rent control. Another participant asked why property owners are allowed to raise rents as much as they want when proposition 13 does not permit raising property taxes to reflect market value rents.

Who: Citywide Community Meeting #2
When: September 6, 2014 (Scheduled)
Where: San José City Hall, Room Tower 332

City staff presented an overview of the Housing Element Update process to date. Staff discussed the draft housing element, the implementation workplan, the site inventory, and fielded questions.

Meeting Input: Attendees at this meeting were concerned about the preservation of mobile homes, the displacement of affordable non-deed restricted housing, and older apartments under rent control such as Dudley Apartments, one participant called for a commitment to inclusionary housing and to ensure there is an affordable housing component in all of the urban villages.

Who: Planning Commission Hearing #1

When: August 27, 2014
Where: San José City Hall, Council Chamber

Staff presented an overview of the Housing Element process to the Planning Commission at a public hearing that covered the legal requirements and purpose of the Housing Element, the analytical and content requirements, the context of housing needs, a review of the update process to-date, and next steps.

Meeting Input: The presentation was followed by Planning Commission discussion and public comment, which addressed the State requirements for the City's Housing Element, and the number of units by income category that are assigned to the City through the RHNA process. The Commissioners and one public speaker focused their comments on the percentage of affordable housing units assigned to the City, noting the large number of units allocated for Extremely Low Income (ELI) and Very Low Income (VLI) households. The Planning Commission then voted to continue the discussion of the Housing Element item to the Planning Commission hearing scheduled for September10, 2014.

Who: Planning Commission Hearing #2~~1B~~
When: September 10, 2014 ~~(Scheduled)~~
Where: San José City Hall, Council Chambers

Staff summarized public input, the Draft Housing Element's Implementation Work Plan as a response to identified needs, and the Adequate Sites Inventory.

Meeting Input: Diane Castillo, representing the Law Foundation of Silicon Valley, recommended strategies to include in the Housing Element including those to support the preservation of existing affordable housing, to facilitate new affordable housing, and to protect renters in the City. Chair Kamkar asked clarifying questions on rent control provisions in the City. Staff summarized the City's two sets of rent control regulations: one for apartments built through 1979; and one for mobilehome parks. The Chair then suggested that the City work with the Silicon Valley Leadership Group to incentivize Silicon Valley's high technology companies to provide funding to address the Valley's affordable housing needs.

Commissioner Abelite read his comments on the Draft Housing Element into the record (see attachment). He concluded that affordable housing fees will not meet their intended purpose and will have an opposite effect, noting that housing prices should be based on supply and demand [Planning staff notes that the Housing Element is not dependent and does not impose affordable housing fees. They are merely mentioned briefly as one of the tools that the Council may consider].

Commissioner Yob stated that the Housing Element should not penalize one segment of the community for problems that affect the whole. In particular, she mentioned concerns that some items in the Implementation Plan would be "involuntary" measures, such as a proposed housing impact fee, as well as possible revisions to the mobilehome park conversion and condominium conversion regulations, which could burden owners and developers. She expressed a preference for "voluntary" measures such as motel conversions and secondary units.

Commissioner Bit Badal observed that if there had not been a Redevelopment Agency previously, that there would be no affordable housing in the City, and she stated that she supports fees to subsidize affordable units. She said the best communities are the most diverse and that technology jobs need to be supported by service jobs. She cited the Diridon Station Area Plan as a good example of a plan that supports affordable housing, and said the City should plan housing for senior citizens because they are the fastest growing population.

Commissioner Kline cautioned that laws that "feel good" such as inclusionary zoning need to be crafted to not do any harm. He stated support for the Housing Element, but noted that the City's inclusionary zoning law still needs work, and that the best solutions are affordable by design.

Who: Housing and Community Development Commission #2
When: September 11, 2014 ~~(Scheduled)~~
Where: San José City Hall, Wing Rooms 118 &119

Staff provided an overview of the Housing Element Update process to date and briefly explained the adequate sites inventory, the implementation workplan and next steps.

Meeting Input: Commissioners were concerned about the timeline of the public process and were interested in spending more time discussing the Housing Element and related issues. Several members of the public were concerned about the workplan language relating to mobile home parks and called for stronger protections claiming it is a false choice between housing and jobs. One attendee asked for a workplan to protect mobile homes, another speaker questioned if the opportunity sites were feasible for low income housing tax credits.

Commissioner Graves made the motion to agendize a possible recommendation on the Housing Element for the October HCDC meeting. The motion was seconded by Chair O'Connell. Commissioner Graves amended his motion for the meeting to include an explanation of the action taken by City Council regarding the Mobilehome Conversion.

Who: City Council Hearing #1
When: September 23, 2014 (Scheduled)
Where: San José City Hall, Council Chambers

City staff presented an overview of the housing element update process, demographic trends, needs assessment, constraints, resources, preservation and equitable development, resources for affordable housing, the adequate sites inventory, a high level summary of public input to date, the implementation work plan, and next steps.

Meeting Input (Public Comments): Several speakers expressed concern about language in Chapter 5 page 12 relating to the balancing versus the protection of mobile homes with development opportunities stating that the goal was inconsistent with several general plan policies relating to inclusive housing. Another attendee noted that mobile home parks were not just for seniors, they were also for young families too. Another attendee spoke in support of mobile home park land owners and developers noting that redevelopment was consistent with several General Plan goals including the creation of higher density development in growth areas and that policy should not be one size fits all. Another speaker noted that low income housing tax credits favor sites near

transit and other amenities and some sites in the draft site inventory are too small and are outside of Urban Village areas. A few speakers were supportive of a housing impact fee to support the creation of more low income housing. One attendee spoke about living in a homeless encampment and the need for more alternatives. A representative from the Law Foundation of Silicon Valley noted the 20 page letter they had submitted (see appendix F) stating that San José can do more to address the housing crisis. Another speaker noted that there are too many jobs in Silicon Valley and not enough homes, and called for steps toward a regional revenue strategy, stronger rent control, and action to end discrimination against Section 8 voucher holders. Another speaker spoke about the lack of access to credit and the need for low cost loans and down payment assistance programs.

Meeting Input (City Council): Mayor Reed noted the importance of being clear on the importance of the General Plan 2040 as a long-term plan to achieve San José's economic development and fiscal stability objectives. Mayor Reed requested that staff add more background on the General Plan update process, bolster the discussion about jobs to employed residents goals, compare RHNA allocations for all cities in Santa Clara County, discuss the need for regional housing solutions, and provide examples of jobs and housing being created simultaneously. The Mayor suggested staff include discussion of North San Jose housing capacity and asked for a more robust discussion of the homelessness response that the City has undertaken.

Councilmember Rocha asked how the council could provide more detailed comments while sticking to the timeline proposed by staff.

Councilmember Liccardo was supportive of strengthening the language related to mobile home preservation and asked why the urban village capacity included West Carlos rather than Five Wounds where BRT and BART infrastructure is now under construction. Mr. Liccardo asked for consideration of Urban Villages where infrastructure is further along.

Councilmember Kalra expressed support for protection of mobile home parks and noted that other cities in the region are not helping to solve the affordable housing problem. He encouraged advocates to put pressure on other cities, not just San José, however San José should still act. Mr. Kalra strongly encouraged the council to hold to the November 18 date for adopting the housing impact fee stating that delay is no longer an option, too many people are suffering.

Councilmember Herrera stressed the need to continue the City's jobs first focus. She noted the importance of protecting employment lands and also for the preservation of the existing stock of affordable housing.

Councilmember Oliverio noted that cities like Los Gatos were encountering difficulties in getting affordable housing built. Mr. Oliverio asked which Cities in Santa Clara County were actually meeting their RHNA goals and asked staff on the status of Urban Village financing plans. Mr. Oliverio opposed the housing impact fee stating that it would limit future opportunities.

Councilmember Khamis was supportive of building housing near transit but noted concern with the housing impact fee and noted that government was inefficient at building housing. Mr. Khamis asked how the City could incentivize private developers to build more housing.

Councilmember Constant noted concerns about the timeline with regard to public input on staff edits to the draft.

The Council passed a motion directing staff to revise the draft. The item will be continued at the next council meeting on September 30, 2014.

Who: Airport Land Use Commission (ALUC) Meeting #1
When: September 24, 2014
Where: Santa Clara County Government Center, Room 157

Meeting Input: County Planner Mark Connolly presented an overview of the housing element update and recommended that the commission find the housing element general plan amendment consistent with the policies contained within the San Jose International Airport and the Reid Hillview Airport Compatible Land Use Plan (CLUP). The commission passed a motion finding the amendment consistent with the CLUP.

Who: City Council Hearing #2
When: September 30, 2014 (Scheduled)
Where: San José City Hall, Council Chambers

Who: Planning Commission Hearing #3~~2~~
When: December 3, 2014 (Tentative)
Where: San José City Hall, Council Chambers

Who: City Council Hearing #2
When: December 9, 2014 (Tentative)
Where: San José City Hall, Council Chambers

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Chapter II: Demographics

At just over one million residents, the City of San José is the tenth largest city in the nation, the third largest in California, and the largest in the San Francisco Bay Area region. As a big city, San José possesses a set of urban characteristics, opportunities, challenges, and responsibilities that make it unique relative to its smaller neighboring cities. San José has many important institutions and is the most transit-connected city in the South Bay Area, with significant investments planned for additional transit infrastructure and vibrant, urban communities. As a city that has regionally important employment centers in the South Bay, San José is composed of many high tech, manufacturing, and service jobs. Yet, San José remains the bedroom community for the region, providing a disproportionate supply of housing opportunities for the workforce who is employed in smaller and wealthier neighboring cities.

Additionally, San José is one of the most socioeconomically and ethnically diverse cities of any size, with Whites, Hispanics, and Asians each comprising approximately one third of the City's total population. Further, like most cities across the region and nation, San José's population is aging, with the largest population growth in the elderly/senior age group (persons age 65+ years), and will therefore have increased need for senior housing solutions. At the same time, "young adults" (persons age 20-35 years) will comprise the age group with the second largest projected growth in San José over the next 25 years, and they increasingly seek vibrant, walkable, urban places to live, work, and play. This trend towards urban, amenities-rich locations is increasingly driving the location preferences of employees and employers, as well as families and households. This Housing Element seeks to account for these diverse needs in its implementation program (see Chapter VI).

A. Population Growth

This chapter provides a discussion of San José's demographic and socioeconomic characteristics in order to provide the analytic basis for identifying the City's housing needs and for meeting the requirements of housing element law, including "promoting housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability" (Government Code section 65583(c)(5)); preparing "an analysis of population and employment trends, analysis and documentation of household characteristics, housing characteristics, including overcrowding, and housing stock condition"; and analyzing "special housing needs" such as with the elderly, disabled, and those requiring emergency shelter (Government Code section 65583(a)). This chapter also provides a useful historical context of San José that shows its past and present trajectory of growth in order to improve our ability to understand and plan for the future.

Census 2010 placed the City's population figure at just under one million (945,942 persons), ranking it the third largest city in California and the tenth largest city in the nation. Population growth over the 2000-2010 time period amounted to over 50,000 persons, or a total growth rate of roughly 6%. However, although the rate of change slowed with subsequent decades, the absolute population growth remained meaningful, adding well over 100,000 residents every ten years until the decade between 2000 and 2010.[3]

POPULATION GROWTH: 1960-2010

Year	Number of Persons	Absolute Change	Percent Change	Average Annual Growth Rate
1960	204,196	---	---	---
1970	459,913	255,717	125.2%	12.5%
1980	629,442	169,529	36.9%	3.7%
1990	782,248	152,806	24.3%	2.4%
2000	894,943	112,695	14.4%	1.4%
2010	945,942	50,999	5.7%	0.6%

Source: U.S. Census Bureau

Table II-1, Population Growth, 1960-2010

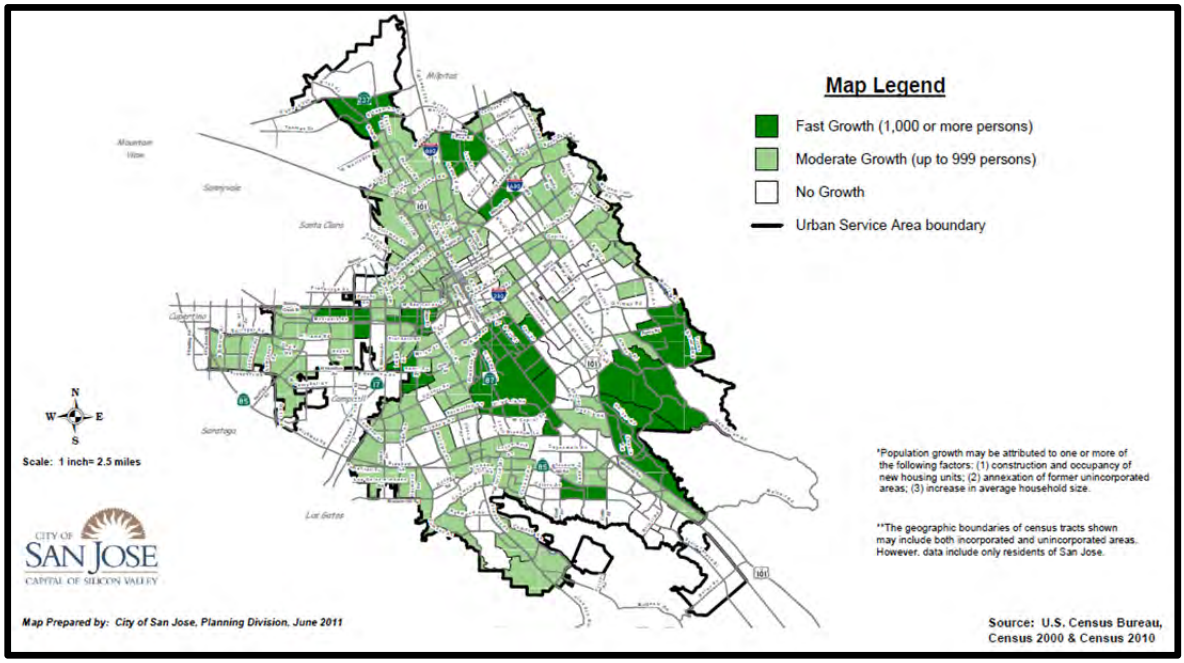
The slower rate of population growth during the 2000's is in part explained by its large population base: it is simply more difficult for large cities to sustain high growth rates. However, San José also lost population during the economic recessions of 2001 and 2008 as employment declined. Although Silicon Valley experienced a higher unemployment rate than the State unemployment rate during the 2008 recession, its subsequent economic recovery was also stronger overall than the rest of California. This recovery has helped San José resume its population growth, bringing the city to over one million residents.

In terms of population growth, the City of San José included projections of population and household growth during the development of *the* General Plan. The study identified three major demographic trends likely to shape San José's population change until 2040: 1) the largest population increases will occur in the 20-34 and 65+ (baby boomers) age groups; 2) baby boomers will affect the outlook for job growth; 3) San José will become increasingly diverse as a result of new immigrants but primarily from the children and grandchildren of recent immigrants. From these assumptions, the study projects that from 2008-2040 San José would add 173,000 net new households through the increase of 471,000 net new residents. As will be discussed in further detail later in the Housing Element, the General Plan includes residential capacity for 120,000 additional housing units. This is less than the 173,000 new units needed for the new households, based on the City's goal to achieve a 1.3:1 jobs-to-employed resident ratio by accelerating employment growth and metering future housing supply. However, it should be noted that the General Plan analyzed and cleared housing capacity through 2035; therefore, additional housing capacity beyond 2035 would need to be analyzed and environmentally cleared prior to the end of 2035.

[3] In the 1950's, San José's then-City Manager Dutch Hamann initiated an aggressive growth strategy that included the rapid annexation of land. As a result, between 1950 and 1965, the City grew its land area from less than 20 square miles to over 100 square miles—a fivefold increase in just 15 years. San José's population also grew significantly during this time, more than doubling in size from 1960 to 1970. Since the 1970's, the population of the City of San José has grown at a much more moderate pace.

Neighborhood-Level Population Change

At the neighborhood level, recent population growth in the 2000's was not evenly spread throughout the City. Some neighborhoods experienced relatively "fast" growth (identified in the map below by the dark green census tracts), while others saw no growth at all. In neighborhoods where growth did occur, different factors were at play, including the construction and occupancy of new homes (North and South areas), the annexation of former unincorporated lands (West Valley, Central, and Willow Glen areas), and changes in average household size (Evergreen area). As can be seen, San José's past growth occurred largely at the City's edges and away from the Downtown, making it more costly to provide public infrastructure and services to outer areas. The General Plan seeks to reverse this sprawling land use pattern by prioritizing the development of more compact, urban neighborhoods in and around its downtown area, in transit-rich locations, and on infill sites that will contribute to a more environmentally and fiscally sustainable land use pattern. A more detailed discussion of this strategy, which includes the Urban Village strategy, can be found in Chapter 5.



Map II-1, Population Growth by Census Tract, 2000-2010

Components of Population Change

Between 2000 and 2010, the population increase in Santa Clara County and in San José was primarily composed of a net increase in foreign immigration as well as in a "natural" population increase (where births exceed deaths). This increase was offset by population loss resulting from net domestic out-migration (where existing residents moved out of the area). It has been anecdotally said that the region's high housing costs play a significant role in the domestic outmigration that has occurred. If these trends continue, San José, already a diverse city as mentioned above may become even more diverse and international in the future. The full implications of these trends are not entirely clear in terms of the

potential impact on housing needs and affordability. The ability of immigrants to move into San José and the region may suggest that they have the means to afford the high cost of housing. Alternatively, immigrants may be seeking other housing solutions, such as living with extended family in order to make ends meet, whether because of cultural preferences or the economic need to live in overcrowded conditions.

As mentioned above, the major components of San José's future population change include an increase in the 20-34 and 65+ age groups and an increase in the population of those born to existing foreign-born residents. These populations may have, and are already exhibiting, housing preferences beyond the traditional single family home for more urban communities in closer proximity to transportation alternatives, jobs, services, and amenities. While not everyone in these population groups may seek such communities, more and more will. Thus, an important part of planning for San José's future housing needs is to diversify the city's largely suburban residential stock to include more urban, mixed-use communities.

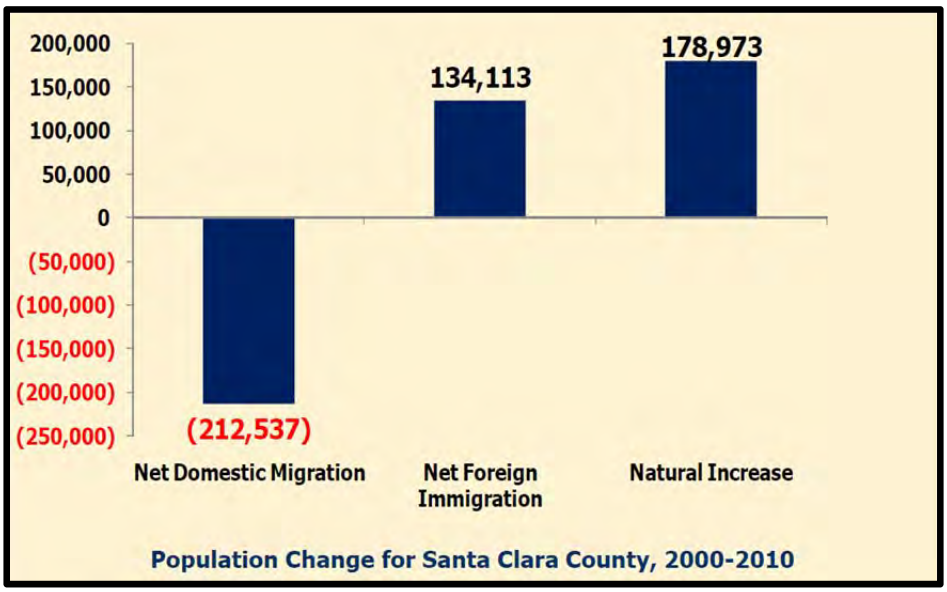


Chart II-2, Components of Population Change, Santa Clara County, 2000-2010

Comparison with Local Cities

As shown in the table below, the rate of population growth in San José was slower than most other cities within Santa Clara County, as well as the County as a whole, over the 2000-2010 time period. Additionally, although the City accounted for just over half of the population growth in the County during this time period, San José also comprised over half of the County's land area. Thus, although San José has traditionally been seen as the "bedroom community" for the County, the data indicates that neighboring cities are adding residents at a faster rate and beginning to make a larger contribution to regional fair share housing needs. However, while the rates of population change in other cities are positive for the regional jobs-housing balance, the small size of these jurisdictions means that much more needs to be done in terms of absolute growth numbers of residents in these other cities to help disperse regional housing development more proportionately and equitably throughout the County.

POPULATION GROWTH FOR SELECT AREA CITIES: 2000-2010

Geographic Area	Year 2000	Year 2010	Absolute Change	Percent Change
Cupertino	50,546	58,302	7,756	15.3%
Gilroy	41,464	48,821	7,357	17.7%
Milpitas	62,698	66,790	4,092	6.5%
Mountain View	70,708	74,066	3,358	4.7%
Palo Alto	58,598	64,403	5,805	9.9%
San Jose	**894,943**	**945,942**	**50,999**	**5.7%**
Santa Clara	102,361	116,468	14,107	13.8%
Sunnyvale	131,760	140,081	8,321	6.3%
Countywide	1,682,585	1,781,642	99,057	5.9%

Source: U.S. Census Bureau

Table II-2, Population Growth for Select Area Cities, 2000-2010

B. Age of Persons

Age characteristics provide insight to determining the number and range of housing types that are most suitable to meet the needs of the population. For example, people in younger and older age groups, more often residing alone, may desire smaller units, while middle-aged persons may require a broader set of housing choices to accommodate families of various sizes.

The median age in San José has been steadily rising for many decades, from just 24.4 in 1970 to 35.2 in 2010.

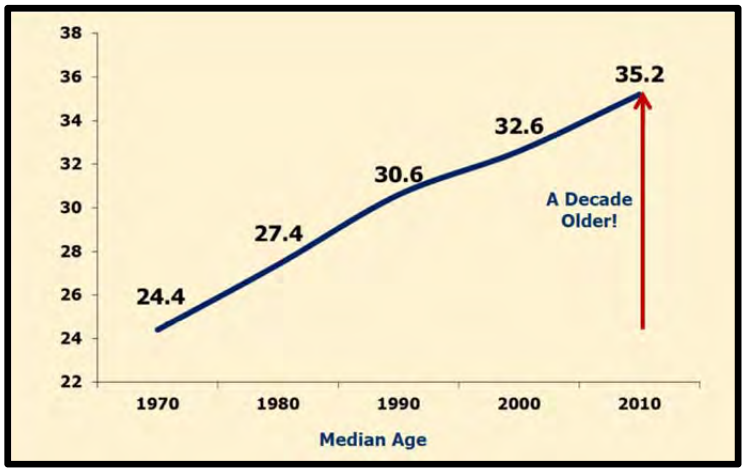


Chart II-3, Median Age, 1970-2010

The table below shows continued aging of the baby boom generation, while growth in younger age groups has been flat or even negative. In particular, the count of "young adults" (age 20-34 years), has been negative for two successive decades. In contrast, the "pre-retirement" group (age 55-64 years)

rose by over 40% during the 2000-2010 time period, and seniors (age 65+ years) rose by almost 30%. Among persons 85 years and over (not shown), the increase was 51% in the last decade. (U.S. Census).

POPULATION BY AGE: 1990-2010

	Year			Percent Change	
Age Group	**1990**	**2000**	**2010**	**1990-2000**	**2000-2010**
0-19 Years	232,377	260,653	259,749	12.2%	-0.3%
20-34 Years	234,735	225,363	209,696	-4.0%	-7.0%
35-54 Years	206,170	267,134	285,483	29.6%	6.9%
55-64 Years	52,608	67,933	95,772	29.1%	41.0%
65+ Years	56,358	73,860	95,242	31.1%	28.9%
Totals	**782,248**	**894,943**	**945,942**	**14.4%**	**5.7%**
Median Age	30.6	32.6	35.2		

Source: U.S. Census Bureau

Table II-3, Population by Age, 1990-2010

These shifts in age composition have important implications for the City's current and anticipated future housing needs. As discussed earlier and in the illustrated in the graphic below, the General Plan anticipates that seniors and young adults will comprise the first and second largest growth segments, respectively, over the next 25 years.

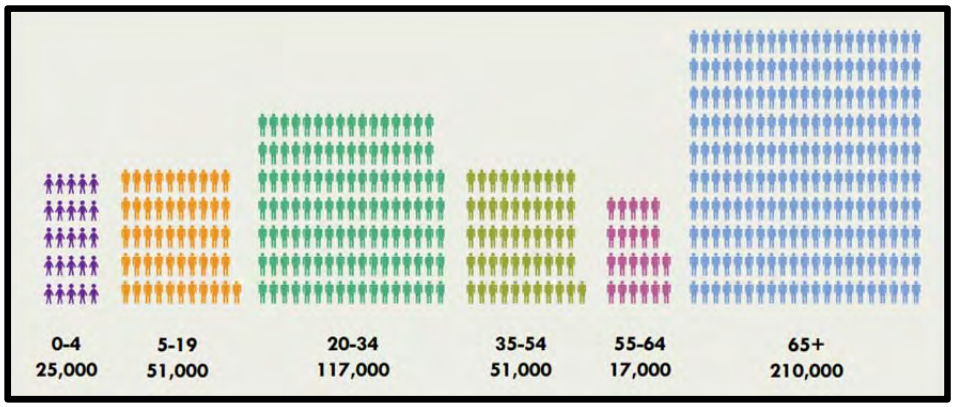
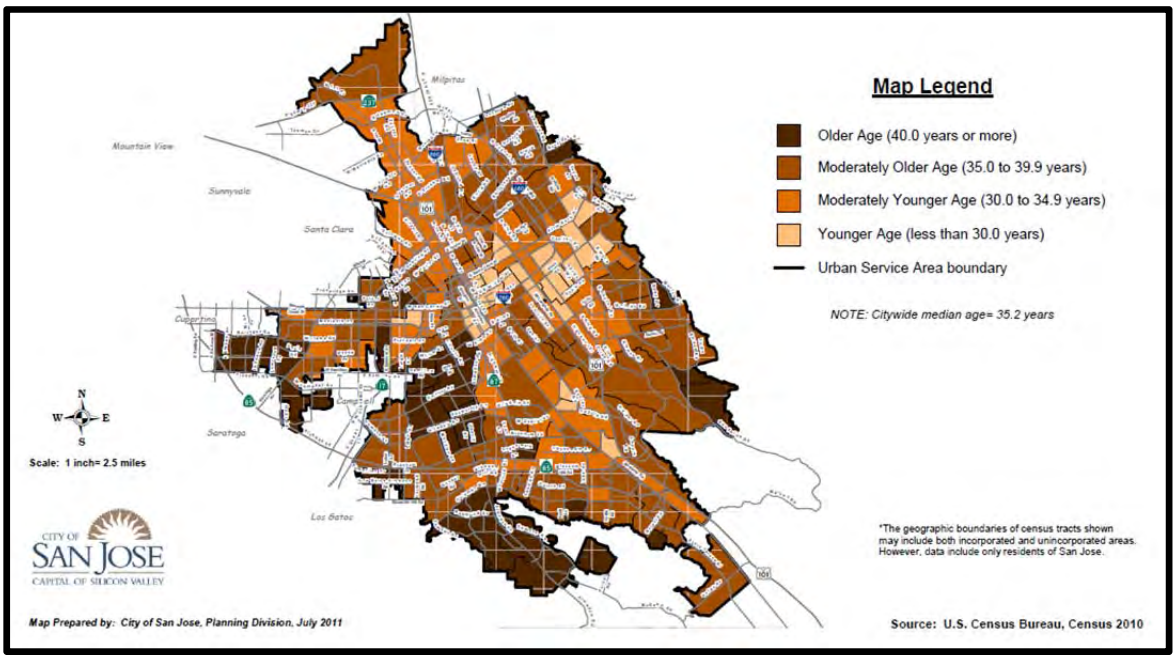


Chart II-5, Age Groups, Net Future Growth, 2010-2040

Additionally, housing policies and programs for seniors must respond to a variety of housing needs, because "seniors" are not a monolithic age group. Indeed, senior housing needs are likely to be the most diverse of any age group, especially in light of increasing longevity and the rapidly growing subset of seniors over the age of 85 years. During phase 1 of public outreach on this Housing Element, meeting attendees identified several senior housing preferences and needs for the City to consider, including "aging in place," moving/downsizing options, support for seniors capable of independent living and those who require assisted living services, and recognition of the existing limited housing choices for residents on fixed income with little or no assets. These are important considerations that necessitate a combination of responses as opposed to a "one-size-fits-all" approach for seniors.

At the same time, the General Plan projects that between now and 2040, young adults will comprise the second largest population growth segment. This age group is increasingly mobile and has residential and employment preferences that may be unlike those preferences of previous generations including renting versus owning and living and working in communities that provide urban lifestyles versus following the location of jobs wherever they may be. In addition, the nature of the work environment itself is shifting, with technological advances and rising transportation costs helping prompt a trend towards flexible live/work spaces. One well-publicized example of the connection between demographics and housing needs is with respect to Generation Y ("Millenials"), the age cohort generally born between the early 1980's and the early 2000's. An annual Urban Land Institute (ULI) report for 2014 recently predicted that the generation's impact on real estate could be "the most dominant trend for many years."

The trend towards urbanization and its relationship with age can also be shown geographically. As illustrated in the map below using Census tract data, younger residents in San José tend to live closer to downtown, while older residents tend to live more on the city's periphery. However, this map reflects a snapshot of the past that includes decades of suburbanization and the construction primarily of single-family homes. Future housing preferences and building types are expected to look more diverse and nuanced.



Map II-2, Median Age by Census Tract, 2010

C. Race & Ethnicity

Race and ethnicity play an important part in shaping and understanding housing needs, as they correlate with other factors that determine housing demand, such as average household size, rates of homeownership, income, and poverty. Cultural values may also strongly influence the preference of certain housing types and locations over others.

San José is one of the most diverse cities in the country, with its racial composition consisting of approximately one-third for three major groups – Hispanics, Asians, and Whites – and small percentage of mixed-race residents.

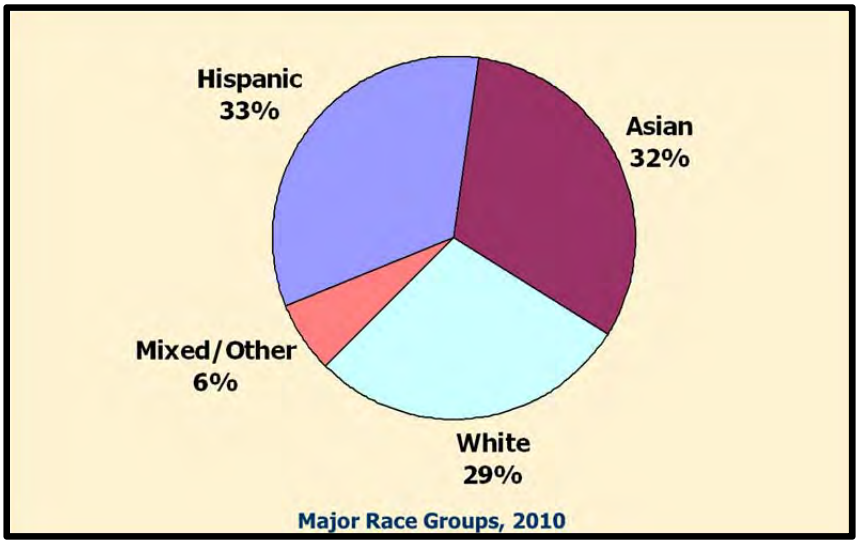


Chart II-6, Race/Ethnic Distribution, 2010

These major race/ethnic groups followed divergent trends between 2000 and 2010. Hispanics and Asians witnessed a double-digit rate of growth, with the Asian population in particular increasing almost 25%, while the number of Whites fell by over 15%. As a result, both Hispanics and Asians surpassed Whites to become the largest two race/ethnic groups

POPULATION BY RACE/ETHNICITY: 2000-2010

	Year			
Race/Ethnic Group	**2000**	**2010**	**Absolute Change**	**Percent Change**
Hispanic or Latino	269,989	313,636	43,647	16.2%
Asian (Non-Hispanic)	241,471	300,022	58,551	24.2%
White (Non-Hispanic)	322,534	271,382	(51,152)	-15.9%
Black (Non-Hispanic)	29,495	27,508	(1,987)	-6.7%
Other (Non-Hispanic)	31,454	33,394	1,940	6.2%
Totals	**894,943**	**945,942**	**50,999**	**5.7%**

Source: U.S. Census Bureau

Table II-4, Population by Race/Ethnicity, 2000-2010

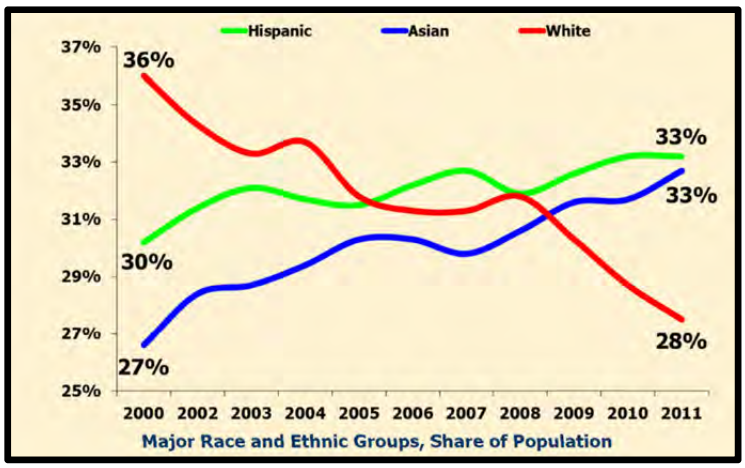
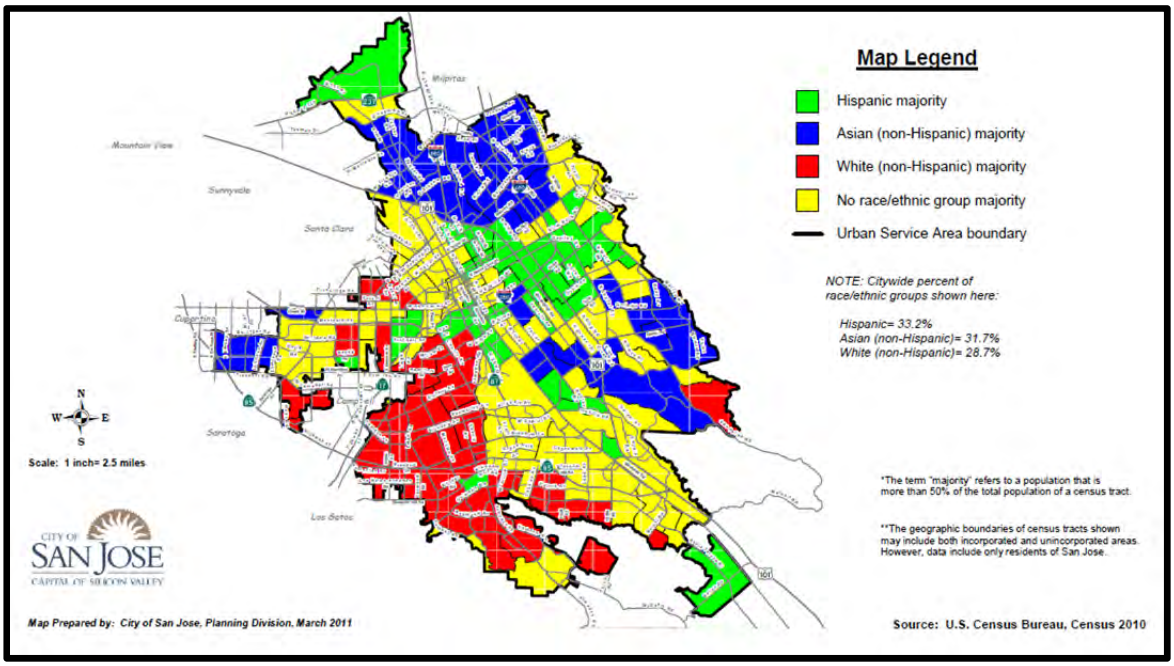


Chart II-7, Major Race/Ethnic Groups, Percent of Total, 2000-2011

The geographic distribution of these major race/ethnic groups reveals an important dichotomy. While San José as a whole is diverse, the map below indicates that certain race/ethnic groups tend to concentrate in specific parts of the City. In particular, Hispanics are highly concentrated on the east side of San José (Central, Alum Rock, and Alviso areas) where traditionally lower income neighborhoods exist, while Asians and Whites are the majority group in the northern, southern, and western parts (Berryessa, Evergreen, Willow Glen, West Valley, Cambrian, and Almaden areas) where traditionally higher income neighborhoods are found. However, over one third of the City's neighborhoods have no single race/ethnic group majority (i.e., areas shown in yellow). This Housing Element includes policies and programs to bring affordable housing opportunities to both lower income and higher income communities which should increase housing options citywide, and facilitate more racial and ethnic integration in the City's neighborhoods.



Map II-3, Race/Ethnic Group Majority by Census Tract, 2010

D. Households and Household Size

While population is an important part of the determining a jurisdiction's housing needs, it is equally important to understand the characteristics of household size in order to determine the number of households and therefore the number of homes needed for those households. As indicated in the table below, almost all of San José's residents live in households .

POPULATION BY LIVING ARRANGEMENT: 2010

Number of Persons	2010	Percent of Total
In Households	932,620	98.6%
In Group Quarters*	13,322	1.4%
Totals	**945,942**	**100.0%**

Source: U.S. Census Bureau

*Note: a group quarters is a place where people live or stay, in a group living arrangement, where housing and/or services are provided. These services may include custodial or medical care as well as other types of assistance, and residency is commonly restricted to those receiving services. People living in group quarters are usually not related to each other. Group quarters include such places as college residence halls, correctional facilities, group homes, residential treatment centers, and skilled nursing facilities.

Table II-5, Population by Living Arrangement, 2010

The relationship between total population and households is commonly characterized by average household size as measure by persons-per-household (PPH). As mentioned above, household size helps to determine the number of homes necessary to house a jurisdiction's population. Additionally, it is an important indicator of various interrelated housing conditions, such as whether the housing supply is sufficient, whether the level of supply is impacting the cost of housing, and whether households are living in overcrowded or substandard conditions, perhaps as a response to high housing costs.

In San José, the average household size has fluctuated over the last 40 years. In 1970, household size was 3.35 PPH, declining to 2.96 PPH in 1980, and remaining relatively stable at approximately 3.1 PPH since then.

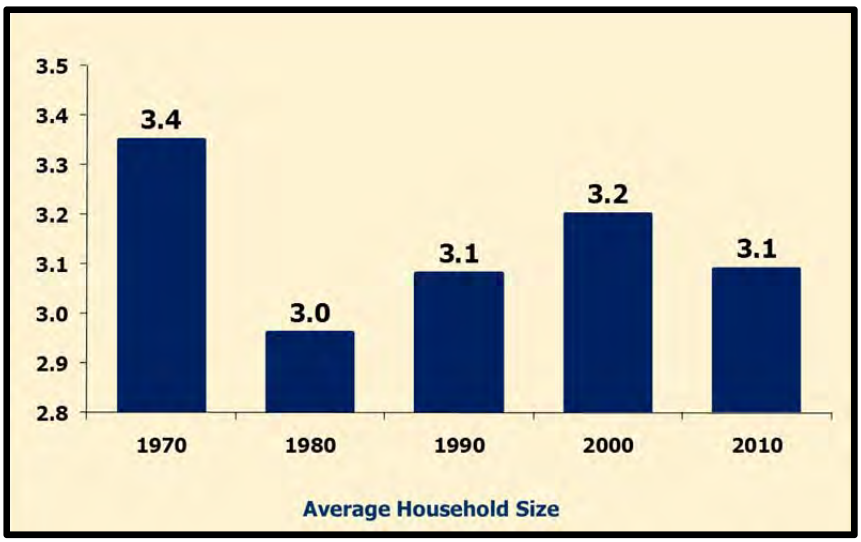


Chart II-8, Average Household Size, 1970-2010

The following table looks more closely at household size by housing tenure (i.e., owner-occupied vs. rental) in 2010. The overall average household size for owner-occupied and renter-occupied units was similar, at 3.14 PPH and 3.03 PPH respectively. However, one notable difference in household size between tenure types can be found in one-person households, which accounted for nearly 25% of renter households versus a smaller 16.4% of owner households.

HOUSEHOLD SIZE BY TENURE: 2010

Persons in Household	Owner-Occupied (OO) Units	Percent of OO Total	Renter-Occupied (RO) Units	Percent of RO Total	Totals
1 Person	28,831	16.4%	30,554	24.4%	59,385
2 Persons	50,319	28.6%	31,100	24.9%	81,419
3 Persons	32,120	18.2%	21,231	17.0%	53,351
4 Persons	33,731	19.1%	18,327	14.6%	52,058
5 Persons	15,317	8.7%	11,150	8.9%	26,467
6 Persons	7,381	4.2%	5,766	4.6%	13,147
7+ Persons	8,517	4.8%	7,022	5.6%	15,539
Totals	**176,216**	**100.0%**	**125,150**	**100.0%**	**301,366**
Average	3.14		3.03		3.09

Source: U.S. Census Bureau

Table II-6, Household Size by Tenure, 2010

A cross-tabulation of average household size by race/ethnicity showed wide variations, ranging from 4.06 PPH for Hispanic households to 2.38 PPH for White households, with Asian households in the middle of this range (3.33 PPH).

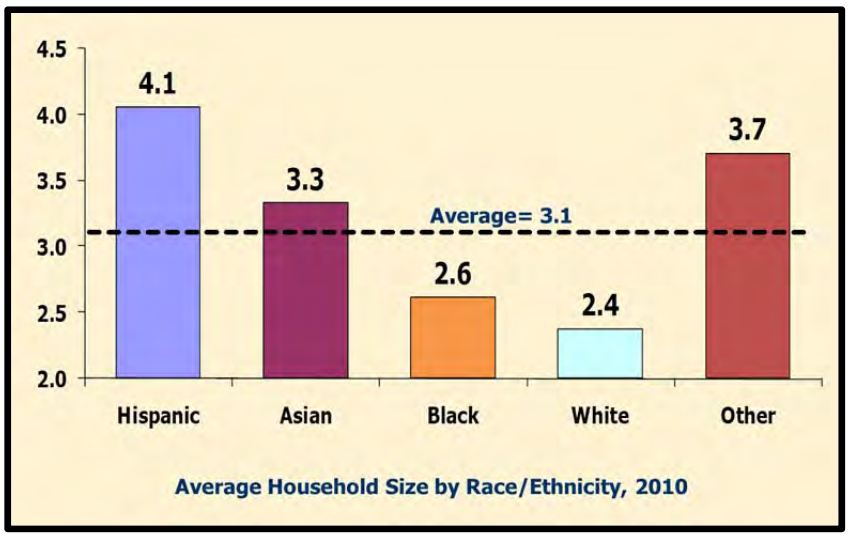
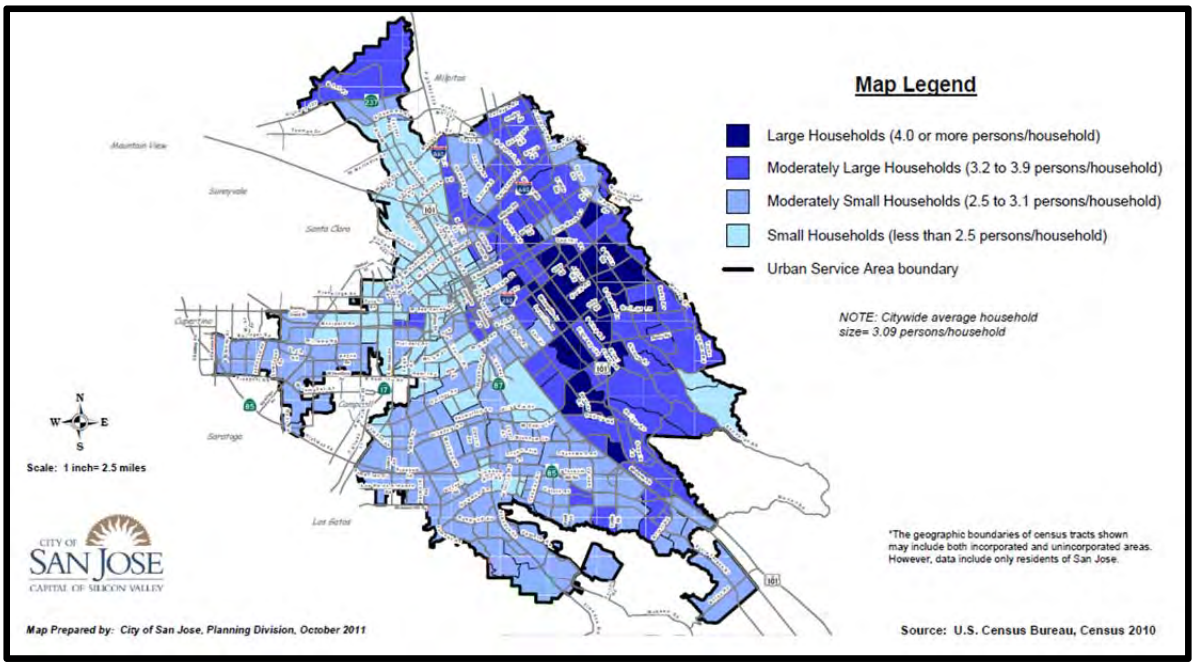


Chart II-9, Average Household Size by Race/Ethnicity, 2010

Household sizes vary noticeably by geography. As shown in the map below, households in the eastern half of San José are generally larger than households in the western half. As shown in section C above, East San José is also composed largely of Hispanic and Asian households, which correlates with the analysis that both have larger household sizes. Further, as will be shown in Chapter III, there is an additional correlation of race/ethnicity and household size with income, which has important implications for the programs in this Housing Element which have a desired outcome to realize more diverse, accessible communities throughout the City of San José.



Map II-4, Average Household Size by Census Tract, 2010

E. Household Type

Household type refers to the relationship of those who live in a home to the householder. There are three basic types of households: family households composed of one or more persons related to the householder by birth, marriage, or adoption; singles; and non-relative households. These data provide important insights about current and future housing demand. For example, households with children and extended families generally require larger homes, whereas single persons may desire smaller, more affordable units.

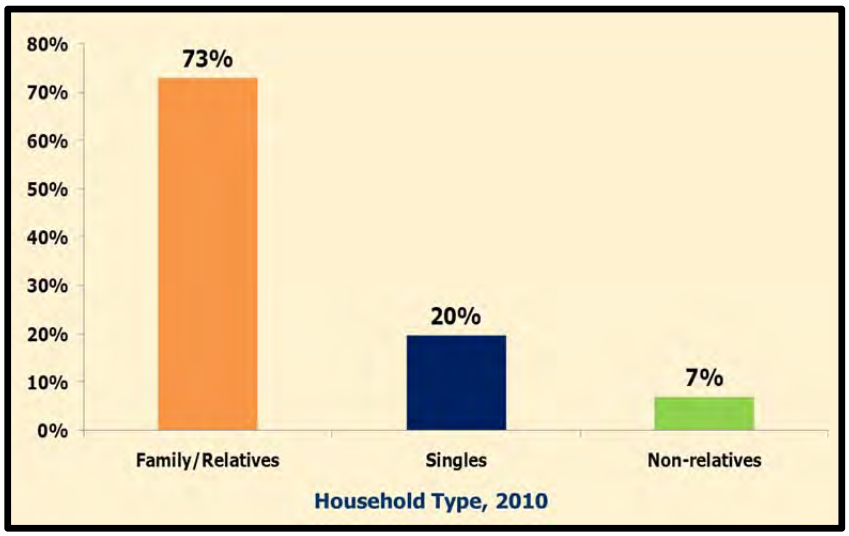


Chart II-10, Household Type, 2010

A simplified view of San José households by type is presented in the chart above, and a more detailed breakdown is shown in the table below. In summary, in 2010, family households represented nearly three-fourths of all households, and over 50% of households were married couples with or without children.

HOUSEHOLDS BY TYPE: 2010

Household Type	Number of Households	Percent of Total
Family Households		
Married Couple with Children	83,371	27.7%
Married Couple without Children	79,448	26.4%
Male Householder, no Spouse, with Children	7,643	2.5%
Male Householder, no Spouse, without Children	11,059	3.7%
Female Householder, no Spouse, with Children	17,932	6.0%
Female Householder, no Spouse, without Children	20,056	6.7%
Non-Family Households		
Householder Living Alone	59,385	19.7%
Householder Living with Nonrelatives Only	22,472	7.5%
Totals	**301,366**	**100.0%**
Multigenerational Households	23,594	7.8%

Source: U.S. Census Bureau

Table II-7, Households by Type, 2010

A number of additional observations can be made. First, householders living alone ("singles") accounted for 20% of total households. Second, by grouping various family household categories into a simpler "children present/not present" dichotomy, and evaluating the change in such households over the 2000-2010 time period, we find that over 80% of family household growth occurred among households without children. As such, the total number of households without children surpassed the number of households with children by 2010.

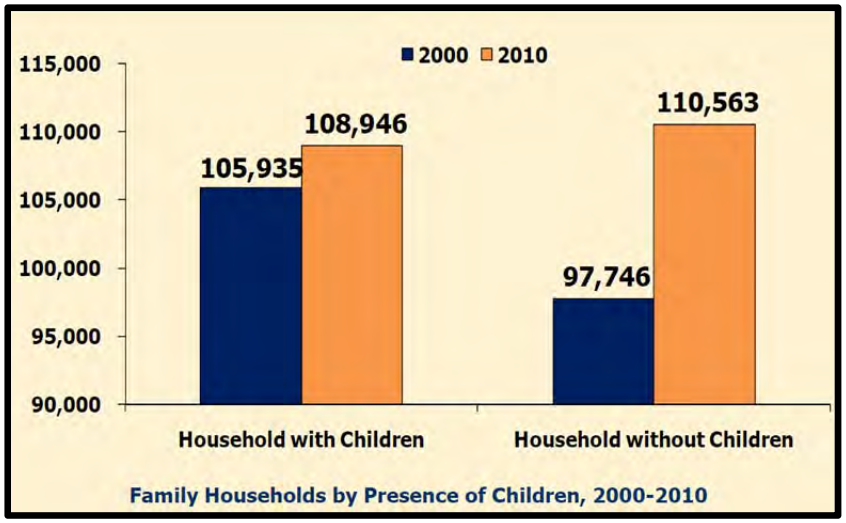
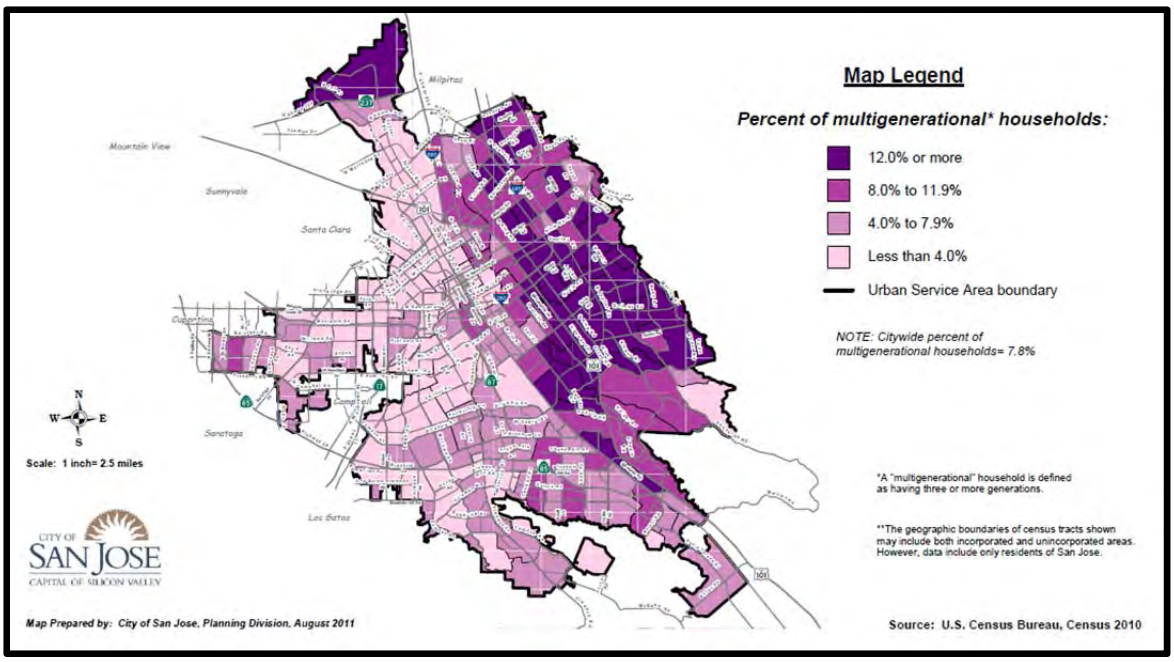


Chart II-11, Family Households by Presence of Children, 2000-2010

Finally, of the family and non-family households, 7.8% are also multigenerational, households, defined as a family household with three or more generations. Multigenerational households have a similar geographic pattern as previously shown for average household size and (race or ethnic) majorities.



Map II-5, Multigenerational Households by Census Tract, 2010

F. Geographic Mobility

Geographic mobility data can shed light on characteristics of both the population and housing market. For example, long-distance moves are typically undertaken for career opportunities or retirement, whereas local moves may be prompted by home buying activity. Of course, moves are motivated by a wide variety of possible factors, but some general trends are worth citing.

The latest nationwide figures from the U.S. Census Bureau indicated that geographic mobility for young adults (age 25-29 years), who are among the population's most mobile, fell to the lowest level in 50 years, with just 23.3% having moved in 2013. According to private demographics firm Population Reference Bureau, "young adulthood has grown much more complex and protracted, with a huge number struggling to reach financial independence. Many young adults routinely wait until their 30s to leave the parental nest."

GEOGRAPHIC MOBILITY
CURRENT RESIDENCE COMPARED TO PRIOR YEAR: 2010

Former Residence Location	Persons (Age 1 and Over)	Percent of Total
Same House	782,248	83.7%
Moved within Same County	113,338	12.1%
Moved from Different County within Same State	20,124	2.2%
Moved from Different State	7,676	0.8%
Moved from Abroad	11,031	1.2%
Totals	**934,417**	**100.0%**

Source: U.S. Census Bureau

Table II-8, Geographic Mobility, 2010

Similarly, in San José, the "mover rate" fell in recent years as job opportunities and consumer confidence were negatively impacted by the economic downturn. However, since that time, mobility has begun to recover. The table above shows that, in 2010, 16.3% of the City's population moved in the prior year. Among young adults (age 25-29 years), the mover rate was 29.6%. Also, the number of persons who moved from abroad was 1.2%, twice the national rate and consistent with the foreign immigration and place of birth/year of entry statistics presented earlier.

G. Housing Stock and Occupancy

Over the past 50 years, San José's housing stock increased along with a growing population, with significant growth occurring in the 1970s and 1980s and more moderate percentage growth in subsequent decades. Note that despite the economic recession that began in 2008, San José added more homes between 2000 and 2010 than it did between 1990 and 2000.

HOUSING STOCK: 1960-2010

Year	Number of Units	Absolute Change	Percent Change
1960	68,890	---	---
1970	139,759	70,869	102.9%
1980	216,653	76,894	55.0%
1990	259,365	42,712	19.7%
2000	281,841	22,476	8.7%
2010	314,038	32,197	11.4%

Source: U.S. Census Bureau

Table II-9, Housing Stock, 1960-2010

Whether or not a jurisdiction's housing supply is sufficient to meet the demand depends on a variety of factors, including the number of persons-per-household, the rate of population growth relative to the growth in housing supply, and the affordability and diversity of the housing supply relative to incomes.

Indicators such as overcrowding, low vacancy rates, and overpayment would suggest that supply is low relative to need.

The vacancy rates in San José have generally indicated a tight rental housing market. This was especially true in 2000 during the height of the dot-com boom, with the vacancy rate at 1.9%. While the 2010 vacancy rate was somewhat higher at 4.9%, it was still below the "natural rate" of 5% generally considered to reflect a healthy balance between housing supply and demand. More recently, in fall 2013, data from real estate information firm MPF Research noted that vacancy in San José's rental housing market stood at approximately 3%— a tight condition that suggests demand outpacing supply.

The vacancy rate includes both market rate and affordable rental homes. Because the affordable housing supply comprises only a minor percentage of the total rental stock, the above vacancy rate largely reflects that of the market-rate units. As will be discussed in chapter 3, the demand for deed-restricted affordable homes far exceeds the supply, as the cost of housing is out of reach for a significant proportion of the workforce. It is common to have a new affordable housing development be oversubscribed 100-to-1 in terms of the number of applicants relative to the number of units available. As a result, the vacancy rate for deed-restricted affordable rental homes is essentially zero, excluding the vacancy period that occurs as an administrative by-product of processing tenant turnover.

H. Housing Tenure

Tenure refers to whether a household rents or owns the housing unit in which they live. The choice of tenure depends on many factors, including but limited to household size, the supply of different housing types, income, the availability and ease of obtaining credit, age, and the location of the home. Housing policy in the United States has historically emphasized owning over renting. The national homeownership rate has historically increased over time, with a 62% ownership rate in 1960 and peaking in 2004-05 at 69%. Subprime lending and the subsequent housing crash in 2008 reversed this trend: by 2014, the homeownership rate dropped to just under 65%. [4]

The homeownership rate in San José had been relatively stable during the 1990-2000 time period, rising only slightly from 61.3% in 1990 to 61.8% in 2000. But with onset of the "housing boom", the homeownership rate rose and peaked at 63.7% in the mid-2000's. However, the rate of homeownership dropped to just 58.5% by 2010.

[4] http://www.census.gov/housing/hvs/files/currenthvspress.pdf

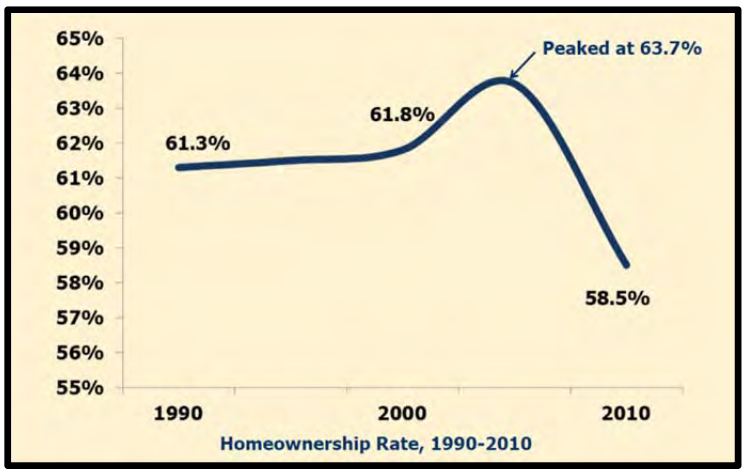


Chart II-13, Rates of Homeownership, 1990-2010

The decline in homeownership rates naturally leads to an increase in the proportion of households that rent. As shown in the table below, between 2000 and 2010, renter-occupied housing units jumped almost 20%, while owner-occupied housing units rose a much more modest 3%.

HOUSING UNITS BY OCCUPANCY AND TENURE: 2000-2010

	Year			
Occupancy/Tenure	**2000**	**2010**	**Absolute Change**	**Percent Change**
Owner-Occupied	170,950	176,216	5,266	3.1%
Renter-Occupied	105,648	125,150	19,502	18.5%
Vacant	5,243	12,672	7,429	141.7%
Totals	**281,841**	**314,038**	**32,197**	**11.4%**
Vacancy Rate	1.9%	4.0%		

Source: U.S. Census Bureau

Table II-10, Housing Units by Occupancy and Tenure, 2000-2010

The recent decline in homeownership rates may be due to a combination of factors. First, the City of San José has facilitated a trend towards the construction of higher-density housing, which have thus far been predominantly rentals. Rents have steadily increased over the last ten years, and, despite the recession in 2008, rental rates are at the highest level ever. These rates have made it more profitable for developers to pursue rental rather than for-sale developments. Further, the 2008 economic downturn and associated spike in foreclosure activity displaced many former homeowners to the rental market, which increased demand for rental homes and decreased the demand to own. Finally, demand for rental homes have increased due to changing preferences resulting from demographic shifts.

Additionally, there are meaningful differences in homeownership rates by race/ethnicity. For example, while the homeownership rate among Asians remained virtually unchanged from 2000-2010, the homeownership rate among Hispanics and Blacks fell 5.8% and 8.8%, respectively. The homeownership

rate among Whites experienced a more modest decline of 1.6%. These variations suggest that the economic downturn may have impacted Blacks and Hispanics or Latinos to a greater degree than other groups, making it more difficult or less desirable to own a home.

RATES OF HOMEOWNERSHIP BY RACE/ETHNICITY: 2000-2010

Race/Ethnic Group of Householder	Owner-Occupied Units 2000	Owner-Occupied Units 2010	Owner Rate (2000)	Owner Rate (2010)	Rate Change
Hispanic or Latino	27,709	30,601	47.3%	41.5%	-5.8%
Asian	41,212	56,675	63.0%	63.1%	0.1%
White (Non-Hispanic)	93,074	81,466	69.9%	68.3%	-1.6%
Black	4,291	3,892	43.6%	34.8%	-8.8%
Other	4,539	3,582	48.6%	49.4%	0.8%
Totals	**170,825**	**176,216**	**61.8%**	**58.5%**	**-3.3%**

Source: U.S. Census Bureau

Table II-11, Rates of Homeownership by Race/Ethnicity, 2000-2010

I. Overcrowding

Overcrowding often occurs because households cannot afford the cost of housing, requiring multiple households or more persons on average to live under one roof. An overcrowded housing unit is defined by the U.S. Census Bureau as being occupied by more than one person per room (excluding bathrooms and kitchens). Households are considered severely overcrowded when there are more than 1.5 persons per room. Overcrowding may occur in, or lead to, substandard living conditions or building quality, which could cause health and safety concerns to the individuals living in a unit as well as their neighborhoods.

In San José, overcrowding occurred in approximately 30,000 housing units in 2010, with nearly three-quarters of this figure composed of rental homes. Overall, this represents a 10% rate of overcrowding. In 2010, severe overcrowding occurred in 3.2% of occupied units, 85% of which were rentals.

OVERCROWDED HOUSING
PERSONS PER ROOM BY TENURE: 2010

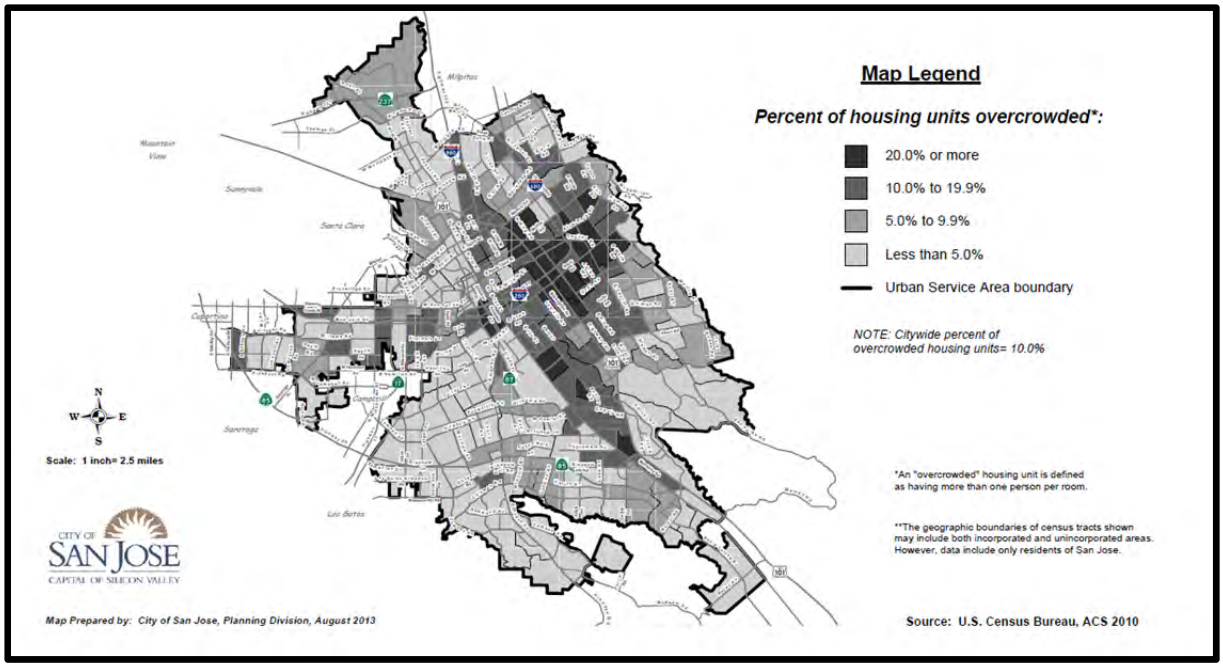
Persons per Room	Owner-Occupied (OO) Units	Percent of OO Total	Renter-Occupied (RO) Units	Percent of RO Total	Totals
0.50 or Less	106,740	61.6%	50,595	40.7%	157,335
0.51 to 1.00	58,221	33.6%	52,240	42.0%	110,461
1.01 to 1.50	6,860	4.0%	13,341	10.7%	20,201
1.51 to 2.00	1,107	0.6%	6,045	4.9%	7,152
2.01 or More	352	0.2%	2,136	1.7%	2,488
Totals	**173,280**	**100.0%**	**124,357**	**100.0%**	**297,637**
Overcrowded* Units	8,319	4.8%	21,522	17.3%	29,841

Source: U.S. Census Bureau

*Note: overcrowded= more than one person per room.

Table II-12, Overcrowded Housing, 2010

The map below shows the location of overcrowded housing. Much of San José's east side and the Alum Rock area in particular experienced rates of overcrowding greater than 20%. This correlates with average household size, multigenerational households, lower incomes, higher rates of rental tenure, and concentration of Hispanic and Asian households as shown in previous maps contained in this chapter. While it is difficult to determine which of the many factors that may lead to overcrowding is the most important one, and recognizing that an element of "overcrowding" may result from cultural preferences, this Housing Element assumes that the high cost of housing plays a key role in leading to overcrowded conditions.



Map II-7, Overcrowded Housing by Census Tract, 2010

J. Structure Type and Age

As previously mentioned, in recent years San José has facilitated a trend towards the construction of higher-density housing. However, because of the City's rapid growth in prior decades, the majority of the existing housing stock is still composed of single-family homes that were constructed during the 1960s and 1970s. As a result, in 2010, two-thirds of the City's housing units were single-family homes (attached and detached). Among owner-occupied units, single-family homes represented almost 90% of the total.

TENURE BY STRUCTURE TYPE: 2010

Structure Type	Owner-Occupied (OO) Units	Percent of OO Total	Renter-Occupied (RO) Units	Percent of RO Total	Totals
1-Unit*	160,090	88.7%	39,523	33.1%	199,613
2-to-4 Unit	4,248	2.4%	17,812	14.9%	22,060
5+ Unit	7,360	4.1%	60,663	50.7%	68,023
Mobile Home	8,676	4.8%	1,520	1.3%	10,196
Boat, RV, Van, etc.	192	0.1%	27	0.0%	219
Totals	**180,566**	**100.0%**	**119,545**	**100.0%**	**300,111**

Source: U.S. Census Bureau

*Note: the 1-unit category includes both detached and attached types.

Table II-13, Tenure by Structure Type, 2010

The existing housing stock demonstrates San José's legacy of a low-density, suburban environment that the General Plan seeks to diversity through implementation of strategies for more compact, mixed-use, transit-oriented development. Indeed, this trend towards urbanization has been underway and between 2000 and 2013, more than 80% of the building permits issued for new housing units were multi-family (see Chart VII-1 in Chapter VII).

San José's housing stock is relatively new, with approximately 80% of the stock built in 1960 and after.

AGE OF STRUCTURE: 2010

Year Built	Number of Units	Percent of Total
2005 or Later	11,752	3.8%
2000 to 2004	21,143	6.8%
1990 to 1999	35,301	11.3%
1980 to 1989	43,160	13.8%
1970 to 1979	73,313	23.5%
1960 to 1969	62,504	20.0%
1950 to 1959	35,412	11.3%
1940 to 1949	10,903	3.5%
1939 or Earlier	19,053	6.1%
Totals	**312,541**	**100.0%**

Source: U.S. Census Bureau

Table II-14, Age of Structure, 2010

As a result, the number of homes in San José considered "substandard" is quite small, with 0.6% of all units having incomplete plumbing and 1% having incomplete kitchen facilities, some of which may be the same unit.

SUBSTANDARD HOUSING BY TENURE: 2010

Incomplete Facilities	Percent of Owner-Occupied Units	Percent of Renter-Occupied Units	Totals
Plumbing	0.1%	1.4%	0.6%
Kitchen	0.1%	2.2%	1.0%

Source: U.S. Census Bureau

Table II-15, Substandard Housing by Tenure, 2010

K. Conclusions

Many of the trends identified in this chapter will be present well into the future, while others will soon emerge and represent a new direction. As the City implements the General Plan , San José's largest population growth segment will be seniors (65+ years) and "young adults" (age 20-34 years). Both groups are increasingly locating in urban areas that are centers for jobs, services, shopping, and cultural amenities.

As illustrated by the various maps, many of the demographic characteristics and trends discussed here are closely correlated. Several of these trends suggest the need for a broader array of housing choices that appropriately respond to growing and diverse needs within the population. These housing choices might include secondary dwelling units, new urban housing types (e.g., "micro" units of approximately 200-400 square feet) as well as the adaptation of the existing housing stock to meet changed circumstances (e.g., allowing seniors to "age in place"). The next chapter builds upon this demographics overview with an analysis of employment, income, housing costs, affordability, and poverty to help identify specific housing needs, with emphasis on ensuring the availability of housing for all economic segments of the community.

Chapter III: Needs Assessment

As the Capital of Silicon Valley, San José is proud to be at the heart of the world's most innovative region. The City is home to many leading multinational technology companies, such as Cisco Systems, eBay, and Adobe, as well as hundreds of smaller firms and start-ups. The strong regional economy has enabled Silicon Valley to be more resilient to the recent economic downturn, with solid post-recession job growth and one of the highest median incomes in the nation. At the same time, strong economic health can also lead to high housing costs and other challenges, including displacement, overcrowding, and a lack of housing choices for special needs and low income persons. Indeed, San José has long been one of the costliest place in the nation in which to live,

Despite the prevalence of highly skilled, high-wage workers in Silicon Valley, data from the California Employment Development Department (EDD) show a divergent trend in the region: while about one-third of Santa Clara County's workforce command high salaries in the range of approximately $86,000 to $144,000 per year, nearly half of all jobs pay low-income wages between $19,000 and $52,000 annually. Further, projections from EDD anticipate that more than half of the new jobs created in the County over the next few years will pay $11.00 per hour or less. These working class wages are not enough to pay for housing costs without creating a housing burden, defined as housing costs that exceed 30% of income. The market has not produced housing that is naturally affordable to low-income households, and public resources for affordable housing have been significantly diminished in recent years. As such, both the existing and future need for affordable housing in San José is considerable and far exceeds available supply. To the extent that this trend of income disparity continues, the extent of affordable housing needs can likewise be expected to remain high or even rise.

This chapter provides an assessment of the existing and projected housing needs in San José. As previously discussed, regional housing needs are determined by statewide and regional population projections. The existing housing needs analysis draws on data from multiple sources to compare income levels with housing costs in order to derive measures of affordability for various households, special needs, and housing types. This analysis provides the basis for understanding the nature and extent of San José's housing needs and issues, and, taken together with the prior demographics analysis, is used to inform the Housing Element's implementation workplan.

A. Regional Growth Projections and RHNA

According to *Plan Bay Area*, a long-range integrated transportation, land use, and housing plan developed by ABAG and MTC for the nine-county San Francisco Bay Area, the region is projected to grow from 7.2 million in 2010 to 9.3 million by 2040, for an increase of 2.1 million net new residents. This equates to a 30% total increase or a 1% annual growth rate. In order to accommodate this growth during the 2010-40 time period, Plan Bay Area expects the number of housing units to increase by 24%, or almost 700,000 units, and the number of jobs to grow by 1.1 million, an increase of 33%.

As shown in the table below, the City of San José is projected to accommodate approximately 20% of the Bay Area's regional housing growth, or almost 130,000 units by 2040. As noted previously in this Appendix, the General Plan analyzed and cleared housing capacity through 2035. Additional housing capacity beyond 2035 would need to be analyzed and environmentally cleared prior to the end of 2035. This figure closely compares with housing growth capacity identified by the General Plan, which provides for the long-term ability to construct up to 120,000 new homes. Additionally, San José is projected to comprise approximately 60% of the Santa Clara County's overall housing and population growth, and just under 50% of the County's employment growth.

REGIONAL GROWTH PROJECTIONS: 2010-2040

	Year		2010-2040		
Growth Category	2010	2040	Absolute Change	Percent Change	San Jose Share of Growth
Housing Units					
San Jose	314,040	443,320	129,280	41.2%	100.0%
Santa Clara County	631,920	842,350	210,430	33.3%	61.4%
Bay Area Region	2,785,950	3,445,950	660,000	23.7%	19.6%
Employment					
San Jose	377,140	524,510	147,370	39.1%	100.0%
Santa Clara County	926,260	1,229,520	303,260	32.7%	48.6%
Bay Area Region	3,385,300	4,505,230	1,119,930	33.1%	13.2%
Population					
San Jose	945,942	1,334,100	388,158	41.0%	100.0%
Santa Clara County	1,781,640	2,423,500	641,860	36.0%	60.5%
Bay Area Region	7,151,740	9,299,100	2,147,360	30.0%	18.1%

Source: Association of Bay Area Governments (ABAG), *Plan Bay Area*

Table III-1, Regional Growth Projections, 2010-2040

Two primary objectives of the State's Regional Housing Need Allocation (RHNA) process are to increase the supply of housing at all income levels and to ensure that local governments contribute to its fair share of housing needs. Additionally, the RHNA divides a jurisdiction's total housing responsibility into four income categories: Very Low-income (VLI), Low-Income (LI), Moderate-Income (MOD), and Above Moderate-Income (AMOD). These categories correspond to the annual income limits published by HCD and are used to determine housing affordability by the size and income of households. These categories are expressed as a percentage of Area Median Income (AMI), which is currently set at $105,500 for a four-person household in Santa Clara County and is adjusted for household size.

The table and chart below show San José's RHNA by income category for the 2014-2022 period and compared with the City's RHNA for the prior period (2007-2014). While the overall RHNA between the

two periods is similar, the composition of the 2014-22 allocation has a greater emphasis on lower income categories. In particular, the Very Low allocation has increased almost 20%, from 7,751 units in the prior period to 9,233 units in the current period, indicating that the need for housing of deeper affordability levels has increased. See Table III-14 later in this chapter for details on the incomes associated with Extremely Low-, Very-Low, Low- and Moderate-Income categories in San José.

REGIONAL HOUSING NEED ALLOCATION (RHNA): 2014-2022

Income Category*	2007-2014 RHNA	2014-2022 RHNA	Percent Change
Very Low	7,751	9,233	19.1%
Low	5,322	5,428	2.0%
Moderate	6,198	6,188	-0.2%
Above Moderate	15,450	14,231	-7.9%
Totals	**34,721**	**35,080**	**1.0%**

Source: Association of Bay Area Governments (ABAG), *Regional Housing Need Plan*

*Note: Very Low= up to 50% of Area Median Income (AMI); Low= 51% to 80% of AMI; Moderate= 81% to 120% of AMI; Above Moderate= above 120% of AMI

Table III-2, Regional Housing Need Allocation (RHNA), 2014-2022

For regional context, it is important to compare the progress of all cities in Santa Clara County toward meeting 2007-2014 RHNA goals. A staff analysis shows that as of December 31, 2013, cities in Santa Clara County (excluding San José) issued more than 17,390 residential building permits (70% of their collective RHNA goal) and San José issued 16,029 residential building permits (46% of its RHNA goal) during the same period.

Geography	2007-14 Allocation	Building Permits Issued	% of Allocation
SCC Cities (exclusive of San José)	**24,527**	**17,390**	**71%**
San José	**34,721**	**16,029**	**46%**

*Staff was unable to obtain building permit data for Campbell, Los Altos, Los Altos Hills, and Morgan Hill but the chart does include the allocation for these cities

Overall, the current RHNA figure closely compares with housing growth planned by the General Plan, which provides for the near-term ability to construct approximately 40,000 new housing units (see Chapter V: Planned Supply/Inventory). Note that the current RHNA amounts to an annual rate of production of approximately 4,400 units over the 8-year planning period (January 2015 through January 2023), a pace that exceeds the City's historical experience with new housing in the past decade or more: since 2000, there have been only two years (2000 and 2003) where production has reached 4,000 or more units. Overall, housing production has averaged approximately 2,750 units annually over the 2000-2013 time period (see Table VIII-1 in Chapter 8: Prior Element Evaluation). Given the lower historical trends, it may be a challenge to actually produce the housing units to meet San José's RHNA, especially within the more affordable income categories.

B. "Jobs First" General Plan

San José is the largest and most urban city in Silicon Valley, and plays a key role in the continuing growth of the regional, State, and national economies. At the same time, according to data from the U.S. Census Bureau that analyzes the relationship between where people live and where they work, San José is the only large city in the nation that acts as a net exporter of workers. Within Santa Clara County, the City has added a greater share of homes relative to other jurisdictions, and has thus become a "bedroom community" for the region. Alternatively, other cities with slower residential growth have seen strong commercial development, resulting in communities that are "jobs-rich" and "housing-poor."

One way to measure this balance between jobs and housing is to compare the number of jobs to the number of employed residents in a city. The idea is that a "balanced" city has the same number of jobs as there are employed residents, which theoretically means that there is a job for every employed resident, or a 1:1 ratio. As such, a jobs-rich city has more jobs than employed residents (for a ratio greater than 1:1), whereas a housing-rich city has fewer jobs than employed residents (for a ratio less than 1:1).

In the jobs-to-employed residents (J/ER) framework, a jobs-rich city effectively "imports" workers from outside its jurisdictional boundary because there are not enough employed residents within city limits to fill all of the employment opportunities it offers. Conversely, a housing-rich city "exports" some of its employed residents to work elsewhere because there are not enough employment opportunities within the city available for all residents in the workforce. Thus, the J/ER framework suggests that jobs-rich cities rely on other jurisdictions to build the homes and provide municipal services for their workers, while housing-rich cities do not proportionately share in the jobs available within a region.

It should be noted that J/ER is a simplified concept that masks the complexity of choices individuals make in terms of where they work and live. In reality, people make location decisions for a wide variety of reasons, and even a "balanced" community scenario does not imply that employed residents will only work within the city and not commute to jobs in other places. Nevertheless, when combined with other analyses, the jobs-housing balance can be a useful tool for understanding the dynamics of a place and potential regional inequities in terms of meeting – or not meeting – regional fair share housing needs. Indeed, the RHNA and the Housing Element are ways that the State seeks to address regional inequities in housing that local jurisdictions may not be able to address on their own. In addition to the State's RHNA goals, regional solutions will be critically important to meeting housing needs in the South Bay.

In response to the variations in the jobs-housing balance between cities in Santa Clara County, the General Plan was developed to be a "jobs first" general plan that uses the J/ER framework to guide the City's vision and policies, which includes a J/ER ratio of 1.3:1 as a core objective. If achieved, San José would have 1.3 jobs for every employed resident, and would be transformed from a housing-rich to a jobs-rich city. It is important to note that if the County as a whole remains housing-poor and if the City seeks to attain that same status, housing costs in both the County and in San José could arguably be expected to increase significantly, thereby exacerbating existing affordability issues.

Table III-3 below indicates that San José is a housing-rich community, with a J/ER ratio below 1:1. In fact, the City's J/ER ratio declined over the 2008-2012 time period, from 0.91 in 2008 to 0.85 in 2012. This is primarily attributable to the fact that San José lost more jobs during – and has recovered more slowly

from – the economic downturn than any of the comparison cities. By comparison, the city of Mountain View became significantly more jobs-rich, while the city of Palo Alto achieved a J/ER ratio of 3.0 at both the beginning and end of this time period. Although the city of Sunnyvale remained relatively stable during this period, it too is a jobs-rich city. Finally, Santa Clara County as a whole is jobs-rich, with a J/ER of 1.14:1.

	Jobs				Employed Residents				J/ER Ratio			
Geographic Area	2008	2010	2012	Change (2008-2012)	2008	2010	2012	Change (2008-2012)	2008	2010	2012	Change (2008-2012)
Palo Alto**	86,767	82,578	94,246	7,479	27,495	29,781	30,368	2,873	3.16	2.77	3.10	(0.05)
Santa Clara	104,605	99,077	103,169	(1,436)	59,393	53,980	55,998	(3,395)	1.76	1.84	1.84	0.08
Mountain View	61,981	64,061	71,204	9,223	44,105	41,201	43,291	(814)	1.41	1.55	1.64	0.24
Sunnyvale	86,463	84,630	87,863	1,400	71,646	69,032	71,227	(419)	1.21	1.23	1.23	0.03
San Jose	**407,840**	**375,976**	**387,597**	**(20,243)**	**448,079**	**426,136**	**456,369**	**8,290**	**0.91**	**0.88**	**0.85**	**(0.06)**
Santa Clara County	965,288	907,948	982,237	16,949	865,247	812,674	862,241	(3,006)	1.12	1.12	1.14	0.02
Bay Area Region	3,750,569	3,551,541	3,703,272	(47,297)	3,642,628	3,458,438	3,611,741	(30,887)	1.03	1.03	1.03	(0.00)

*Source: U.S. Census Bureau, American Community Survey (1-year estimates), except as noted below.
**Due to data availability, 2008 and 2010 figures for Palo Alto taken from the ACS 2009 3-year (2007-2009) and ACS 2011 3-year (2009-2011) estimates, respectively.

Table III-3, Jobs to Employed Residents Ratio, 2008-2012

C. Employment

The decline in San José's J/ER ratio, as referenced above, was due in part to a large drop in employment (approximately 20,000 jobs) that represented over 40% of the job loss throughout the entire Bay Area, coupled with an increase of workers who live in San José, and especially an approximately 30,000 increase in employed residents between 2010 and 2012. By comparison, Santa Clara County as a whole experienced a decline in employed residents from 2008 to 2012. In summary, San José has lost jobs and added residents, whereas the reverse is true in several neighboring cities and ~~countywide.~~countywide. This trend further supports the notion that a regional solution is critical to balancing housing and economic development needs.

San José is fortunate to be located in the heart of a strong regional economy, which as mentioned has been relatively resilient to the recent economic downturn and enjoyed solid post-recession job growth. However, the current economic recovery has benefitted certain segments of the workforce more than others, particularly in higher-skill, higher-wage jobs in the technology, financial, and management sectors. For example, high tech manufacturing industry subcategories, such as computer/peripheral equipment and semiconductor/electronic component, provide about 10% of San José Metropolitan Statistical Area (MSA) employment and have pay average annual incomes of $150,000. However, at the other end of the spectrum, lower-skill and lower-wage segments of the workforce, including industry subcategories such as construction, retail and wholesale trade, business services, and leisure/hospitality, face a somewhat weaker labor market at risk of job loss or wage reductions. These industries together employ upwards of 50% of the local workforce, and pay average annual incomes between $30,000 and $70,000. From an occupational (rather than industry) perspective, nearly half of the jobs in the San José MSA pay median wages between $19,000 and $56,000, qualifying such workers for low-income status.

Thus, while Census data indicate that the San José metro area ranks number two in the nation for wealth concentration, by contrast the Joint Venture Silicon Valley's annual "Index of Silicon Valley" report points out that median income fell to an 11-year low in 2011 and that the wage distribution gap is actually growing. Stephen Levy, director of the Center for Continuing Study of the California Economy

(CCSCE) and a consultant for the report, indicated, "This is a tech-led recovery. But the wages at the bottom of the income ladder are stagnating."

During 2013, the San José area outpaced the rate of job creation statewide and local jobless rates are now at their lowest level since mid-2008. However, as previously mentioned, according to the California Employment Development Department (EDD), more than half of the new jobs expected in Santa Clara County over the next five years will pay $11.00 per hour or less, which translates to annual income below the bottom end of the lower income range cited above. Separately, the Bay Area Council estimates that every high tech job added to the local economy creates four jobs in lower-paying support services fields. Finally, the linkage between jobs and housing was recently evidenced by an annual 2014 survey of CEOs by the Silicon Valley Leadership Group (SVLG), which indicated that housing was once again the most critical concern. "As with the past, the high cost of housing remains the No. 1 issue," wrote report author and San José State University professor Larry Gerston. "Simply put, companies can't function well without employees, and employees need affordable, adequate housing for their families." The table below provides a breakdown of employment by industry within the San José MSA.

EMPLOYMENT BY INDUSTRY FOR SAN JOSE METROPOLITAN STATISTICAL AREA (MSA): January 2014

Industry Category / Subcategory	Employment (thousands)	Percent of Total
Total, All Industries	**978.4**	**100.0%**
Total Farm	4.1	0.4%
Total Nonfarm	974.3	99.6%
Goods Producing	197.4	20.2%
Mining	0.3	0.0%
Construction	38.2	3.9%
Manufacturing	158.9	16.2%
Durable Goods	147.2	15.0%
Computer and Peripheral Equipment	41.2	4.2%
Semiconductor and Electronic Component	43.7	4.5%
Electronic Instrument	11.5	1.2%
Other	50.8	5.2%
Nondurable Goods	11.7	1.2%
Service Providing	776.9	79.4%
Trade, Transportation and Utilities	136.3	13.9%
Wholesale Trade	37.0	3.8%
Retail Trade	85.2	8.7%
Transportation, Warehousing and Utilities	14.1	1.4%
Information	59.9	6.1%
Financial Activities	32.9	3.4%
Professional and Business Services	192.8	19.7%
Educational and Health Services	149.3	15.3%
Leisure and Hospitality	85.7	8.8%
Other	25.2	2.6%
Government	94.8	9.7%
Federal Government	10.0	1.0%
State and Local Government	84.8	8.7%

Source: California Employment Development Department (EDD)

Table III-4, Employment by Industry, 2014

The growing divide in the workforce reinforces the need for San José's housing strategy to provide sufficient housing opportunities for workers across incomes in order to support continued economic development. This includes housing opportunities for the working poor and lower-income workers, many of whom are employed in occupations that support "driving industries" in the local economy.

D. Household Income

Housing affordability depends on both the cost of housing as well as household income. Using a special cross-tabulation of Census data, the table below provides a comparison of income measures for 2000 and 2010 in real, (inflation-adjusted) 2010 dollars. In summary, all three household types in San José experienced a double-digit decline in real income over the 2000-2010 time period, ranging from a drop of 25% for non-family households to a 10% decline for family households. On a per capita basis, income fell slightly less (-8.7%).

INCOME BY HOUSEHOLD TYPE: 2000-2010

	Year			
Income	2000	2010	Real Change*	Percent Change
Household				
Median	$88,682	$76,794	($11,888)	-13.4%
Average	$107,667	$95,331	($12,336)	-11.5%
Family				
Median	$94,451	$84,798	($9,653)	-10.2%
Average	$113,472	$103,461	($10,011)	-8.8%
Non-Family				
Median	$61,214	$45,964	($15,250)	-24.9%
Average	$78,098	$64,330	($13,768)	-17.6%
Per Capita	$33,705	$30,757	($2,948)	-8.7%

Sources: U.S. Census Bureau, Bureau of Labor Statistics

*Note: all income figures in inflation-adjusted 2010 dollars.

Table III-5, Income by Household Type, 2000-2010

Table III-6 below provides the distribution of households by income category and tenure. Note that while these Census-derived income categories differ slightly from those in the Regional Housing Need Allocation (RHNA), they provide a sufficiently close approximation for meaningful comparison. As shown in the table below, approximately one-third of all San José households in 2010 (nearly 105,000 households) were lower-income, and in particular extremely low- and very low-income . In other words, the vast majority of the San José's households fell at opposite ends of the income spectrum, being either moderate-income or above or in one of the two lowest income categories. The incidence of lower-income status is greater in renter rather than ownership households: there were nearly four times the number of ELI renter households as ownership households, and nearly twice the number of VLI renter households as ownership households, on a percentage basis.

HOUSEHOLDS BY INCOME CATEGORY AND TENURE: 2010

	Owner-Occupied (OO) Units		Renter-Occupied (RO) Units		Totals	
Income Category*	Number	Percent	Number	Percent	Number	Percent
Extremely Low	14,015	7.7%	31,745	27.1%	45,760	15.3%
Very Low	16,365	9.0%	20,465	17.5%	36,830	12.3%
Low	11,000	6.0%	11,395	9.7%	22,395	7.5%
Moderate and Above	141,055	77.3%	53,425	45.7%	194,480	64.9%
Totals	**182,435**	**100.0%**	**117,030**	**100.0%**	**299,465**	**100.0%**

Source: Comprehensive Housing Affordability Strategy (CHAS)

*Note: Extremely Low= less than 30% of Area Median Income (AMI); Very Low= 31% to 50% of AMI; Low= 51% to 80% of AMI; Moderate and Above= above 80% of AMI

Table III-6, Households by Income Category and Tenure, 2010

Household income also varies significantly by race/ethnicity and over time. Table III-7 shows significant declines in income for all groups except for Asian households, who experienced a slight increase in real income between 2000 and 2010. Hispanic and Black households experienced the most significant declines in both absolute and percentage terms.

MEDIAN HOUSEHOLD INCOME BY RACE/ETHNICITY: 2000-2010

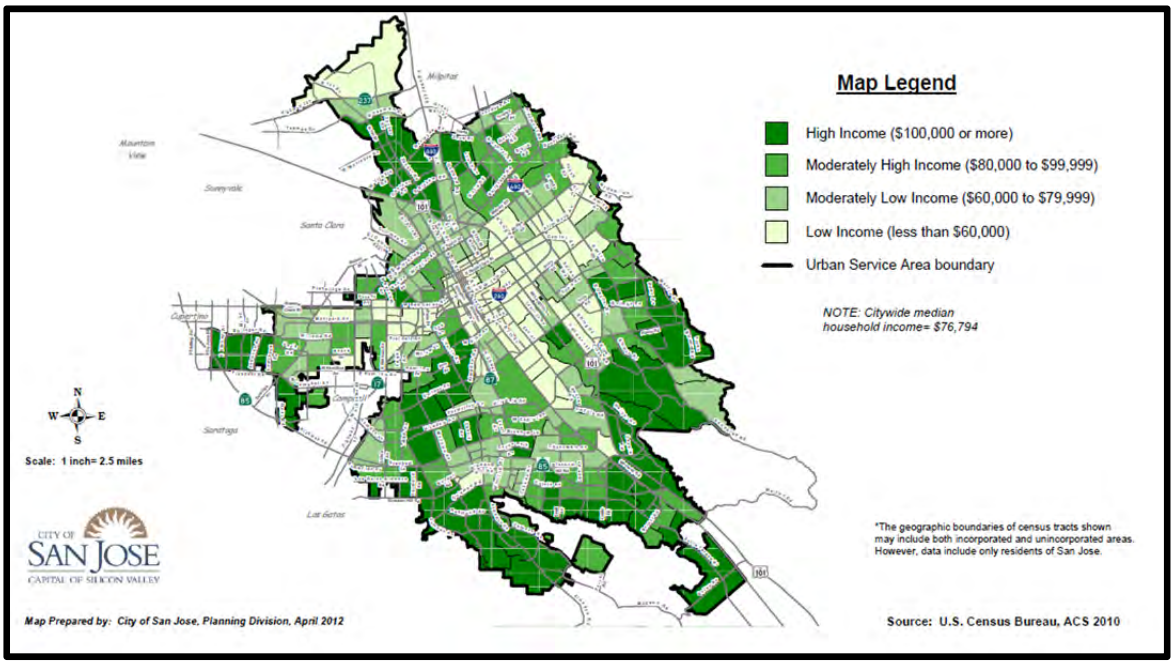
Race/Ethnic Group of Householder	Year 2000	Year 2010	Real Change*	Percent Change
Hispanic or Latino	$70,146	$50,638	($19,508)	-27.8%
Asian	$99,153	$100,012	$859	0.9%
White (Non-Hispanic)	$96,185	$85,971	($10,214)	-10.6%
Black	$73,423	$52,713	($20,710)	-28.2%
Other	$71,403	$54,447	($16,956)	-23.7%
Total	**$88,682**	**$76,794**	**($11,888)**	**-13.4%**

Sources: U.S. Census Bureau, Bureau of Labor Statistics

*Note: all income figures in inflation-adjusted 2010 dollars.

Table III-7, Household Income by Race/Ethnicity, 2000-2010

Median incomes also vary by geography. As illustrated in the map below of Census tracts in San José, higher-income households generally live away from the City center in "outer ring" tracts, while lower-income households are located primarily in Central and East San José. This pattern correlates with other geographic patterns such as ethnic concentration and overcrowded living conditions: lower-income areas are primarily ethnic communities that experience overcrowding. As such, programs in this Housing Element seek to realize more diverse communities throughout the City of San José.



Map III-1, Household Income by Census Tract, 2010

Minimum Wages

In San José, voters approved a minimum wage on November 6, 2012, and the City's Minimum Wage Ordinance (MWO) went into effect on March 11, 2013. Under the MWO, the minimum wage for covered employees (only exceptions are employers that neither have a facility in San José nor are subject to the San José Business Tax) was originally set at $10.00 per hour, and then on January 1, 2014 raised to $10.15 per hour to account for inflation.

Unfortunately, according to a 2014 report from the California Housing Partnership Corporation (CHPC), "the gap between housing cost and income is so great that just raising the minimum hourly wage by a few dollars will not significantly reduce the shortfall of affordable homes." For reference, the National Low Income Housing Coalition (NLIHC) indicates in a 2014 "Out of Reach" report that to rent a two-bedroom apartment in the San José metro area requires an hourly wage of $31.71. In other words, a low-income household with two working adults, each of whom is earning the minimum wage, falls far short of having the necessary income to afford a typical rental unit. Similarly, according to Working Partnership USA, a single person with no dependents needs to make $16.50 an hour, plus benefits, to support basic living in Santa Clara County.

E. Housing Costs

Housing affordability depends on incomes relative to the cost of housing. The previous section provided a discussion on household income and the disparities between industries as well as race/ethnicity, while this section provides a context of San José's housing costs by San José type of tenure (i.e., owned vs. rented).

Owner-Occupied Housing

According to the 2010 Census, the median housing value was $588,000, with nearly two-thirds of owner-occupied home valued between $500,000 and $999,999.

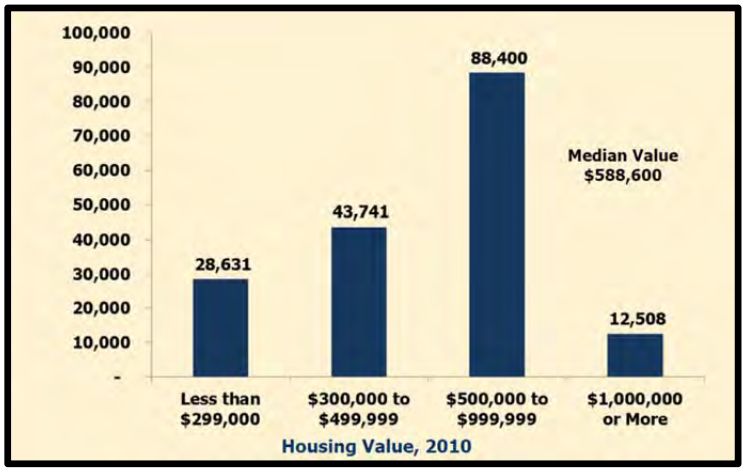
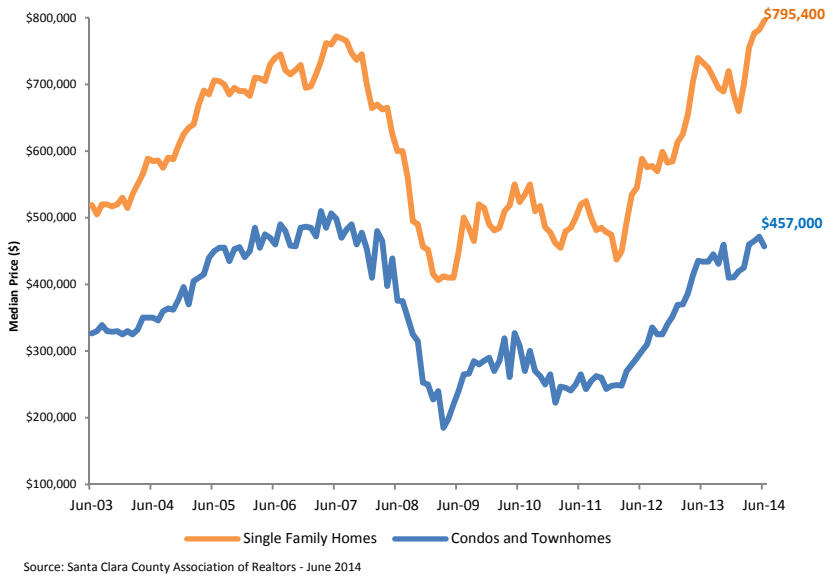


Chart III-5, Housing Value, Owner-Occupied, 2010

While these 2010 figures are still high relative to the rest of the US, they also reflect depressed housing values as a result of the economic recession. San José housing values in 2010 were approximately 35% to 40% below those at the peak of the market in 2007. However, the economy and the housing market have since recovered significantly, with housing prices near their pre-recession peak. Table III-8 shows that the median sales price of a single family home in San José had risen to $795,000 as of June 2014.

Table III-8, San José Median Prices, 2014



Renter-Occupied Housing

The table and chart below show rents for several types of rental housing. The pattern for rents was opposite the pattern of the cost of purchasing in the ownership market: rents fell after the dot-com crash in 2001 but began increasing from the mid-2000s even through the 2008 economic recession to reach all-time highs, while the value of for-sale homes increased after the dot.com but dropped significantly during the 2008 recession. The average rent of $2,169 in San José is now at an all-time high, and has experienced average annual increases of 10% since 2010. Currently, One-bedroom units average $1,945 per month and two-bedroom units are averaging $2,500 per month. While these costs are certainly high, they actually understate the cost of newly constructed rental housing as, for example, new units in North San José currently offer one-bedroom units between $2,200 and $2,700 per month and two-bedroom rentals between $3,000 and $3,500.

RENTAL RATES BY UNIT TYPE: 2000-2013

Unit Type	Year* 2000	2005	2010	2013	Average Annual Increase (2010-2013)
Studio	$1,284	$907	$1,012	$1,399	12.7%
1 Bed / 1 Bath	$1,450	$1,108	$1,307	$1,780	12.1%
2 Bed / 2 Bath	$1,895	$1,439	$1,729	$2,350	12.0%
3 Bed / 2 Bath	$1,959	$1,818	$2,043	$2,554	8.3%
All Rental Units	$1,588	$1,246	$1,483	$1,989	11.4%

Source: RealFacts

*Note: data from the 2nd quarter of referenced years.

Table III-9, Rental Rates by Unit Type, 2000-2013

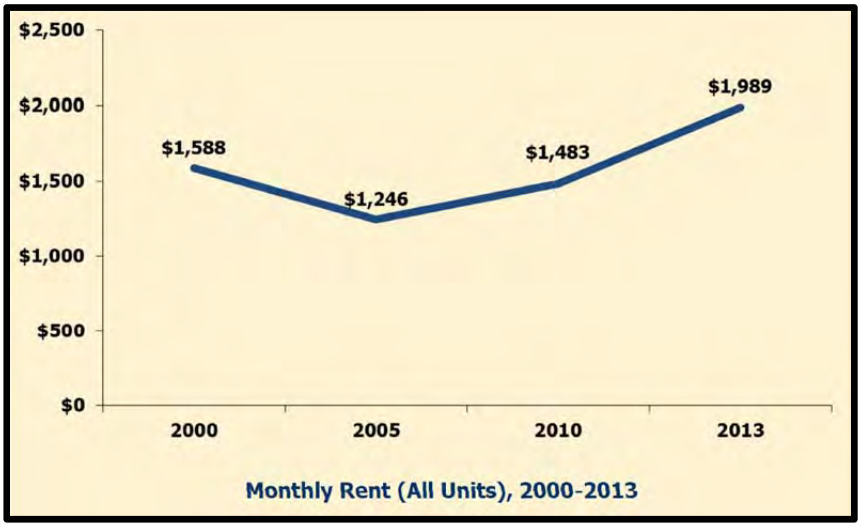
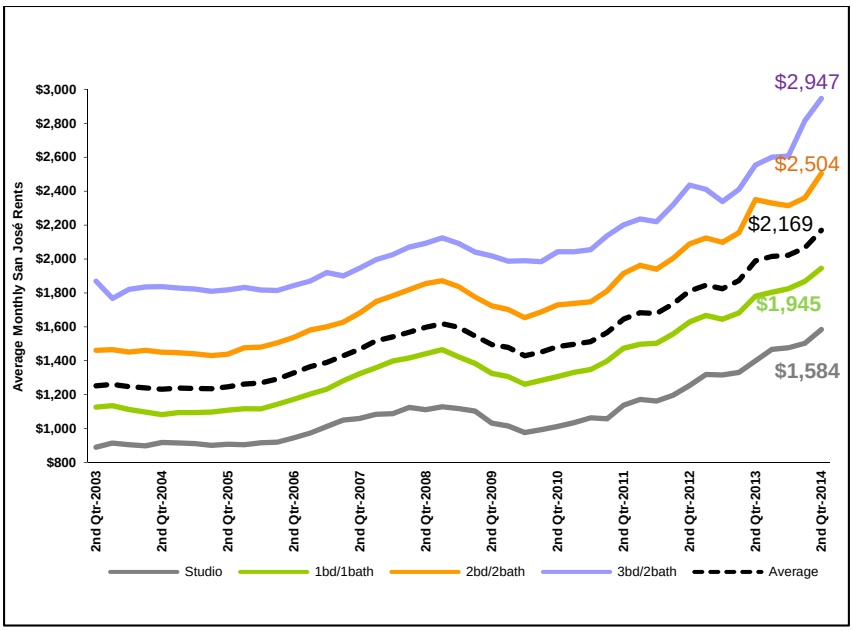


Chart III-6, Monthly Rent (All Units), 2000-2013



Source: RealFacts Q2,2014

Chart III-7, Monthly Rent by Unit Size, 2003-2014

F. Affordability / Housing Burden

A commonly accepted guideline for determining housing affordability is that costs do not exceed 30% of household income. Thus, when monthly carrying costs of a home exceed 30% of income, then the housing is considered unaffordable, or a "burden," for that household. Further, a household is considered to be "severely overpaying" for housing when costs exceed 50% of household income. The section below discusses the issue of housing burden for both renters and owner-occupiers. San José

Owner-Occupied Housing Burden

When analyzing owner-occupied housing burdens, it is important to distinguish between household with a mortgage versus those without a mortgage, as costs for these circumstances differ substantially. The table below indicates that the median monthly costs for a unit with a mortgage were almost $2,800 in 2010, whereas a unit without a mortgage had a median cost of approximately $500 per month.

To evaluate the extent of housing burden among owner-occupied households, the table below provides a breakdown of selected monthly owner costs as a percent of income. Of those units with a mortgage, approximately 50% of owners experienced housing burden (costs 30% or more of income) in 2010. On the other hand, among units without a mortgage, over three quarters of owners paid less than 20% of household income on housing costs.

OWNERSHIP HOUSING AFFORDABILITY
SELECTED MONTHLY OWNER COSTS AS A PERCENT OF INCOME: 2010

	Units with a Mortgage		Units without a Mortgage	
Percent of Household Income	Number of Units	Percent of Total	Number of Units	Percent of Total
Less than 20.0%	29,118	22.0%	30,433	76.1%
20.0% to 24.9%	20,719	15.7%	3,151	7.9%
25.0% to 29.9%	16,754	12.7%	1,254	3.1%
30.0% to 34.9%	14,702	11.1%	1,059	2.6%
35.0% or More	50,867	38.5%	4,078	10.2%
Totals	**132,160**	**100.0%**	**39,975**	**100.0%**
Median Monthly Costs	$2,797		$506	

Source: U.S. Census Bureau

Table III-10, Ownership Housing Affordability, 2010

Using cross-tabulated Census data, the over 32,000 owner-occupied households (19% of all owner-occupiers) experienced a severe housing burden (i.e. paying more than 50% of household income on owner costs). Additionally, 36% of lower income households (80% or less AMI) experienced a housing burden while comprising only 23% of all owners-occupier households in the City.

Renter-Occupied Housing Burden

Like San José's owner-occupier households, renter households also experience significant housing burden. As shown in TABLE III-11, over 53% of all renters experienced a housing burden in 2010. Additionally, renter households experienced a greater incidence of high housing burden than owner-occupier households. Even though the median monthly rent in 2010 ($1,371) was roughly half of median monthly owner costs ($2,797) for units with a mortgage in 2010, the extent of housing burden was higher among renters than owners. This aligns with the fact that lower-income households tend to live in rental homes, primarily because they cannot afford the cost of owning a home.

RENTAL HOUSING AFFORDABILITY
GROSS RENT AS A PERCENT OF INCOME: 2010

Percent of Household Income	Number of Units	Percent of Total
Less than 15.0%	12,424	10.3%
15.0% to 19.9%	14,839	12.4%
20.0% to 24.9%	14,619	12.2%
25.0% to 29.9%	14,046	11.7%
30.0% to 34.9%	11,553	9.6%
35.0% or More	52,576	43.8%
Totals	**120,057**	**100.0%**
Median Monthly Rent	$1,371	

Source: U.S. Census Bureau

Table III-11, Rental Housing Affordability, 2010

Once again using data from CHAS, further identification is possible of the number of renter-occupied households that were severely overpaying, or burdened to the extent of paying more than 50% of household income on rent (i.e., a subset of the highest 35%-plus category shown above). CHAS indicated that 27,700 renters, or nearly one-quarter (23.1%) of all renter-occupied households in San José, devoted more than half of their income to housing. As well, a cross-tabulation of the standard housing burden definition (30% or more of income) with the various income categories showed that the vast majority (87.4%) of burdened renters were composed of lower income households (80% or less AMI).

G. Poverty

Similar to the income categories discussed above, the term "poverty" used in this document is defined by the U.S. Census Bureau using a set of income thresholds that vary by family size and composition. If a family's total income is less than the threshold appropriate for that family, then that family and every individual in it is considered to be in poverty. The official poverty thresholds do not vary geographically, but they are updated for inflation using the Consumer Price Index (CPI).

PERSONS BELOW POVERTY BY AGE: 2000-2010

Age Group	Year 2000	Year 2010	Percent of Group (2010)	Percent Change
Under 18 Years	25,034	38,410	16.7%	53.4%
18-64 Years	47,646	71,940	11.7%	51.0%
65+ Years	5,213	8,188	8.4%	57.1%
All Persons	77,893	118,538	12.6%	52.2%

Source: U.S. Census Bureau

Table III-12, Poverty by Age, 2000-2010

The table above shows a cross tabulation of poverty with age in San José over the 2000-2010 time period. These data indicate that all age groups experienced a more than 50% increase in poverty during the last decade.

Chart III-7, Poverty by Age, 2010

The next table provides a cross tabulation of poverty with race/ethnicity over the same 2000-2010 time period. These data indicate that Hispanics and Blacks experienced an approximately 75% increase in poverty during the last decade, whereas Asians rose slightly less than 50% and Whites just under 30%.

PERSONS BELOW POVERTY BY RACE/ETHNICITY: 2000-2010

Race/Ethnic Group*	Year 2000	Year 2010	Percent of Group (2010)	Percent Change
Hispanic or Latino (of any race)	37,670	65,760	20.9%	74.6%
Asian alone	19,964	29,599	9.7%	48.3%
White alone (Non-Hispanic)	14,402	18,579	7.1%	29.0%
Black alone	3,047	5,357	16.6%	75.8%
Other	25,957	31,646	19.3%	21.9%
All Persons	77,893	118,538	12.6%	52.2%

Source: U.S. Census Bureau

*Note: race/ethnic groups, as presented here, are not mutually exclusive, and thus cannot be summed.

Table III-13, Poverty by Race/Ethnicity, 2000-2010

Comparing the percentage of these race/ethnicity groups living in poverty, we find that just over 20% of Hispanics were below poverty in 2010, more than double the rate of Asians and Whites (9.7% and 7.1%, respectively), with Blacks in the middle to higher end of this range (16.6%).

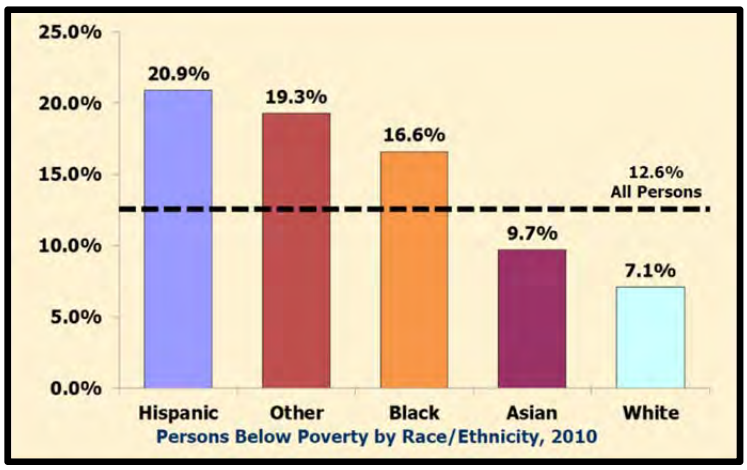
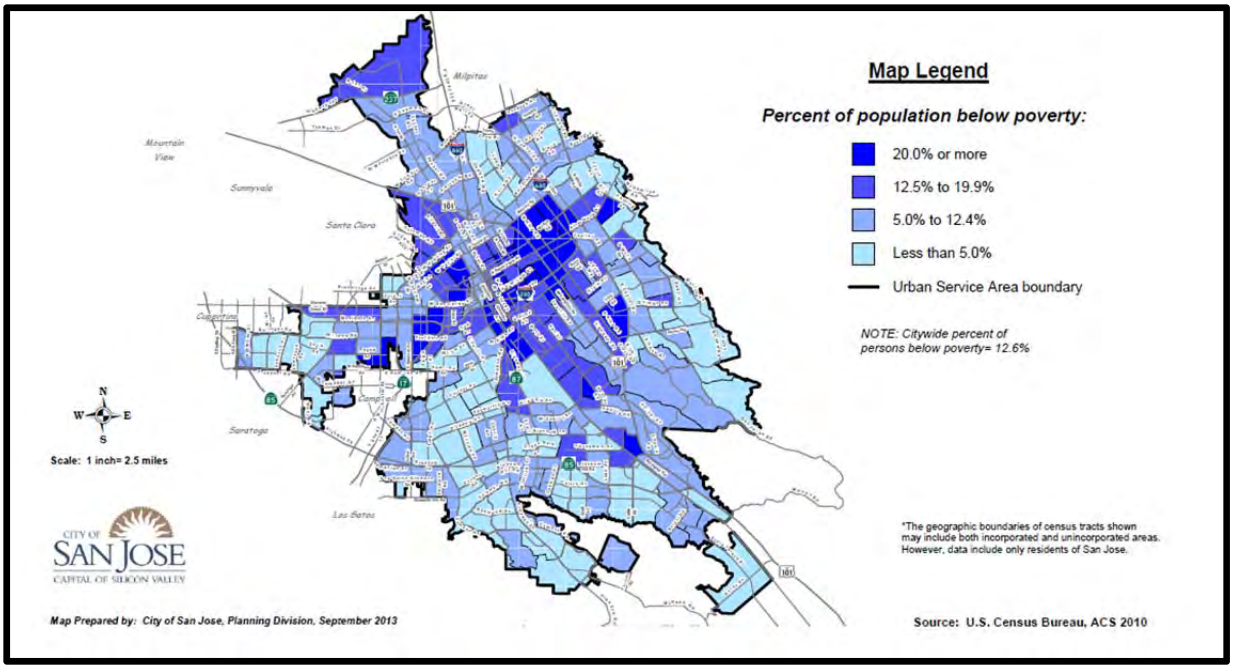


Chart III-8, Poverty by Race/Ethnicity, 2010

Finally, poverty correlates with geographic location. As illustrated in the map below, much of the Central and Alum Rock areas had poverty rates of 20% or more in 2010, whereas some other areas had poverty measuring less than 5% of the population. This once again reinforces the fact that neighborhoods with higher concentrations of Hispanics in particular had the highest rates of poverty and low-income households.



Map III-2, Poverty by Census Tract, 2010

H. Income / Housing Cost Limits

San José administers programs that provide assistance in facilitating the production of Extremely Low-, Very Low-, Low- and Moderate-Income housing, rehabilitation, and preservation of the existing affordable housing supply. In doing so, the City uses annually-published data from the California

Department of Housing and Community Development (HCD) on household income limits. These income limits are adjusted for two variables: income levels and household size, the latter using a four-person household earning a median income (i.e., 100% of Area Median Income (AMI) as the baseline.

SANTA CLARA COUNTY HOUSEHOLD INCOME LIMITS: 2014

	Persons in Household					
Income Category*	**1**	**2**	**3**	**4**	**5**	**6**
Extremely Low	$22,300	$25,500	$28,650	$31,850	$34,400	$36,950
Very Low	$37,150	$42,450	$47,750	$53,050	$57,300	$61,550
Low	$59,400	$67,900	$76,400	$84,900	$91,650	$98,450
Median	$73,850	$84,400	$94,950	$105,500	$113,900	$122,400
Moderate and Above	$88,600	$101,300	$113,950	$126,600	$136,750	$146,850

Source: State Department of Housing and Community Development (HCD)

*Note: Extremely Low= less than 30% of Area Median Income (AMI); Very Low= 31% to 50% of AMI; Low= 51% to 80% of AMI; Median= 100% of AMI; Moderate and Above= above 120% of AMI

Table III-14, Santa Clara County Household Income Limits, 2014

Affordable Home Purchase Prices

Home purchase prices considered "affordable" based upon HCD income limits are shown in the table below. Note that Extremely Low Income (ELI) and Very Low Income (VLI) categories are not shown since it is unlikely such households could purchase property in San José without considerable subsidy from the City or another source. Further, it is challenging to create a sustainable homeownership model for these income levels when the additional costs of home repair and maintenance are considered. Indeed, the goal is not only to provide assistance such that low income families can purchase a home, but that these families can afford to stay there. The following assumptions were used to generate maximum sales prices:

1. A 5% down payment;
2. Housing cost-to-income ratio is 30%;
3. The mortgage is a 30-year fixed rate note;
4. The rate of interest on the mortgage is 5.0%;
5. Property taxes and mortgage insurance are 1.25% and 0.25%, respectively; and,
6. Homeowner association dues are $300 per month (applies to condos/townhomes only).

MAXIMUM HOME PURCHASE PRICE BY INCOME LEVEL: 2014

	Persons in Household					
Income Category*	**1**	**2**	**3**	**4**	**5**	**6**
Low	$186,900	$220,000	$253,000	$286,000	$310,000	$340,000
Moderate	$302,000	$352,000	$402,000	$451,700	$491,500	$531,000

Source: State Department of Housing and Community Development (HCD)

*Note: Low= 51% to 80% of AMI; Moderate= 81% to 120% of AMI

Table III-15, Home Purchase Price Limits, 2014

Note that the median price of a home sold in June 2014 was $795,400 for a single-family home and $457,000 for a condo/townhome. Based on the table above, this means that only a 5 or 6-person moderate-income household has the purchasing power to buy a for-sale Condominium at the median price and not experience a housing burden. This would likely be a two- or three-bedroom townhome or condominium, which would imply significant overcrowding for a 5 or 6-person household.

Affordable Rental Rates

Affordable rental rate levels, by income level and household size, are derived from HCD and shown in the table below. Rents are based on 30% of monthly income, minus an allowance for basic utilities. The City's rental programs do not include development of Moderate-Income units, since those rents equal or exceed unrestricted market rents.

RENTAL UNIT AFFORDABILITY LEVELS: 2014

	Persons in Household					
Income Category*	**1**	**2**	**3**	**4**	**5**	**6**
Extremely Low	$558	$638	$716	$796	$860	$924
Very Low	$929	$1,061	$1,194	$1,326	$1,433	$1,539
Low (60% AMI)	$1,108	$1,266	$1,424	$1,583	$1,709	$1,836
Low (80% AMI)	$1,485	$1,698	$1,910	$2,123	$2,291	$2,461

Source: State Department of Housing and Community Development (HCD)

*Note: Extremely Low= less than 30% of Area Median Income (AMI); Very Low= 31% to 50% of AMI; Low= 51% to 80% of AMI; Median= 100% of AMI; Moderate and Above= above 120% of AMI

Table III-16, Rental Unit Affordability Levels, 2014

Like the circumstance above for for-sale housing, low-income renter households of any size are essentially priced out of the rental market. Those who can afford market rents are large households who would then be living in overcrowded situations.

I. Special Housing Needs Groups

Government Code section 65583(a) (7) requires an analysis of the special housing needs of specific groups of persons and families. These groups include the elderly/seniors, persons with disabilities, large families, female-headed family households, the homeless, persons in need of emergency shelter, and farm workers, as listed below. The following discussion is intended to provide both a brief qualitative description of the unique needs of these groups, as well as a quantitative analysis of their estimated size and characteristics. Information about the City's efforts to address these needs is contained in Chapter VII of this document.

1. Elderly / Seniors

The elderly/senior (persons age 65+ years) population has a wide variety of special housing needs, depending on health status, mobility, and homecare requirements. If a senior's medical needs are minimal and limited assistance is needed with daily activities, independent living at home is possible

and, in fact, surveys suggest that most seniors prefer to "age in place." When aging in place or living alone is no longer possible, there are a number of other housing types and services that cater to the specific needs of elderly residents. These housing types and services include, but are not limited to, shared housing, senior condos, senior residential communities, life care communities, continuing care, assisted living, residential care, nursing facilities, and hospice care.

In the prior chapter, an analysis of the San José population by age revealed that, over the 2000-2010 time period, the number of seniors rose by almost 30% to a total of nearly 100,000 persons in 2010. Further, as to household type, while the previous chapter indicated that householders living alone accounted for a substantial 20% of the total, among the City's seniors this percentage is nearly double (38%). In evaluating the special housing needs of the elderly, a cross tabulation can be performed between data on affordability/housing burden and age. The following table provides both median monthly owner costs and gross rent as a percent of income for persons age 65 and above in 2010.

HOUSING AFFORDABILITY AMONG SENIOR (65+ YEARS) HOUSEHOLDERS
INCOME SPENT ON SELECTED MONTHLY OWNER COSTS OR GROSS RENT: 2010

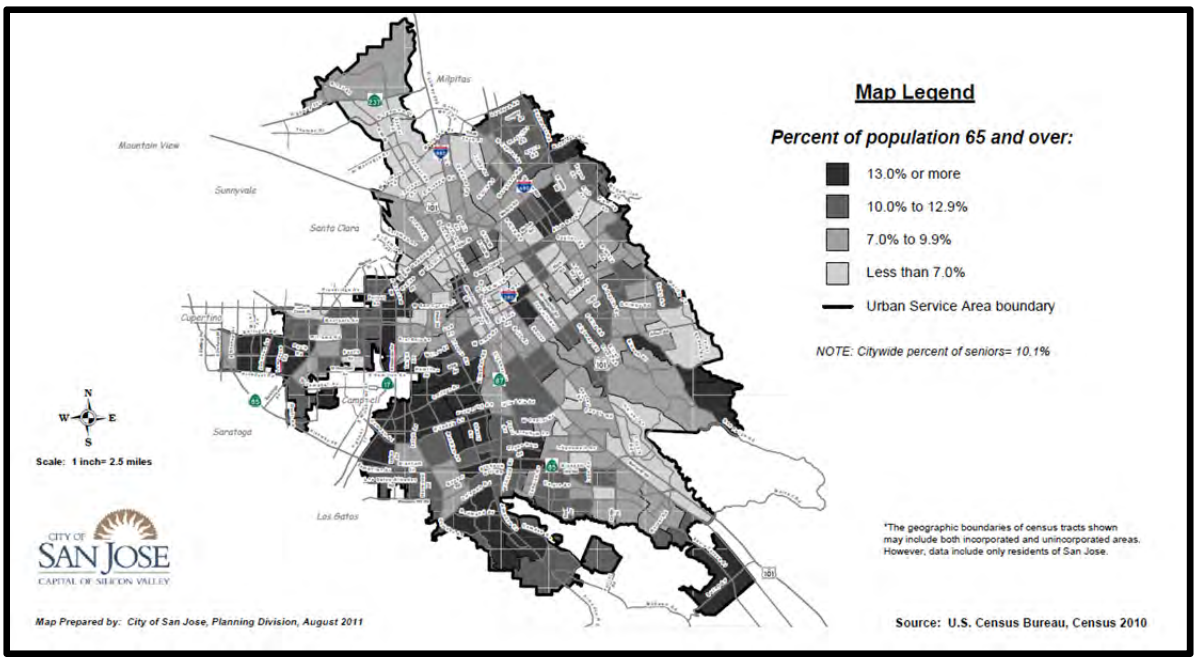
Percent of Household Income	Owner-Occupied (OO) Units	Percent of OO Total	Renter-Occupied (RO) Units	Percent of RO Total	Totals
Less than 30%	25,555	66.9%	4,451	31.0%	30,006
30% or More	12,259	32.1%	9,062	63.1%	21,321
Not computed	377	1.0%	859	6.0%	1,236
Totals	**38,191**	**100.0%**	**14,372**	**100.0%**	**52,563**

Source: U.S. Census Bureau

Table III-17, Housing Affordability for the Elderly/Seniors, 2010

These data indicate a dichotomy: less than one third (32.1%) of owner-occupied households experienced housing burden (costs 30% or more of income), yet nearly two thirds (63.1%) of renter-occupied households were burdened by housing costs. In other words, elderly households present two extremes: elderly owners are burdened at about 10% below the rate within the population as a whole, whereas elderly renters are burdened at a rate about 10% above the general population. Lower income seniors experience an even higher incidence of housing burden.

Analysis of the geographic distribution of the elderly/senior population shows neighborhoods in West San José (West Valley, Willow Glen, Cambrian, and Almaden) had relatively higher concentrations in 2010. However, only one census tract had an elderly/senior concentration that was more than double the citywide rate (10.1%), and as such these concentrations are not pronounced. Yet as indicated in the previous chapter, growth in the "pre-retirement" age group (55-64 years) rose by over 40% during the 2000-2010 time period, and seniors (65+ years) rose by almost 30%. Thus, assuming that some proportion of existing senior residents choose to "age in place," such a trend could well have important spatial implications for the City's current and anticipated future housing needs.



Map III-3, Elderly/Seniors by Census Tract, 2010

The California Community Care Licensing Division (CCLD) administers regulations (Title 22, Division 6 of the California Code of Regulations) on Residential Care Facilities for the Elderly (RCFE), which facilities may also be known as assisting living facilities, retirement homes, and board and care homes. An RCFE generally provides services to persons 60 years and over, with residents requiring varying levels of personal care and protective supervision. According to the City's geocoding and analysis of CCLD data, San José contains some 200 RCFEs with a total licensed capacity of nearly 2,500 persons. These facilities are geographically distributed throughout the city limits, and account for approximately two-thirds of all RCFEs in Santa Clara County. As the population ages and the number of seniors grow, there may be increased demand for residential care facilities that provide housing and services. Further, the City must plan for a range of senior housing needs, including retrofits to facilitate aging in place, downsizing to more convenient, urban, amenities-rich communities, as well as more intensive care facilities.

2. Persons With Disabilities

A disability is a physical or mental impairment that limits one or more major life activities. According to the Americans with Disabilities Act (ADA), major life activities include seeing, hearing, speaking, walking, breathing, performing manual tasks, learning, caring for oneself, and working. Persons with a disability generally have lower incomes and often face barriers to finding employment or adequate housing due to physical or structural obstacles. This segment of the population often needs affordable housing that is located near public transportation, services, and shopping. Persons with disabilities may require units equipped with wheelchair accessibility or other special features that accommodate physical or sensory limitations. Depending on the severity of the disability, people may live independently with some assistance in their own homes, or may require assisted living and supportive services in special care facilities.

The State of California passed legislation (SB 812), which took effect January 2011, amending housing element law as it relates to persons with disabilities to include an evaluation of the special housing needs of persons with a "developmental disability" as defined in Section 4512 of the Welfare and Institutions Code. A developmental disability is a disability that originates before an individual reaches 18 years of age, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. This includes mental retardation (and closely related conditions), cerebral palsy, epilepsy, and autism.

The U.S. Census Bureau collects information on disabilities and places into six categories, as follows: (1) hearing difficulty; (2) vision difficulty; (3) cognitive difficulty; (4) ambulatory difficulty; (5) self-care difficulty; and, (6) independent living difficulty. The Census Bureau does not have specific information regarding persons with developmental disabilities. However, each non-profit regional center contracted with the California Department of Developmental Services (DDS) maintains an accounting of the number of persons served, and this information is referenced below.

Census data indicate that those with one or more disability totaled approximately 78,000 persons, or about 8% of the City's population, in 2010. Examined individually, the percent of the population in any single disability category ranged from 4.4% to 4.7%. A cross tabulation of disability data with age revealed that nearly half were seniors. In fact, over one third (37.5%) of San José's senior population had some form of disability in 2010, by far the most common types of which were ambulatory difficulty and/or independent living difficulty (each present among approximately 60% of disabled seniors).

By way of background, the former Agnews Developmental Center (East Campus), first established at 3500 Zanker Road in San José in 1926, was closed as a residential facility in 2009. Prior to that time, individuals with developmental disabilities had since 1965 been admitted to a special rehabilitation program at the facility, and other programs serving the mentally ill were subsequently discontinued in 1972. Thus, from 1972 to up until a few years ago, the center had been used exclusively for the care and treatment of persons with developmental disabilities.

The State DDS currently provides services to persons with developmental disabilities through a statewide system of twenty one regional centers, four developmental centers, and two community-based facilities. The San Andreas Regional Center serves four counties, including Santa Clara County. According to information from the San Andreas Regional Center, there are 8,713 persons with developmental disabilities in Santa Clara County, or approximately 0.5% of the County's population. Of this total, about three quarters (74%) of developmentally disabled individuals are reported as living at home with a parent or guardian, with the balance residing in a community care facility (16%), independent living arrangement (7%), or intermediate care facility (2%).

3. Large Families

Average household size, multigenerational households, and overcrowded housing were topics presented and discussed in Chapter II. Similarly, "large families", defined as those with five or more persons, are a special housing needs group identified in State law because they may not have sufficient housing options to adequately support their living arrangement. Large families may encounter difficulty in finding adequately-sized, affordable housing due to the limited supply of large units. Additionally, large units generally cost more to rent or buy, which may result in a disproportionate number of large families living in overcrowded conditions.

Review of Table II-6 (Household Size by Tenure) and Table II-12 (Overcrowded Housing) indicates that just over 55,000 San José households, or about 18% of the total, were composed of five or more persons in 2010. As well, nearly half of these households were in renter-occupied housing units, with about the same number of rentals reporting in excess of one person per room (i.e., the definition of "overcrowded"). Given that a four-bedroom home is generally the largest unit size available, it is safe to conclude that many of the same 5-plus person renter households are also overcrowded.

With the use of CHAS data, we can further explore the relationship between family size and income to evaluate housing burden among large families. The table below show that while three-quarters of large family owners were in the "moderate and above" (above 80% AMI) income category, more than half (54.0%) of large family renters were either "very low" or "extremely low" income. Thus, these results indicate that, among renter households, there is a strong correlation between family size and housing burden, implying that overcrowded living conditions in this group are not necessarily by choice.

LARGE FAMILIES BY INCOME CATEGORY AND TENURE: 2010

	Owner-Occupied (OO) Units		Renter-Occupied (RO) Units		Totals	
Income Category*	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Extremely Low	1,365	5.1%	4,330	31.9%	5,695	14.1%
Very Low	3,170	11.8%	2,995	22.1%	6,165	15.2%
Low	2,220	8.2%	1,150	8.5%	3,370	8.3%
Moderate and Above	20,175	74.9%	5,095	37.5%	25,270	62.4%
Totals	**26,930**	**100.0%**	**13,570**	**100.0%**	**40,500**	**100.0%**

Source: Comprehensive Housing Affordability Strategy (CHAS)

*Note: Extremely Low= less than 30% of Area Median Income (AMI); Very Low= 31% to 50% of AMI; Low= 51% to 80% of AMI; Moderate and Above= above 80% of AMI

Table III-18, Large Families by Income Category and Tenure, 2010

4. Female-Headed Family Households

Female-headed, single-parent households are identified among those with special housing needs because they are disproportionately represented among those living at or below the poverty level. Single mothers have a greater risk of falling into poverty than single fathers due to factors such as the wage gap between men and women, insufficient training and education for higher-wage jobs, and inadequate child support. In fact, according to census data, over 25% of single-mother households in San José were living below poverty in 2010, compared to a poverty rate of less than 10% for all family households. As well, nearly half of single-mother households below poverty contained a child in each one of two age categories (4 years and under and 5 to 17 years) provided by the U.S. Census Bureau. Overall, single-mother households comprised 30% of the total count of families living below poverty, which helps to at least partially explain the higher rate of poverty among children.

5. Homeless

A 2012 U.S. Department of Housing and Urban Development (HUD) report on homelessness found that San José had the highest percentage of unsheltered homeless individuals (73.3%) among major cities in the nation. The report also concluded that San José had the third highest number (2,617) of chronically homeless persons among major cities, following the much larger cities of Los Angeles and New York.

The City of San José also participates in a regional homeless census that takes place every two years throughout Santa Clara County. This census provides a "point-in-time" snapshot of the homeless population (see reports online at http://www.sanjoseca.gov/index.aspx?nid=1289). Table III-19 provides several key findings from the most recent survey conducted on January 29 and 30, 2013.

SUMMARY OF FINDINGS
HOMELESS CENSUS AND SURVEY: 2013

Measure/Characteristic	Number of Persons	Percent of Count
Point-in-Time Count		
Unsheltered	3,660	77%
Sheltered	1,110	23%
Totals	4,770	100%
Annual Estimate*	**12,055**	
Usual Sleeping Place		
Outdoors/Streets/Parks/Encampments		46%
Emergency, Transitional Housing, or Other Shelter		30%
Vehicle		10%
Structure/Indoor Area (not normally used for sleeping)		8%
Motel/Hotel		5%
Other		1%
Number of Episodes		
1 Time		65%
2 Times		10%
3 Times		8%
4 Times		4%
5 Times		1%
6+ Times		12%
Duration (this current time)		
7 Days or Less		4%
8 to 30 Days		5%
1 to 3 Months		11%
4 to 6 Months		12%
7 to 11 Months		10%
1 Year or More		58%

Source: City of San Jose Homeless Census and Survey

*Note: the annual estimate is based on data from the Point-in-Time Count, conducted January 29-30, 2013, and response from a subsequent survey. It can be used to estimate the total number of persons experiencing homelessness at some point during 2013, as an enumeration has an inherent bias of not capturing homeless persons who experience short episodes of homelessness during other times of the year.

Table III-19, Homeless Census and Survey, Summary of Findings, 2013

In summary:

- A total of 4,770 homeless persons were identified in this point-in-time count, an 18% increase from 2011.
- Those persons that experienced at least one episode of homelessness in the prior 12 months were estimated at 12,055 persons, a 5% decline from 2011. However, the number of persons who experienced multiple episodes of homelessness increased.
- While 23% of homeless persons were "sheltered" in shelters, transitional housing, or safe havens, the remaining 77% were "unsheltered" in encampments, on the street, or other unsheltered locations.
- Encampment residents were much more likely to have been San José residents when they became homeless (95% versus 71% for the general homeless population).
- Among encampment survey respondents, 96% would accept permanent housing if it were available.

In the weeks following this homeless census, a survey was administered to about 500 sheltered and unsheltered homeless persons in the City. The survey used a peer-to-peer methodology and was administered by trained survey workers who had experienced or were experiencing homelessness. The survey is the basis for estimating the demographics and other characteristics of the homeless population. It should be noted that in conduct of the 2013 survey, San José made a concerted effort to identify historically "hard to reach" populations by requesting that outreach professionals from partner nonprofit agencies seek out people living in encampments and other areas more difficult to locate. As a result, the City believes that the 2013 count provides a much more accurate depiction of the scope of homelessness, and San José was the only agency within the County to utilize these specialized teams.

Table III-20 provides a demographics overview of San José's 2013 homeless census and survey. Age of persons is broken down by various age groups, and a cross tabulation of age by shelter type indicates that encampment residents were older (median age= mid-40's) as compared to those not living in encampments (median age= upper-30's). In terms of gender, males comprised nearly three quarters (73%) of the homeless population. The race/ethnic makeup of the homeless was significantly different from the City's population as a whole. In particular, Asians comprised only 6% of the homeless, whereas they constitute one third (32%) of the general population. On the other hand, Blacks amounted to 23% of the homeless, yet only make up 3% of the San José population. The count of homeless Hispanics and Whites were in roughly equal proportion to their citywide numbers. Finally, obstacles to obtaining housing were almost solely income related, even though one third (35%) reported being employed. Two thirds (65%) of respondents reported an inability to afford rent.

DEMOGRAPHICS OVERVIEW
HOMELESS CENSUS AND SURVEY: 2013

Characteristic	Percent of Count
Age Group	
Under 18 Years	2%
18-24 Years	25%
25-40 Years	24%
41-50 Years	22%
51-60 Years	22%
61+ Years	5%
Gender/Sexual Orientation	
Male	73%
Female	25%
Transgender	2%
Race/Ethnicity	
Hispanic or Latino	30%
Asian	6%
White	29%
Black	23%
Other	12%
Household Type	
Family	9%
Non-Family	91%
Employment	
Employed	35%
Unemployed	65%
Income (Median Monthly)*	
Employed	$1,000
Unemployed	$200

Source: City of San Jose Homeless Census and Survey

*Note: caution should be used when interpreting these data due to the small survey size.

Table III-20, Homeless Census and Survey, Demographics Overview, 2013

Several recent events in San José demonstrate that homelessness is an urgent and complex issue, including an increasing number and visibility of encampments and homelessness in Downtown, deaths related to cold weather, and health/safety concerns and environmental impacts due to riparian encampments. Homelessness impacts not only those experiencing it, but also the community. Homeless encampments in particular present unsafe and unsanitary living conditions for residents and adversely affect surrounding neighborhoods, businesses, and the environment. Currently, San José is estimated to have approximately 300 individual encampments, ranging in size from one person to as many as nearly 300 persons.

The City is currently responding to homelessness in a variety of ways:

- The Place-Based Rapid Re-Housing Program, which provides housing, support, and employment for up to 100 persons from a targeted encampment as well as encampment clean-up. The Program involved a commitment of $4 million over two years from the General Fund. It will

leverage other funds and partner with other organizations to assist 100 additional targeted encampment residents with housing subsidies and case management support.

- The City-funded Homeless Outreach and Engagement Program, which provides a coordinated response to the community about homeless persons living on the streets and in encampments throughout San José. This program is funded by the Federal ESG and CDBG entitlement programs.
- Tenant-Based Rental Assistance Programs, which provide rental vouchers for homeless persons to assist them in relocating into ~~housing.~~housing. This program is funded by the Federal HOPWA and HOPWA SPNS entitlement programs.

In addition to these current responses, in collaboration with internal and external partners the City is exploring a continuum of new strategies to end homelessness. The strategies may include actions to meet more immediate needs or those that can be accomplished in a shorter period of time, as well as longer term strategies that require more coordination and resources to develop permanent supportive housing, which is the City's primary goal. For example, the City is pursuing a concept that would leverage existing underutilized hotels/motels as one strategy to house homeless persons in the shorter term. In addition, the notion of converting underutilized commercial buildings into permanent supportive housing for the homeless is being explored. These and other actions are identified and discussed in more detail in Chapter VII.

6. Persons In Need Of Emergency Shelter

In 2007, the State of California passed SB 2 requiring local agencies to plan for and identify areas most appropriate for emergency shelters. This bill added provisions to require identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit.

To comply with this requirement, San José soon thereafter established a new Combined Industrial / Commercial (CIC) Zoning District that allows emergency shelters with 50 or fewer beds by right. Emergency shelters are a conditionally permitted use in various other commercial and industrial zones (see Table IV-3 in Chapter IV). As well, in subsequent adoption of the General Plan in 2011, lands identified as CIC on the General Plan (which designation guides rezoning to CIC) were greatly expanded, from about 1,000 acres to over 1,800 acres. Since that time, the City Council has approved numerous conforming CIC rezoning applications.

The CIC Zoning District is predominantly developed with or otherwise encourages a mix of commercial, office, or industrial uses, and thus contains the large buildings types that can meet emergency shelter space requirements. The zoning ordinance allows emergency shelters to include various incidental uses, such as medical assistance, training, counseling, and personal services, which are essential to enabling clients to make the transition to more permanent shelter. In fact, a shelter management plan is a mandatory condition of approval to help address good neighbor issues, transportation, and client supervision/services.

In 2010, the City also amended its Zoning Code to add definitions of transitional and supportive housing, and expressly stated that these uses are, and shall be treated as, residential uses subject only to restrictions applicable to such uses or structures. Supportive housing in the form of residential care and residential service facilities serving 6 or fewer persons is allowed by right in all residential zoning

districts, and for facilities serving 7 or more persons is conditionally allowed in residential and commercial zoning districts. These facilities include senior assisted living facilities and institutions that provide medical assistance, training, counseling, and personal services for special needs populations.

As previously noted, while SB 2 requires jurisdictions to include by-right provisions for emergency shelters in their municipal code, the City of San José's priority strategy for responding to homelessness is permanent supportive housing.

7. Farm Workers

Farm workers are traditionally defined as persons whose primary incomes are derived from permanent or seasonal agricultural labor. Permanent farm laborers work in the fields, process plants, or support activities generally on a year-round basis. When workload increases during harvest periods, the labor force is supplemented by seasonal workers, often supplied by a labor contractor. For some crops, farms may hire migrant workers, defined as those whose travel prevents them from returning to their primary residence each evening.

According to the American Community Survey 1-year estimates, there were less than 1,000 Farmworkers living in San José in 2012. In 2013, Santa Clara County Office of Education recorded 2,142 migrant students in San José schools. City's business license records and California Employment Development Department (EDD) data, there are no active farms or agricultural uses in San Jose that would generate special housing needs for farm workers. All businesses identified as agricultural-related industries within the City are either offices for farm operations located in the Central Valley or industrial operations that manufacture equipment and machinery for agricultural purposes. Due to the absence of agricultural activity and the relatively low number of Farm Workers and migrant students who reside in San José it is assumed that this group has similar needs as other low income and homeless individuals within the City and that existing programs serve this population.

J. Energy Conservation

Conservation of energy is an important issue, not only because of the direct impact of energy costs on individual consumers' ability to afford housing, but also due to broader, less direct costs borne by society as a result of inefficient development patterns. According to Jeff Speck, a city planner and author of the book "Walkable City", the typical American spent 10% of their income on transportation in the 1970's. Since that time, the country has doubled its number of roads, and today people spend 20% of their income on transportation. In fact, among the nation's working families, defined as those earning between $20,000 and $50,000 a year, transportation costs now outweigh housing as the most expensive household budget item. In a local analysis of transportation costs, the Urban Land Institute (ULI), in a 2009 report entitled, "Bay Area Burden", concluded that transportation costs in the nine-county Bay Area were highest in the South Bay, totaling nearly $17,000 per year for a typical household.

In response, there is growing interest in a variety of related topics, including sustainable development, energy independence, and the reduction of greenhouse gas emissions. Specifically related to housing element law, the State mandates "an analysis of opportunities for energy conservation with respect to residential development" (Government Code section 65583(a)(8)).

The City's *Green Vision*, a 15-year plan adopted in 2007, provides the necessary framework for addressing San José's energy conservation needs in fulfillment of State law. The plan includes ten ambitious goals for economic growth, environmental sustainability and an enhanced quality of life for residents and businesses, including the following to be achieved by the year 2022:

- Goal 2: Reduce Per Capita Energy Use by 50%
- Goal 4: Build or Retrofit 50 Million Square Feet of Green Buildings
- Goal 7: Adopt a General Plan with Measurable Standards for Sustainable Development

The three goals above capture the primary strategies that San José is employing to promote energy conservation, as discussed in more detail below.

1. Integrating Land Use and Transportation

Energy conservation has long been a central priority in the planning of San José's land uses and transportation network. By providing a range of housing types and affordability near jobs, services, and transit, the City's planning efforts can reduce commutes, traffic congestion, and thus the number of vehicle miles and hours traveled. The General Plan includes a number of Major Strategies designed to promote the integration of land use and transportation, including Major Strategy #3—Focused Growth and Major Strategy #5—Urban Villages.

On the Focused Growth strategy, San José is largely built-out in a low-density land use pattern within its city limits, and the General Plan does not support the conversion of industrial areas to residential use or the development of Urban Reserves or lands outside the City's Urban Growth Boundary. However, there are many opportunities in which new housing and mixed-use developments can be achieved through higher-density redevelopment within existing urbanized areas.

On the Urban Villages strategy, the General Plan establishes the "villages" concept to create a policy framework to direct most new jobs and housing growth to occur within walkable and bike friendly areas that have good access to transit and other existing infrastructure and facilities. Development of 70 Urban Villages at environmentally and fiscally beneficial locations throughout the City is a key Plan strategy that integrates housing, land use, and transportation. The Housing Element implementation program proposed strategies to facilitate residential development within Urban Villages across all income levels.

2. Building Design Standards/Practices

There are many opportunities for conserving energy in new and existing homes. While construction of energy efficient buildings does not necessarily lower the purchase price of housing, energy conservation features should result in reduced monthly costs of occupancy as consumption of water and energy is decreased. Similarly, retrofitting existing structures with energy-conserving features can result in a reduction in utility and operating costs.

The State's 2013 Building Energy Efficiency Standards improve upon the current 2008 Standards for new construction of, and additions and alterations to, residential buildings, and went into effect on January 1, 2014. According to the California Energy Commission (CEC), these standards will use 25% less energy for lighting, heating, cooling, ventilation, and water heating than the 2008 Standards, saving 200 million

gallons of water per year and avoid 170,500 tons of greenhouse gas emissions per year. On average, these Standards add an additional $2,290 to the cost of constructing a new residential building, but will return $6,200 in energy savings over 30 years. In other words, when factored into a 30-year mortgage, the Standards will add approximately $11 per month for the average home, but will save $27 on monthly heating, cooling, and lighting bills.

As it relates to new homes, on October 7, 2008, the San José City Council adopted the Private Sector Green Building Policy, which requires new construction projects of 10 or more units to either score at least 50 points using the Build It Green rating system or obtain certification using the U.S. Green Building Council LEED rating system. Certification with one of these green building rating systems will yield energy and water savings, as well as numerous other environmental and health benefits.

As to retrofitting, the General Plan encourages flexibility in consideration of heights above those established for buildings, to allow rooftop structures such as solar panels, other energy-saving or generating devices, and roof landscaping (see General Plan Policy CD-4.12). Similarly, in compliance with Senate Bill 1222 (SB 1222), San José has adopted an ordinance, permit fees, and processes to streamline the submittal and approval of permits for solar energy systems per State guidelines. To date, the City has itself implemented municipal energy efficiency retrofits that will save an estimated $1 million each year, and a revolving City Energy Fund enables investment of savings in a future energy efficiency projects.

3. Promoting Energy Conservation

There are numerous financial and technical resources available to help households reduce their energy usage, and the City is committed to promoting these resources and also providing residents with the information needed to determine program eligibility and facilitate enrollment. San José has established partnerships with PG&E, the State of California, and other organizations on various energy conservation programs, regularly conducts energy efficiency training workshops for residential utility customers, and is promoting an energy efficiency tool lending library.

The Energy Upgrade California program is an unprecedented collaboration between State agencies, utilities, local governments, and contractors that provide a "one stop shop" for home improvement projects that lower energy use, conserve water and natural resources, and make homes healthier and more comfortable. Also, during 2012, the Santa Clara County/Silicon Valley Energy Watch program run by the City of San José served over 1,500 homes and small businesses countywide, saving nearly $3 million in utility bills. To date, the program has helped almost 3,000 homes and businesses. As well, the Community Energy Champion Grants program provided technical assistance and $335,000 in grants to 18 recipients. The grant recipients reached out to 19,000 people in targeted communities to increase energy efficiency awareness.

Finally, aside from these three *Green Vision* goals and energy conservation strategies, the City has adopted ordinances that require or promote energy efficiency in various other ways, including the following:

a. Construction and Demolition Diversion Deposit (CDDD) Program (SJMC, Chapter 9.10, Part 15): reduces the amount of waste that goes to the landfill and the need for new/raw building materials. Green building practices referenced above can also reduce resource consumption,

through material reuse, efficient framing, off-site fabrication, and panelized or pre-fabricated construction.

b. Water-Efficient Landscape Standards (SJMC, Chapter 15.11): increases outdoor water efficiency and conservation. Other water efficiency and conservation measures include the use of recycled water, rainwater harvesting, and indoor conservation measures, such as installing high efficiency toilets, faucets, showerheads, dishwashers, and clothes washers.
c. Storm Water Management (SJMC, Chapter 20.95): requires storm water runoff treatment and management. Techniques include the use of permeable paving, erosion control measures for steep slopes, vegetative/landscape-based treatment measures, such as bio swales and green roofs, for the treatment of storm water and urban runoff.

K. Conclusions

With approximately 50% of owners (those with a mortgage) and an even higher percentage (53.4%) of renters experiencing housing burden in 2010, this analysis concludes that the existing housing need in San José is substantial. In fact, these results suggest that needs are not confined to lower-income residents, but extend to middle class households as well to such a degree that traditional metrics of affordability appear inadequate in high-cost areas. Similarly, concerns about the adequacy of the "official" poverty measure, developed in the early 1960's, have increased during the past decade. Among many shortcomings, poverty thresholds do not adjust for geographic differences in housing costs across the nation, such that estimates of poverty in San José are too low.

In response, in 2011, the U.S. Census Bureau, with support from the Bureau of Labor Statistics (BLS), released the first annual report describing research on a Supplemental Poverty Measure (SPM). The SPM extends the information provided by the official poverty measure by including many of the government programs designed to assist low-income persons that are not included in the current official poverty measure. For example, the latest SPM report, released on November 6, 2013, indicated that without Social Security, nearly 55% of the elderly would be in poverty nationwide, as opposed to less than 15% by official measures. In California, the SPM calculates poverty at 23.8% of the population—8,952,000 people—by far the highest percentage of any state.

According to the California Association of Realtors, the percentage of first-time buyers who could afford a starter-priced Bay Area home fell dramatically in the 2012-2013 time period, from 66% in the first quarter of 2012 to just 45% in the second quarter of 2013. Likewise, the National Association of Home Builders (NAHB) currently ranks the San José Metropolitan Statistical Area (MSA) near the bottom of its national housing affordability scale, with only 26% of homes affordable to median income families in the fourth quarter of 2013, down from well over 50% just a few short years ago. As well, a recent study by real estate brokerage Redfin concluded that San José was the most expensive U.S. city to have a baby, with housing contributing nearly half of the average total cost of $41,600 for a newborn's first year (compared to a national average of $26,000). The study examined the cost of upgrading from a two-bedroom home to a three-bedroom home, and in San José an additional bedroom was estimated at about $225,000, or $20,000 per year in additional mortgage payments.

This chapter has provided a basic framework for understanding the nature and extent of the City's housing needs. The *Plan Bay Area* regional growth projections and the Regional Housing Need Allocation (RHNA) each offer some quantification of the projected need for housing in San José. The City is committed to using the General Plan and various other policy tools to satisfy growth expectations in a

manner that best achieves its fiscal sustainability goals while also serving all segments of the population.

Chapter IV: Constraints and Resources

State law requires jurisdictions to analyze "potential and actual constraints upon the maintenance, improvement, or development of housing for all income levels," and demonstrate efforts to remove these constraints (Government Code section 65583(a) (5)). These constraints fall into two main categories: governmental and non-governmental.

Governmental constraints consist of issues that are within local control or caused by public policies, programs, or actions, including General Plan policies, zoning regulations, design guidelines, building code requirements, application review procedures/processing time, fees, taxes, and other exactions. Non-governmental constraints to residential development are primarily influenced by economic/market factors, such as the price of land, the cost of construction, the availability of financing, and other impacts caused by market forces.

In addition, State law requires "a general description of any environmental constraints to the development of housing" (Government Code section 65583.2(b)(4)). As such, various environmental hazards, such as noise, seismic, geologic/soil, flooding, and airport-related issues, which can limit or in some cases entirely preclude residential development due to human health and safety concerns, are also discussed. Finally, potential policy, programmatic, or legislative constraints to housing at the State and federal levels are also assessed in this chapter.

Consistent with State law, the identified constraints are accompanied by a discussion of resources, policies, or programs that San José has instituted, will institute, or will explore to alleviate the particular constraint. However, jurisdictions have multiple and sometimes competing policy objectives, such that in many cases a constraint cannot be entirely eliminated without creating other negative consequences. One visible example of this trade-off are the General Plan policies emanating from the City Council's 2007 adoption of an "Employment Lands Preservation Framework" and several other critical implementation policies that address the fiscal impacts of future land use decisions. In short, the ~~Plan essentially promotes a "jobs first" principle, and neither supports conversion of employment lands to residential use nor includes housing growth capacity for these areas.~~General Plan essentially promotes a "jobs first" principle, and ~~neither~~ only supports conversion of employment lands to residential use ~~nor includes housing growth capacity for these areas.~~when the jobs capacity is maintained.

Under the North San José Area Development Policy, the City approved the conversion of 285 acres of employment lands for 32,000 units of housing. 71 acres of Industrial Park designated lands have been converted to date. That equals a loss of 3.1 million square feet of office/R&D space formerly occupied by Sony, Wyse, Cadence, and Novellus. That is a loss of job capacity of 9,000 jobs. The City gained 8,000

units of high-density housing, a $2.3 billion private investment, and the ability to offer workforce housing close in the City's premier employment center.

In the Edenvale Hitachi/Cottle Road Urban Village the City converted more than 200 acres of Industrial Park lands formerly owned by IBM. Approximately 1,900 units of housing are under construction next to light rail, Caltrain, and existing job centers and residential neighborhoods.

[REED]

GOVERNMENTAL CONSTRAINTS

A. General Plan Policies

State law requires that a local agency prepares and adopts a comprehensive and long-range general plan for its physical development (Government Code section 65300). A general plan must address seven topics, including housing. The General Plan is an integrated general plan, with most elements addressed throughout the document. As such, the housing element Appendix B: Housing Goals, Policies, and Actions summarize the related policies in the General Plan.

Overly restrictive land use policies in a general plan can limit the feasibility and add to the cost of housing development. Consistent with regional *Plan Bay Area* growth projections and the Regional Housing Need Allocation (RHNA) process, the General Plan provides both the near-term and long-term capacity to construct new homes for all income levels in order to meet the identified needs. However, the ongoing challenge is to sufficiently mitigate or eliminate constraints that can create barriers to realization of the identified General Plan land capacity. As such, this chapter provides much of the analytic basis for implementation programs identified in Chapter VII in order to facilitate the development of housing across incomes and needs.

Major Strategies

San Jose's growth is guided by twelve Major Strategies in the General Plan, each of which plays an important role in ensuring continued evolution of San José into a great city. These twelve Major Strategies are as follows:

1. Community-Based Planning
2. Form-Based Plan
3. Focused Growth
4. Innovation/Regional Employment Center
5. Urban Villages
6. Streetscapes for People
7. Measurable Sustainability/Environmental Stewardship
8. Fiscally Strong City
9. Destination Downtown
10. Life Amidst Abundant Natural Resources
11. Design for a Healthful Community
12. Plan Horizons and Periodic Major Review

The Focused Growth, Urban Villages, Destination Downtown, and Plan Horizons/Periodic Major Review strategies are especially relevant to housing, and as such are each briefly summarized below.

Focused Growth (Strategy #3)

Consistent with the objectives of Housing Element Law, AB 32, and SB 375, the General Plan focuses new growth capacity in identified growth areas. This approach reflects the City's goal to urbanize, to support infill development in San José's current low-density suburban form, and to reduce

environmental impacts while fostering transit use and walkability. Infill developments and mixed-use redevelopment of aging and underutilized commercial centers within such neighborhoods are opportunities to help the City achieve its goal of more walkable, mixed-use, compact communities, and can be accomplished while still being sensitive to the existing neighborhood character. The Focused Growth strategy directs and promotes growth within these growth areas in order to preserve and enhance the quality of established neighborhoods, to reduce environmental and fiscal impacts, and to strengthen the City's Urban Growth Boundary. Additionally, urban communities are increasingly attractive to the City's projected growing demographic groups (i.e., an aging population and young workers seeking an urban experience) because they support walking, conveniently incorporate retail and other services in a compact mixed-use format, and support easy access to transit.

Urban Villages (Strategy #5)

The General Plan promotes the development of Urban Villages as a key strategy to implement the City's Focused Growth priority in order to provide active, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth attractive to an innovative workforce and consistent with the Plan's environmental goals. The Urban Village framework directs most new job and housing growth to occur within walkable and bike friendly Urban Villages that have access to transit and other existing infrastructure and facilities. Each of the 70 Urban Villages identified within the Plan are unique, and are located at environmentally and fiscally beneficial locations throughout the city. Focusing new job and housing growth will enable families and households to more easily access amenities, jobs, and public services by walking, biking, or public transit, while lowering the City's per capita costs of service delivery and infrastructure.

The Urban Village Strategy fosters:

- Mixing residential and employment activities
- Establishing minimum densities to support transit use, bicycling and walking
- High-quality urban design
- Revitalizing underutilized properties with access to existing infrastructure
- Engaging local neighborhoods through an Urban Village Planning process

The importance of the Urban Village strategy cannot be overemphasized. This strategy is a key tool for San José to establish a vibrant, urban built environment that is desirable to residents, employers, and employees alike. The emphasis on placemaking and creating centers of energy is the draw for economic development. This requires attention to detail and an understanding of the component parts, such as land uses, and urban design that lead to attractive physical environments. The Urban Village strategy is a key investment in city-building, which will be critically important for a suburban San José to maximize its long-term economic potential.

Destination Downtown (Strategy #9)

The General Plan supports continued growth in the Downtown as the City's cultural center and as a unique and important employment and residential location. Focusing growth within the Downtown will support the Plan's economic, fiscal, environmental, and urban design/placemaking goals. The Downtown also has valuable historic resources, buildings with distinctive architecture, and unique neighborhoods where residents have convenient access to urban activities and amenities. Between 2000

and 2010, the Downtown residential community grew by 8,000 people with the addition of new condominiums, lofts, and live-work units. This growth trend is continuing, as two high-rise residential towers have recently commenced construction, bringing a combined total of 659 new housing units into the Downtown. At the same time, to date there has been little residential development that is affordable to lower income households. Despite the efforts of the City. In fact, San Jose has been a leader in affordable housing and generated over 21,600 units (including 6,000 rehab units) with 20% redevelopment set aside funds. ~~Thousands~~Nearly 1,900 ~~of~~ affordable units were built downtown during the past three decades. [REED]

Plan Horizons and Periodic Major Review (Strategy #12)

The General Plan implementation plan includes a major review every four years to evaluate the City's progress in achieving key General Plan goals, including the implementation of the Urban Village strategy. The major reviews allow the City Council to evaluate the timing of additional housing and population growth relative to the City's overall economic and fiscal health. The Plan provides a tool for phasing the development of new Urban Village areas and gives highest priority to the location of new housing growth in the Downtown, connecting transit corridors, BART station areas, and North San José. It also includes flexibility to allow the implementation of Urban Villages to be responsive to market conditions, while meeting overall Plan objectives. The first Plan Horizon, which is in the current Phase of the Plan, includes enough residential capacity to meet the City's RHNA housing numbers. The major review cycle also provides an opportunity for a community stakeholder task force and the City Council to evaluate potential changes to current General Plan goals and policies. Finally, the review process includes an annual process for City Council to consider proposed amendments to the General Plan. City-initiated General Plan amendments or amendments required to allow the City to meet State and federal requirements may occur on a more flexible timeline.

Residential Land Use Designations

The General Plan's Land Use/Transportation Diagram contains a variety of residential land use designations as shown in the table below. Each designation has an allowable density, floor area ratio (FAR), and building height.

ENVISION 2040 GENERAL PLAN
RESIDENTIAL LAND USE DESIGNATIONS

Land Use Designation	Density (Units per Acre)	Floor Area Ratio (FAR)	Height (stories)
Lower Hillside	Up to 0.2	Up to 0.35	1 to 2.5
Rural Residential	Up to 2	Up to 0.35	1 to 2.5
Residential Neighborhood	Typically 8	Up to 0.7	1 to 2.5
Mixed Use Neighborhood	Up to 30	0.25 to 2.0	1 to 3.5
Mixed Use Commercial	Up to 50	0.5 to 3.0	1 to 6
Urban Residential	30 to 95	1.0 to 4.0	3 to 12
Transit Residential	50 to 250	2.0 to 12.0	5 to 25
Transit Employment Residential Overlay	55 to 250	2.0 to 12.0	5 to 25
Urban Village	Up to 250	Up to 10.0	TBD
Downtown	Up to 350	Up to 15.0	3 to 30

Source: City of San Jose

Table IV-1, General Plan Residential Land Use Designations (move title above the table)

Note that most General Plan land use designations allow a residential density of 30 units or more per acre. This aligns with State law (AB 2348) adopted in 2004 that established "default" density standards appropriate to accommodate housing for lower income households, and which requires that cities considered a "metropolitan jurisdiction" "shall include sites allowing at least 30 units per acre" (Government Code section 65583.2(c)(2)(B)(iv)).

Note that while San José has the capacity to meet its Regional Housing Need Allocation (RHNA) through existing General Plan densities, this capacity may impair the efficacy of some land use planning tools. For example, because there is ample density already contained in the General Plan, a density bonus represents a smaller incremental incentive to housing development.

As previously indicated in Chapter III, the General Plan was developed to be a "jobs first" general plan that uses a jobs-to-employed residents (J/ER) framework to guide the vision and policies, which includes a J/ER ratio of 1.3:1 as a core objective. If achieved, San José would have 1.3 jobs for every employed resident, and would be transformed from a housing-rich to a jobs-rich city. It is once again important to note that if the County as a whole remains housing-poor and the City does not continue to serve as the bedroom community for the County, then housing costs in both the County and in San José could arguably be expected to increase, thereby possibly exacerbating existing affordability issues if jobs created are not well paying.

Resources to Alleviate Constraints

As it relates to an evaluation of housing constraints, the General Plan contains two key policies to ensure sufficient flexibility and ongoing compliance with State law, as follows:

IP-2.5 During each Major Review of the General Plan evaluate input provided by the reconvened Task Force and achievement of the following key General Plan goals to inform the City Council's decision, regarding needed changes, to begin the next General Plan Horizon, or to increase the number of residential units available for non-specific Urban Village areas:

1. Jobs/Housing Balance – Demonstrate improvement of the City's jobs to employed resident ratio (J/ER) consistent with achievement of 1.3 jobs per employed resident by the year 2040.
2. Fiscal Sustainability – Demonstrate sustainable improvement above 2010 levels in the level of service for City services provided to the San José community.
3. Housing Supply – Verify that the current Planning Horizon contains adequate capacity to meet San José's Regional Housing Need Allocation for the remaining 7 ½ year portion of the current 8 year term.
4. Infrastructure – Confirm that adequate infrastructure and service facilities, especially transit, exist or that a secure plan for them is in place to support the planned jobs and housing capacity in the current and contemplated Horizon.

IP-2.11 Provide a "Pool" of residential unit capacity which may be allocated to allow entitlement of residential projects within Urban Village Areas not included within the current Plan Horizon. This pool is initially established as 5,000 units, and may be replenished as part of a General Plan Major Review. Projects receiving allocation must conform to the Land Use / Transportation Diagram. Preparation of an Urban Village Plan for the subject Urban

Village is necessary prior to allocation of these units unless the project qualifies as a Signature Project.

The first General Plan Major Review is not scheduled to occur until 2015 (i.e., four years from Plan adoption in 2011), and thus the housing supply provision of Policy IP-2.5 will be considered at that time. Meanwhile, Policy IP-2.11 enables satisfaction of the City's Regional Housing Need Allocation (RHNA) for the 2014-2023 time period (see Table V-1 in Chapter V).

At the same time, the City's first General Plan Annual Review, held on October 22, 2013, included additional City Council policy guidance to balance the achievement of various Plan goals. In essence, the Council reaffirmed the objectives of Employment Lands preservation, giving direction for preparation of a General Plan text amendment specifying the following:

1. An Urban Village is not a mechanism to convert employment lands to non-employment uses.
2. Other City policy goals (e.g., raising revenues), which could occur through the conversion of employment lands to non-employment uses shall not take precedence over the General Plan's "jobs first" principle.
3. The "jobs first" principle applies to Urban Villages, and conversions of non-residential to residential land uses are not allowed to proceed ahead of the job creation that is necessary to balance the residential components of a Village Plan.

The jobs focus of the General Plan is also intended to create enough jobs in the City so that households who have residents who are unemployed or under-employed may find work and afford housing in the City. As discussed in more detail in Chapter III, the "jobs first" principle is considered a fiscal imperative, and the General Plan seeks a delicate balance of various interests by providing the long-term ability to construct up to 120,000 new housing units.

The City has recent real world, market driven, and privately financed development projects that show that housing and employment related development can successfully occur concurrently. Three examples are as follows:

The **Alameda Chandler-Pratt Project**: The project proposes 22,600 square feet of retail (ground floor) and office (2nd floor) along with 140 residential units, including affordable housing units.

The **Chiem Property on West San Carlos**: The proposal is to develop 22,000sf of office/retail square footage and 315 units of housing.

The **Edenvale Transit Village – (Hitachi Campus) Cottle Road**: Jobs and housing are being built at the same time. [REED]

B. Zoning Regulations

Title 20 of the San José Municipal Code, hereafter referred to as the Zoning Ordinance or Zoning Code, promotes and protects the public peace, health, safety, and general welfare by:

- Guiding, controlling, and regulating future growth and development in the City in a sound and orderly manner, and promoting the achievement of the goals and purposes of the General Plan
- Protecting the character and economic and social stability of agricultural, residential, commercial, industrial, and other areas in the City
- Providing light, air, and privacy to property
- Preserving and providing open space and preventing overcrowding of the land
- Appropriately regulating the concentration of population
- Providing access to property and preventing undue interference with and hazards to traffic on public rights-of-way
- Preventing unwarranted deterioration of the environment and promoting a balanced ecology

The Zoning Code defines a family as being "one or more persons occupying a premise and living as a single housekeeping unit" (Section 20.200.370). This definition is sufficiently broad, and therefore does not constrain development of unique housing types, such as those for special needs populations and unrelated individuals. Further, San José is in compliance with federal and state fair housing laws in providing "reasonable accommodation" to persons with disabilities. Specifically, Chapter 20.160 (Requests for Reasonable Accommodation) describes the application process for making a request for reasonable accommodation, whose intent is to accommodate the housing needs of persons with disabilities to the greatest extent feasible and to evaluate individual requests on a case-by-case basis.

Chapter 20.30 addresses residential land use and development regulations. These regulations include parameters for the size of lots/buildings and the location/use of structures in accordance with the City's "conventional" (i.e., non-Planned Development) zoning districts. Importantly, as of 2012, the City's R-M Multi-Family Residential District has no density limit and provides for building height exceptions, and can thus accommodate development of higher density, lower income housing (i.e., at least 30 units per acre, per Government Code section 65583.2(c)(2)(B)(iv)), without the need for a PD zoning/permit.

CONVENTIONAL RESIDENTIAL ZONING DISTRICTS

Zoning District	Height (ft.)	Min. Setback/Yard (ft.) Front	Side	Rear	Min. Lot Area (sq.ft.)	Lot Area per Unit (sq.ft.)	Net Density (Units per Acre)
R-1-RR	35	50	20	30	5 acres	N/A	Up to 0.2
R-1-1	35	30	20	25	1 acre	N/A	Up to 1.0
R-1-2	35	30	15	25	20,000	N/A	Up to 2.0
R-1-5	35	25	5	20	8,000	N/A	Up to 5.0
R-1-8	35	25	5	20	5,445	N/A	Up to 8.0
R-2	35	20	5	25	5,445	N/A	Up to 14.5
R-M	45*	15	5	25	6,000	N/A	No Limit
R-MH	45	15	5	25	6,000	N/A	N/A

Source: City of San Jose

*Note: except as provided in Chapter 20.85 (Specific Height Restrictions).

Table IV-2, Conventional Residential Zoning Districts

In some cases, residential development may also be allowed in commercial and industrial zoning districts. In the Downtown Commercial (DC) zoning districts, multi-family residential is allowed by right as a stand-alone use or when mixed with commercial uses. The DC zoning districts are the least restrictive for residential development in the City, as no minimum setbacks are required and maximum

allowable building height is limited only by Federal Aviation Administration (FAA) regulations (Note: see the discussion of airport issues in the Environmental Hazards section of this chapter).

The following table shows the non-residential zoning districts where specified residential uses can occur. Aside from the DC zones, commercial zoning districts generally allow various residential uses through obtainment of a use permit. However, residential uses are incompatible with industrial uses, and therefore are not permitted in industrial zones. One exception to this is with regard to Emergency Residential Shelters, which are permitted by right in the Combined Industrial/Commercial (CIC) zoning district and are conditionally allowed in other industrial districts.

RESIDENTIAL USES IN NON-RESIDENTIAL ZONING DISTRICTS

	Commercial				Downtown		Industrial			
Residential Use	**CO**	**CP**	**CN**	**CG**	**DC**	**DC-NT1**	**CIC**	**IP**	**LI**	**HI**
Multi-Family Residential	-	-	-	-	P	P	-	-	-	-
Mixed Use	-	C	C	C	P	P	-	-	-	-
Live/Work	-	S	S	S	P	S	-	-	-	-
Residential Care Facility*	C	C	C	C	C	C	-	-	-	-
Residential Service Facility*	C	C	C	C	C	C	-	-	-	-
SRO Living Unit	-	C	C	C	S	S	-	-	-	-
SRO Hotel	-	C	C	C	S	S	-	CM	-	-
Emergency Shelter	C	C	C	C	C	-	P[1]	CM	C	CM
Custodian/Caretaker	-	-	-	-	-	-	-	-	-	C

Source: City of San Jose

*Note: for 7 or more persons.

Abbreviation Key: - = Not permitted; P= Permitted by Right; P[1]= shelters with 50 or fewer beds; S= Special Use Permit; C= Conditional Use Permit; CM= Conditional Use Permit with a CIC General Plan designation.

Table IV-3, Residential Uses in Non-Residential Zoning Districts

One example of a residential use allowed in commercial zoning districts with a use permit are Single Room Occupancy (SRO) Facilities. SROs offer a housing option to low income segments of the population, filling a gap between traditional apartments and homeless shelters, as well as an alternative to those who prefer the flexibility and dormitory lifestyle that can be found in SROs. Since 1987, San José has strengthened the General Plan, Zoning Ordinance, and other City policies to facilitate the development of SROs. The Zoning Code defines two types of SROs: an SRO Hotel and an SRO Living Unit. An SRO Hotel is conditionally allowed in all commercial zoning districts, while an SRO Living Unit is conditionally allowed in commercial zoning districts and the R-M Multi-Family Residential District.

The table below provides a summary comparison of planning permit processes, including individual process components and the decision maker involved. Process types include use of the previously referenced conventional zoning districts or the Planned Development zone, as well as various Development Permit types as described in Chapter 20.100 of the Zoning Code. These development permits include the following:

- Site Development Permit
- Conditional Use Permit
- Special Use Permit
- Planned Development Permit

In addition, since 2000, the City of San José has had a separate Single-Family House Permit (not shown) that applies only in limited circumstances. These circumstances include new construction that exceeds 30 feet or 2 stories in height, a floor area ratio (FAR) in excess of 0.45, or if a house or site is designated as historic. Finally, a Permit Adjustment is an administrative level permit that allows the Planning Director sole discretion to approve minor modifications to an approved permit. More details on application review/processing time are provided later in this chapter.

PLANNING PERMIT PROCESS COMPARISON

	Process Type					
	Both	Conventional Permit Process			Planned Development Process	
Process Component	Permit Adjustment	Site Development Permit	Special / Conditional Use Permit	Conventional Zoning	PD Permit	PD Zoning
Decision Maker	Planning Director	Planning Director	Director / Planning Commission	Planning Commission* / City Council	Planning Director	Planning Commission / City Council
Conduct environmental review		•	•	•		•
Establish maximum development density				•		•
Approve actual number of dwelling units		•	•		•	
Identify infrastructure requirements		•	•	•		•
Final architectural design and finishes		•	•		•	
Final grading and drainage design		•	•		•	
Final landscape design		•	•		•	
Minor modifications to approved permit	•					
Final discretionary approval prior to building permit		•	•		•	

Source: City of San Jose

*Note: rezonings that conform to the General Plan may be heard directly before City Council in lieu of a Planning Commission hearing (SJMC Section 20.120.100).

Table IV-4, Planning Permit Process Comparison

Parking Requirements

The Zoning Code also contains provisions relating to off-street parking and loading (Chapter 20.90). These requirements are intended to promote adequate parking to meet the needs generated by a specific use or uses, promote effective circulation, reduce congestion, increase safety and aesthetics within off-street parking areas, and encourage the use of alternative modes of transportation and other trip reduction methods.

For one-family dwellings, two covered parking spaces are generally required. For two-family and multi-family units, required parking may be uncovered, and the number of required parking spaces is derived from the living unit size (i.e., number of bedrooms) and the type of parking facility, as indicated in the

table below. However, parking requirements are less in the Downtown zoning districts and for sites that meet certain other location criteria (e.g., within 2,000 feet of a Light Rail Transit station or within a Neighborhood Business District).

TWO-FAMILY AND MULTI-FAMILY PARKING REQUIREMENTS

Living Unit Size	All Open Parking (TF / MF)*	One-Car Garage (TF / MF)*	Two-Car Garage (TF / MF)*
Studio (0 Bedrooms)	1.5 / 1.5	1.5 / 1.6	2.0 / 2.2
1-Bedroom	1.5 / 1.5	2.0 / 1.7	2.0 / 2.3
2 Bedrooms	2.0 / 1.8	2.0 / 2.0	2.0 / 2.5
3 Bedrooms	2.0 / 2.0	2.0 / 2.2	2.0 / 2.6
Each Additional Bedroom	0.25 / 0.15	0.25 / 0.15	0.25 / 0.15

Source: City of San Jose

*Note: TF= Two-Family; MF= Multi-Family

Table IV-5, Two-Family and Multi-Family Parking Requirements

A reduction from parking requirements may be appropriate provided that the modification is granted pursuant to applicable Zoning Code provisions. Qualifying projects must incorporate Travel Demand Management (TDM) program elements, such as transit pass subsidies, parking cash-out, ride sharing, carpools/vanpools, shared parking, or other reasonable measures. Parking reductions are especially applicable to senior housing, Single Room Occupancy (SRO) facilities, Emergency Residential Shelters, residential care/service facilities, and convalescent hospitals, for example. Finally, the Planned Development zone provides opportunity to determine parking requirements appropriate for an individual development proposal.

The additional summary parking tables on the following page are provided given the complex nature of requirements for various other specific residential use types (i.e., besides one-family, two-family, and multi-family dwellings). The tables effectively merge much of the contents of separate tables contained in Chapter 20.90 (Parking and Loading) and Chapter 20.70 (Downtown Zoning Regulations) of the Zoning Code.

Through a grant from the U.S. Department of Housing and Urban Development (HUD), data is currently being gathered from one hundred residential sites around the Bay Area, including San José, to better estimate parking use in transit-rich neighborhoods. Data collection is being administered by TransForm, an advocacy non-profit organization, and will be shared via an online searchable database with customizable reports. The data are broadly expected to result in more efficient use of parking, avoid the time and cost associated with the preparation of parking studies, and help cities update their zoning codes to better reflect local parking demand and use. City staff will conduct an analysis of these data once they become available.

SUMMARY OF PARKING REQUIREMENTS IN CONVENTIONAL ZONING DISTRICTS

Type of Residential Use	Minimum Parking Required
Emergency Residential Shelter	1 per 4 beds, 1 per 250 square feet of floor area which is used for office purposes
Residential Shelter in Downtown zoning	1 per 4 beds
Guesthouse	1 per guest room, plus 1 per each employee
Live/Work	No additional parking required above what is required for commercial use parking
Custodian/Caretaker	1 per living unit
Mixed Use/Ground floor commercial with residential above	Respective commercial and residential parking requirements combined
Multiple dwelling	Required parking is determined by the type of parking facility and the number of bedrooms
Multiple dwelling in Downtown zoning districts	1 per dwelling unit
One family dwelling	2 covered spaces
Residential Care or Service Facility	1 per first 6 client beds, plus 1 additional space for up to 4 client beds (or portion thereof) above the first six, plus 1 additional space for each additional four client beds (or portion thereof), plus 1 space for each employee or staff member
Servants quarters attached to a one-family dwelling or attached to a garage structure	1 additional parking space
Sororities, fraternities and dormitories occupied exclusively (except for administrators thereof) by students attending college or other educational institutions	1 per guest room, plus 1 per employee
Temporary farm labor camps necessary to the gathering of crops grown on the site	1 per dwelling unit
Travel Trailer Parks	1 per employee
Two family dwelling	Required parking is determined by the type of parking facility and the number of bedrooms

Source: City of San Jose

Table IV-6, Summary of Parking Requirements in Conventional Zoning Districts

SINGLE ROOM OCCUPANCY (SRO) FACILITY PARKING REQUIREMENTS IN CONVENTIONAL ZONING DISTRICTS

SRO Facility Type	Parking Requirement
SRO Facility within two thousand (2000) feet of public transportation:	
SRO Residential Hotel	0.25 for each SRO unit
SRO Living Unit Facility with shared kitchen and bathroom facilities	0.25 for each SRO unit
SRO Living Unit Facility with partial or full kitchen and bathroom facilities	1.00 for each SRO unit
SRO Facility not within two thousand (2000) feet of public transportation:	
SRO Living Unit Facility and SRO Residential Hotel	1.00 for each SRO unit

Source: City of San Jose

Table IV-7, SRO Facility Parking Requirements in Conventional Zoning Districts

Secondary Units

Secondary units, also called "granny" or in-law units, provide an important potential source of affordable housing. In 1982, State law was enacted (Government Code section 65852.2) to encourage the creation of second units while maintaining local flexibility for unique circumstances and conditions, including the ability to set development standards, require minimum unit sizes, and establish parking requirements. In response, in 1984, the San José City Council passed an ordinance precluding secondary units, citing traffic, infrastructure, and safety concerns as major reasons for the prohibition.

However, more recently, in 2005 the City Council initiated a Secondary Unit Pilot Program to temporarily test and evaluate a set of secondary unit development standards for a period of one year. Then, in 2008, an ordinance was adopted which permanently allowed secondary units that conform to modified Zoning Code requirements. These requirements are summarized in the table below.

SECONDARY UNIT DEVELOPMENT STANDARDS IN CONVENTIONAL ZONING DISTRICTS

Criteria	Development Standard
Applicable Zoning	All R-1 Districts and PD Districts with R-1 standards
Minimum Lot Size	Attached unit = 6,000 sq. ft. Detached unit = 8,000 sq. ft.
Maximum Unit Size	≤ 9,000 sq.ft. lot = 600 sq.ft. 9,001 to 10,000 lot = 650 sq.ft. ≥10,000 lot = 700 sq.ft.
Bedrooms Number: Size:	 One bedroom required and maximum allowed 400 sq. ft. maximum
Storage	60 sq. ft. maximum
Required Parking	One space (outside front and side setbacks)
Setbacks (Attached Unit)	Same as primary dwelling, except the rear setback may be reduced from 20 to 15 feet for a single-story unit
Setbacks (Detached Unit)	Same as primary dwelling except that façade of secondary unit must be set behind that of primary residence. Units not attached to the house must be separated from any other structure by 6 feet, except that a unit may be attached to a detached garage.
Height	18 feet maximum, 14 feet average
Design Criteria	Exterior materials and roof pitch to match existing house. Front door cannot be on same façade as that of primary residence. Windows cannot have views of adjacent properties with existing or planned residential uses.
Ownership	Property owner must certify that he/she occupies existing house at the time of application and final inspection.

Source: City of San Jose

Table IV-8, Secondary Unit Development Standards in Conventional Zoning Districts

Resources to Alleviate Constraints

The City considers various amendments to the Zoning Code on a regular, ongoing basis. These changes frequently relate to reducing constraints on housing development, and more recent amendments have been designed to align the Zoning Ordinance with policy direction established by the General Plan. For example, in early 2012, Ordinance No. 29012 inserted a new Zoning Code chapter (Chapter 20.85) that regulates building heights. This revision was necessary to align Title 20 with the General Plan, as former General Plan text on maximum building heights for specific properties/uses was intentionally removed. This revision also incorporated exceptions to height restrictions for specific geographic areas or specific uses identified within the General Plan.

The following additional housing-related ordinances (listed in chronological order) have been approved since adoption and certification of the prior Housing Element (2007-2014) in 2009:

- Ordinance No. 28448 (effective 1/2/09): reduced costs for expansions to two-family dwellings, by simplifying the process for permitting small additions to this building type.
- Ordinance No. 28576 (effective 7/3/09): authorized the Planning Director to extend, for a limited time period, the term of previously-approved Development Permits as an incentive for implementation of projects impacted by the economic downturn.
- Ordinance No. 28680 (effective 1/5/10): defined Transitional Housing and Supportive Housing, and clarified the regulations applicable to these housing types, per Senate Bill 2 (SB 2).
- Ordinance No. 29011 (effective 2/10/12): allowed more medium to high density housing projects to obtain a Site Development Permit instead of a Planned Development zoning/permit by increasing densities within the conventional R-M Multi-Family Residential District.
- Ordinance No. 29054 (effective 6/1/12): authorized the Planning Director to extend, for a limited time period, the term of previously-approved Development Permits for small residential projects through issuance of a Permit Adjustment.
- Ordinance No. 29217 (effective 4/5/13): reduced parking requirements for residential development near transit and provided Transportation Demand Management (TDM) measures.

As relates to secondary units, per the General Plan, San José continues to explore options to improve the effectiveness of this code provision (see Policy H-2.5 and Action H-2.9 in Appendix B). As of April 7, 2014, the ordinance has resulted in the construction of only 150 secondary units, and thus has not yet had a meaningful impact on the supply of affordable housing. In response, the City is currently exploring options for relaxing certain development standards (e.g., minimum lot size and minimum setbacks) in the hopes of encouraging greater use, preserving the character of existing neighborhoods, and supporting infill development which minimizes City service costs. While there are several possible areas of exploration, the primary constraint currently is the parking requirement of one additional space located outside the front and side setback areas.

C. Design Guidelines

The City of San José has adopted design guidelines to assist those persons involved in the design, construction, review and approval of residential development. By defining criteria for new residential development occurring within the City, the design guidelines benefit the development community and reduce soft costs of producing housing. Developers can incorporate standards from the guidelines into a

project during the early stages of design rather than having to revise plans significantly later during the review process.

The Residential Design Guidelines and the Single Family House Design Guidelines provide a common understanding of the minimum design standards to be applied to various land uses, development types, and locations to facilitate efficient design. Additionally, the City has Design Guidelines for some key areas in the City including Downtown and North San José. The intent of the guidelines is to define the City's expectations for the design of new residential development. Design quality focuses on the functional aspects of a development (e.g., buildings, parking, setbacks, etc.) rather than requirements for expensive materials. The guidelines are primarily concerned with the relationship of new residential development to its surroundings. The guidelines also address specific issues within a project itself, such as internal circulation and common open space, to establish standards of livability for the residential development. In 2007, the Residential Design Guidelines were updated to reflect new trends in housing type and design, including transit-oriented development and high-rise residential construction.

Resources to Alleviate Constraints

The development standards used in the design guidelines are intended to allow residential projects to achieve the maximum densities permitted in the various General Plan residential land use designations. The setback and landscaping requirements are not excessive and do not require inordinate development expenditures, and they can in fact contribute to a quality living environment. Affordable and market rate housing are subject to the guidelines, resulting in high quality affordable housing acceptable to neighborhoods throughout the City. Thus, the design guidelines do not unduly constrain housing development in San José.

D. Building Code Requirements

The State Building Standards Commission (BSC) publishes triennial editions of the California Code of Regulations (CCR), Title 24, also known as the California Building Standards Code. Most recently, on July 1, 2013, the BSC published the 2013 edition of these standards, which apply to any building or structure for which application for a building permit is made on or after January 1, 2014. The State allows local governments to modify the standards to make them more restrictive (not less), provided certain express findings are made that the proposed modifications are necessary due to special local geologic, topographic, or climatic conditions that can affect the health, welfare, and safety of local residents. Any local amendments must be made prior to the effective date of the State codes.

On November 5, 2013, the City Council approved an ordinance amending Title 24 of the San José Municipal Code and adopting the 2013 editions of the California Building, Residential, Electrical, Mechanical, and Plumbing Codes, the Historical Building Codes, and the California Green Building Standards ("CALGreen") Code. This ordinance included a staff proposal to adopt local amendments for certain structural design requirements, fire sprinkler regulations, and other building requirements based on the following findings:

1. The San Francisco Bay Area region is densely populated and located in an area of high seismic activity. San José is bounded by the Hayward and San Andreas faults capable of producing major earthquakes.

2. Concern for fire/life safety associated with a structural failure due to a seismic event, considering the increasing number of buildings in the region, the use of new structural systems, the poor performance of certain materials, and the quality of construction.
3. Severe seismic events could disrupt communications, damage gas mains, cause extensive electrical hazards, and place extreme demands on limited and widely dispersed fire prevention resources to meet the fire and life safety needs of the community.
4. The local geologic, topographic, or climatic conditions pose an increase hazard in acceleration, spread, magnitude, and severity of potential fires in San José, and may cause a delayed response from emergency responders, allowing further growth of the fire.

Resources to Alleviate Constraints

The City of San José is in the forefront of identifying the need for code amendments, assumes a leadership role at the regional and State levels to reduce individual differences between cities and counties, and informs and educates the public about new requirements. To establish uniformity in adopting code amendments, the City is an active participant in the Tri-Chapter Uniform Code Program, whose membership stretches from Contra Costa County in the north to San Benito County in the south. City staff conducted free training sessions in late-2013 to introduce various stakeholders to the significant changes between the 2010 and 2013 California Building Codes as well as the local amendments.

The 2013 Building Codes and amendments do not unduly constrain residential development or the City's ability to accommodate special housing needs groups in San José, including persons with disabilities. In fact, the codes and amendments contain design elements that address limited lifting or flexibility (e.g., roll-in showers, grab bars, etc.), limited mobility (e.g., push/pull lever faucets, wide swing hinges, etc.), and limited vision (e.g., additional stairwell and task lighting, etc.) that are consistent with the Americans with Disabilities Act (ADA) standards, as implemented under Title 24.

E. Application Review Procedures/Processing Time

Application review procedures and processing time can increase the carrying costs of property under consideration for residential development. Application review/processing time is dependent on a number of factors, including adherence to municipal and State government regulations, community outreach and noticing requirements associated with public hearings and meetings, and an applicant's own ability to coordinate effectively with various project stakeholders. Recognizing the need to simplify application review procedures and minimize processing time to the greatest extent possible, the City of San José is committed to considering and implementing continuous process improvements in the delivery of development services. Some of the most noteworthy process improvements in recent years are briefly described below.

Integrated Services

Since the organization's move to a new City Hall facility in 2005, San José has offered a fully functional Development Services Center, an integrated, "one-stop" first-floor location where the public can conduct business related to development applications handled by various City departments. Key partners in operation of the Development Services Center include the Planning Division, Building

Division, Public Works Department, Fire Department, and Office of Economic Development. This service brings key staff together for coordination and customer convenience.

Preliminary Review

Preliminary Review is a voluntary, fee-based service that is tailored to an applicant's needs and familiarity with City codes, policies, and development review processes. It is intended to be a time-saving process for prospective applicants to meet San José standards before they submit a formal Planning application. There are several different options for the level of review and associated fees, including a Focused Review, Enhanced Review, and Comprehensive Review. .

Project Facilitation

Staff located in the Development Services Center and elsewhere within City Hall has been strategically assigned to a "project facilitator" role to help navigate more complex project coordination issues and ultimately achieve better customer service. Project assignments are generally limited to those with the highest potential to accomplish General Plan goals, and the role reserved for more senior staff members that have gained experience in complicated review processes. Examples of such projects include, for example, high-rise development in Downtown and projects with sensitive environmental issues that require detailed knowledge of CEQA.

Concurrent Processing

Since 2004, the City has enabled concurrent processing of a Development Permit with a request to rezone property, prezone/annex property, or with other permits (e.g., Tentative Map) required by the Zoning Code. This concurrent processing is especially important to residential development, as most such projects are processed pursuant to a Planning Development zoning/permit that might otherwise require considerably more time if processed sequentially.

Universal Application Form

In 2013, the City introduced a "Universal Application Form" for the submission of most Planning applications. This new application form essentially took the place of over a dozen former and separate applications for different types of requests that had substantially similar submittal requirements. The application includes a matrix identifying specific documents to be included in the application package based on permit type, and a matrix that identifies the type of sheets that must comprise the required plan set. The Universal Application Form is expected to be a substantial improvement by clarifying the application submittal process for project applicants.

Deployment of Technology

The City of San José deploys a variety of technology tools to speed access to information and improve development-related customer service. Examples of these tools include an Integrated Development Tracking System (also known as "AMANDA"), and associated public-facing web portal (https://www.sjpermits.org/permits/) where customers can perform property research and apply for simple permits. Further, in 2012, the City's entire website (http://www.sanJoséca.gov) was migrated to a new technology platform that is better organized, contains a self-subscribe notification (via e-mail or

text message) for content updates, and features an online application appointment scheduling system. As well, the City uses Geographic Information Systems (GIS) to manage spatial data and provide parcel-specific property information via the above tools.

Standard Permit Conditions

In 2013, the City developed extensive master and customized lists of standard permit conditions in a centralized location that are applicable to almost every type of permit application. These conditions should facilitate greater permit consistency and streamline the review and issuance of more complete permits by essentially allowing "cut-and-paste" of standard permit language into draft permits. More specifically, standard permit conditions have been incorporated into AMANDA "document merge" functionality, such that relevant permit conditions can be included in a relatively automated fashion.

Processing Timeline Goals

In its commitment to processing development applications in an expeditious manner, the City of San José has established various timeline goals as summarized in the table below. These goals vary by project type and the extent of environmental review as required by the California Environmental Quality Act (CEQA). In general, and depending upon project complexity, these goals help to ensure that most residential projects are completed in 180 days or less from the time an application is filed. For smaller projects, the timeline can be as short as 30 days or less.

RESIDENTIAL PROJECT PROCESSING TIMELINE GOALS

	Timeline Goal					
	30 Days or Less	60 Days or Less	90 Days or Less	120 Days or Less	180 Days or Less	180 Days or More
CEQA Assumption*	Exempt or Reuse	Exempt or Reuse	Exempt or Reuse	Exempt, Reuse, or Neg. Dec.	Negative Declaration	Neg. Dec. or EIR
PROJECT TYPE						
Single-Family House Permit, Category I	•					
Single-Family House Permit, Category II	•					
Residential addition or conversion		•				
Conventional Rezoning			•	•	•	•
Single-Family Detached permit and subdivision			•	•	•	•
Planned Development Zoning less than 200 units				•	•	•
Residential development less than 200 units				•	•	•
High Density Residential (3 stories or less) permit and subdivision				•	•	•
High Density Residential (>3 stories) permit and subdivision					•	•
Hillside development					•	•
Residential zoning for more than 200 units						•
Any project requiring preparation of an EIR						•

Source: City of San Jose

*Note: CEQA Assumptions: Exempt = Categorical Exemption; Reuse = Reuse of existing environmental document; Neg. Dec. = Negative Declaration/Mitigated Negative Declaration; EIR = Environmental Impact Report

Table IV-9, Residential Project Processing Timeline Goals

In addition, to facilitate the streamlining of application review, the City has implemented numerous project "milestone" processing goals, which goals are published and included in application filing materials. These milestone goals are as follows:

- Comments for major projects sent in 30 days (95%)
- Comments for other applications sent in 30 days (70%)
- Second-round comments for major projects sent in 14 days (75%)
- Draft permit to applicant one week prior to public hearing (95%)
- Permit signed within 3 days of public hearing (95%)
- Projects with 2 or fewer reviews to public hearing (90%)

Resources to Alleviate Constraints

As mentioned, San José is committed to considering and implementing continuous process improvements. These improvements could range from informal, staff-initiated changes that are assigned or authorized by Department Directors, or more formal changes that require review and adoption of an ordinance by the City Council. This willingness and flexibility to change will enable the City to remain competitive in the delivery of development services, and ensure that any constraints to housing are minimized to the greatest extent possible. For example, the City responded effectively to new challenges brought about by the recent economic downturn, including allowing an extension of the term of previously-approved Development Permits and suspending the collection of a portion of construction taxes for qualified projects (as discussed in the next section).

In a commitment to provide high quality services that meet the needs of its customers, the Development Services Partners conduct an annual Customer Satisfaction Study (http://www.sanJoséca.gov/index.aspx?NID=3499). This study is designed to provide reliable measures of satisfaction among the Partners' customer base, thus providing insight into how services can be improved. In fiscal year 2012-13, the Partners collectively responded to an estimated 100,000 phone inquiries at the Development Center, processed 700 planning applications, issued 26,500 building permits, and conducted 183,000 field inspections. When looking at specific aspects of service, the latest survey found that 13 of 14 statistically significant changes recorded between the 2011 and 2012 studies moved in a positive direction.

F. Fees, Taxes, and other Exactions

The fees, taxes, and other exactions applicable to residential development in San José fall into four main categories: (1) entitlement fees; (2) construction fees; (3) impact/capacity fees, and (4) development taxes. In short, entitlement fees include fees for land use approval and environmental clearance, construction fees include the various permit, plan check, and inspection fees related to the construction process, impact/capacity fees mitigate the costs that new development imposes on community infrastructure or to fund quality of life enhancements, and development taxes are assessed by the City to finance capital projects (esp. roadway improvements) or otherwise required to be collected for subsequent transmittal to the State.

For processing and impact fees, State law specifies procedural and nexus requirements, as follows:

- Planning and permit processing fees cannot exceed the reasonable cost of providing the service, unless approved by the voters; agencies collecting fees must provide project applicants with a statement of amounts and purposes of all fees at the time of fee imposition or project approval (Government Code section 66020).

- The Mitigation Fee Act sets forth procedural requirements for adopting and collecting capital facilities fees and exactions, and requires they be supported by a report establishing the relationship between the amount of any capital facilities fee and the use for which it is collected (Government Code section 66000).

The City of San José remains in compliance with these State requirements. Further, since 2003, the City has participated in a study of development fees across eight cities in the South Bay (including Cupertino, Gilroy, Morgan Hill, Mountain View, Palo Alto, San José, Sunnyvale, and Salinas). Each city calculates entitlement and construction fees, impact/capacity fees, and development taxes based on five sample project types. In summary, the South Bay Area Cost of Development Survey (http://www.sanJoséca.gov/index.aspx?NID=4100) has consistently concluded that San José's fees/taxes for single- and multi-family development project types are lower than the average of eight study cities.

Entitlement Fees

The City imposes entitlement fees based on a cost-recovery model. These fees cover City staff time necessary to process permits, including completing internal review, conducting community meetings and public hearings, and performing inspections consistent with the General Plan, Zoning Ordinance, Building Code, and other applicable laws such as the California Environmental Quality Act (CEQA). The table below provides a summary of entitlement fees associated with the processing of a residential project pursuant to the Planned Development zoning/permit process.

PLANNING FEES FOR RESIDENTIAL PROJECTS REQUIRING A PLANNED DEVELOPMENT ZONING

	Fees		
Proposal	**PD Zoning**	**PD Permit**	**Tentative Map**
Project with 3-25 units	$5,050 plus $178 per unit	$2,090 plus $143 per unit	$4,470 plus $58 per lot
Project with 26-100 units	$7,045 plus $100 per unit	$4,205 plus $64 per unit	$4,470 plus $58 per lot
Project with 101-500 units	$10,960 plus $62 per unit	$6,470 plus $46 per unit	See above, plus $19 per lot beyond 100 units
Project with 500+ units	$17,450 plus $51 per unit	$11,500 plus $36 per unit	
Environmental Review*	Neg. Dec.	EIR	
	$3,366 plus $187 per hour over 14 hours	$11,875 plus $187 per hour over 45 hours	

Source: City of San Jose

*Note: environmental review at the zoning stage is designed to cover all subsequent permitting processes.
Neg. Dec. = Negative Declaration/Mitigated Negative Declaration; EIR = Environmental Impact Report

Table IV-10, Planning Fees for Residential Projects Requiring a Planned Development Zoning Fee Schedule as of June 2014

Construction Fees

Construction fees cover permit, plan check, and inspection fees for services primarily provided by the City's Building Division, Public Works Department, and Fire Department. Initial fees are charged based on an historical analysis of time required to perform the services and/or the number of inspections typically required based on project type. When the value of the services provided (based on an hourly rate) exceeds the initial fee, additional service time must be purchased.

Impact/Capacity Fees

Impact/capacity fees are established to provide essential public improvements necessary to support new residential development. For example, the City's Public Works Department collects a fee to fund anticipated improvements at the San José-Santa Clara Regional Wastewater Facility based on capacity and projected future expansion needs. Other examples include fees for parks, libraries, and street trees. The most significant of the impact/capacity fees is the fee in lieu of parkland dedication, as briefly discussed below.

In 1988, the City Council adopted the Parkland Dedication Ordinance (PDO) to help meet the demand for neighborhood and community parks generated by new residential development. In 1992, the City Council adopted the Park Impact Fee (PIO), which applied parkland dedication requirements to new units in non-subdivided residential projects. Both the PDO and PIO require that new housing projects either dedicate land for public parks, pay an in lieu fee, construct new park facilities, or a combination of these. The PDO is consistent with the requirements and procedures set forth in State law (Government Code section 66477).

On June 4, 2013, the City Council directed staff to study the potential imposition of a Housing Impact Fee, which fee would place a per square foot assessment on new residential development to help fund the creation of affordable housing. In response, the City has retained a consultant (Keyser Marston) to facilitate the public process and to conduct the required nexus study. The Housing Department is currently involved in the analysis and public input phase of this process. Housing Department staff has received input from residential developers that a housing fee could be absorbed provided the policy is clear, consistent, and predictable. -The Housing Department anticipates transmitting a proposal for Council consideration in late 2014.

Development Taxes

San José imposes a series of residential development taxes that are generally used to finance the construction and improvement of facilities and infrastructure systems. These taxes include the Building and Structure Construction Tax, the Construction Excise Tax, and the Residential Construction Tax. These taxes are either restricted or have historically been used to finance traffic capital improvements, such as the construction, replacement, widening, and modification (but not maintenance) of City roadways.

The City also collects taxes for regional or statewide programs/funds, which fees are collected at the time of issuance of a building permit and subsequently transmitted to other agencies. These programs/funds include the California Strong Motion Instrumentation Program (CSMIP) that pertains to geologic analysis and the Building Standards Administration Special Revolving Fund related to

implementation of green building standards. As well, the newly formed Santa Clara Valley Habitat Agency, a Joint Powers Authority composed of the cities of San José, Morgan Hill, and Gilroy along with the County of Santa Clara, initiated the collection of Habitat Conservation Plan fees in October 2013. Finally, while not collected directly by the City, State law grants authority to school districts to raise revenue from all new development through imposition of a school impact fee. These fees are collected by the school districts, and the City requires proof of payment as part of the building permit issuance process.

On-Site and Off-Site Improvements

New residential development in San José may be responsible for both on-site (private) and off-site (public) improvements that are directly related to the impacts associated with a particular project. Aside from the construction of the buildings themselves, on-site improvements may include such items as public roads, private driveways/walkways, fencing, landscaping, drainage systems, etc. These improvements are either required by the Zoning Code or negotiated through the development review process as conditions of approval. Off-site improvements can include, for example, standard curb, gutter, and sidewalk, landscaping, street lighting, and the installation of underground utilities (including the undergrounding of existing overhead utilities). Depending on the extent of project impacts, such public improvements may be required not only for the subject property but also for areas not located on the development site (e.g., a traffic signal to address nearby vehicle circulation).

The primary mechanism for funding public improvements is the Residential Construction Tax Contribution Fund. In essence, housing developers pay contributions to this fund and, in turn, reimbursements are made from the fund once eligible improvements are completed. Similarly, Underground Utility Districts are established using fees from developers. Undergrounding projects are prioritized within a five-year plan based on several criteria, the most important of which is the amount of fees collected within the Underground District. Other criteria include whether or not the underground work can be coordinated with other capital improvement projects (e.g., street widening) and equity in the amount of undergrounding proposed in various areas of the City. Finally, a new Contingent Lien District Fund was established as part of the 2013-2014 budget process. This fund is used to facilitate cost sharing agreements through special districts between private parties in regards to the construction of significant public improvements as required by the City for development projects. As funds are collected, projects are constructed as specified by the original district agreements.

Resources to Alleviate Constraints

The City has been active on a number of fronts to alleviate constraints with the payment of construction-related fees and taxes. These actions have amounted to targeted incentives designed to further the goals and policies of the General Plan. For example, in 2010, the City Council amended the schedule of parkland fees charged under the PDO and PIO specifically for low income housing units, setting the rate at 50% of the fees normally applicable to each housing type. Previously the entire fee was waived for affordable housing developments but was raised to generate additional parkland fees, while continuing to provide some incentive for the construction of affordable housing in San José. However, options for other former construction-related fee waivers applicable to affordable housing expired several years ago.

In 2013, the City Council expanded and extended the Downtown High Rise Development Incentive Program, temporarily suspending the collection of 50% of the construction taxes for qualified projects. This program recognizes that a completed high-rise tower adds $150 million or more in assessed value to a site, thereby increasing tax rolls and providing a net-positive financial impact to the City, and constitutes the most environmentally sensitive means of accommodating substantial anticipated population growth, resulting in a net reduction in greenhouse gas emissions and vehicle-miles-traveled (VMT) over any alternative. However, once again, to date the incentive has yielded little residential development that is affordable to lower income households.

In summary, the fees, taxes, and other exactions applicable to residential development in San José are comparable, and on average lower, than other cities within the South Bay region, and thus are not an undue constraint. This is also true for affordable housing, since as mentioned the parkland fees applicable to such projects are set at a reduced rate. As to on-site and off-site improvements, the City has well-established infrastructure standards that are communicated to developers at the earliest stages of the development review process, so that these costs can be appropriately factored into the design of a project.

G. Regional Coordination

The location of jobs and housing, and where people choose to work and live, has regional impacts. The recognition of this fact is a fundamental reason for the existence of Housing Element law, which seeks to provide a mechanism for jurisdictions to provide their regional fair share of housing. As well, the Sustainable Communities and Climate Protection Act (SB 375) yielded a new set of complimentary incentives and consequences to promote compliance with State housing goals. Specifically, SB 375 prescribes those local governments on an eight-year planning cycle (including San José) must adopt a housing element within 120 days of the statutory due date. Failure to meet this timeline triggers a provision, referred to as the "four-year consequence," mandating update of a housing element every four years (instead of every eight years) until adopting at least two consecutive updates by applicable due dates. In addition, as cited in Chapter I, a new framework for sustainability and regional planning will support RHNA through targeted transportation investments funded under the incentive-based One Bay Area Grant (OBAG) Program.

The RHNA process and this more recent system of "sticks and carrots" are a useful first step to furthering regional coordination on housing issues of statewide concern, but regions and cities for the most part still lack mechanisms to effectively ensure that fair share housing production targets are met. For one, cities that choose to prioritize growth and meaningfully address housing issues may not be sufficiently incentivized by the availability of grant funds targeted primarily for non-housing purposes. As such, during this RHNA period, City staff will continue to work with agencies and organizations in Santa Clara County and throughout the Bay Area to explore partnerships and strategies to facilitate a more equitable distribution of responsibility on these matters.

H. State and Federal Government

<u>Dissolution of San José Redevelopment Agency</u>

In 1945, the California Community Redevelopment Act was created to give local governments tools to address urban problems such as blight, degraded buildings, and a lack of affordable housing.

Redevelopment is a process enabling revitalization of deteriorated and blighted areas, whereby redevelopment agencies develop a plan and provide the initial funding to encourage and attract private investment that otherwise wouldn't occur. Then, in 1952, this law was enacted, authorizing the distribution of tax increment to agencies with the goal of relieving taxpayers of the costs of redevelopment by making projects self-supporting.

In 1976, the California Legislature took action requiring that 20% of all tax increment generated through redevelopment be set aside to create, preserve, and improve housing for low- and moderate-income persons. Known as the Low and Moderate Income Housing Fund or "inclusionary housing", this source of funding became the single most effective tool for development of affordable housing in California. In San José, Low and Moderate Income Housing funds administered by the former San José Redevelopment Agency helped create thousands of new affordable units, provided homeownership opportunities for teachers and other workers key to our community's success, and assisted lower income households to improve their houses and neighborhood conditions.

In 2011, in response to State budget deficits, Governor Jerry Brown proposed and the State Legislature approved legislation that dissolved redevelopment agencies, and with that action the Low and Moderate Income Housing Fund. According to the League of California Cities, this action "fundamentally changed substantive municipal, housing, and tax laws, in addition to rendering the Community Redevelopment Law inoperative" and "fundamentally shifted decisions concerning the financing and funding of redevelopment obligations from the local level to the State, and comprehensively changed how low and moderate income housing is funded."

On June 28, 2011, Assembly Bill x1 26 (ABx1 26) was signed by the Governor, and required the creation of Successor Agencies to oversee the dissolution process. For affordable housing, however, the legislation allowed the cities and counties that created the redevelopment agency to choose to retain the housing assets and to continue to enforce the housing covenants and restrictions, and to exercise all other rights, powers, duties and obligations of the former redevelopment agency as it related to the Low and Moderate Income Housing Fund. The City of San José took action in January 2011 to become the Successor Housing Agency and to retain the housing assets of the former San José Redevelopment Agency. Subsequently, Assembly Bill 1484 (AB 1484), signed in June 2012, clarified some portions of the original legislation, including more detailed language on the assets that could be retained. The dissolution date for all redevelopment agencies throughout the State was February 1, 2012.

Without the San José Redevelopment Agency, an estimated $40 million annually is no longer available to fund affordable housing, with statewide monies reduced by approximately $1 billion annually. As of this writing, there has not been a new permanent source of funding identified to fill this gap.

California Environmental Quality Act (CEQA) Reform

In 1970, the California Environmental Quality Act (CEQA) was passed, requiring every city, county, and public agency in the State to analyze and disclose environmental impacts of proposed projects and adopt feasible measures to mitigate those impacts. But in recent years, CEQA has too often been invoked for reasons other than environmental concerns by those, including governments, land owners, rival businesses, and labor unions, who see the law as a convenient way to delay or prevent a project or to gain negotiating leverage.

In response, in 2013, nearly 30 CEQA reform bills were introduced, but only one bill, Senate Bill 743 (SB 743), of any real significance was passed. However, SB 743 does not completely overhaul CEQA in the ways that many advocates had hoped, including simplifying the law's provisions, removing legal duplications, restricting late and frivolous legal challenges, and improving transparency. Yet, as it relates to minimizing constraints to housing production, SB 743 is a meaningful step in the right direction, as discussed below.

While SB 743's primary objective was to streamline approval of an arena for the Sacramento Kings professional basketball team, the legislation also provides new rules of general applicability that could significantly benefit select housing and mixed use residential/commercial projects. SB 743 provides that if a project is on an "infill site" and within a "transit priority area", the scope of CEQA's impact analysis is reduced and the standard for traffic evaluation may also change. For reference, an "infill site" refers to a lot that is essentially surrounded on three sides by urban uses, and a "transit priority area" includes any area within a half-mile of an existing or planned major transit stop.

On reduced impact analysis, SB 743 provides that the lead agency cannot consider either aesthetic or parking impacts as significant under CEQA. Accordingly, for certain projects, impacts which would otherwise require mitigation or even the adoption of a statement of overriding considerations cannot be considered significant environmental impacts. On traffic evaluation standards, SB 743 requires that the State Office of Planning and Research (OPR) establish new thresholds of significance for noise and transportation impacts for certain projects. Whereas CEQA traffic analyses have traditionally focused on whether a project would increase traffic congestion, SB 743 calls for the OPR to develop new guidelines which would deemphasize traffic congestion, and instead focus on reducing greenhouse gas emissions, promoting multi-modal transportation, and ensuring land use diversity within transit priority areas.

As of August 1, 2014, most housing projects that consist of seven (7) or more multi-family attached dwelling units are subject to CEQA analysis, which can add significant costs in terms of time and consultant expenses to affordable housing proposals.[5]

Inclusionary Housing Challenges

In 2007, the City of San José initiated a process to study the economic feasibility of expanding "inclusionary housing" provisions citywide, which were then applicable only to Redevelopment Project Areas. The inclusionary study process was accompanied by significant public outreach, with nearly 25 stakeholder and educational meetings and more than 30 one-on-one meetings with developers. This outreach was designed to develop an ordinance that met the City's inclusionary goals while providing various options to help mitigate potential constraints to residential development. In December 2008, the City Council adopted a policy to create a citywide inclusionary housing ordinance.

However, in July 2009, a California Court of Appeals—in a case known as *Palmer/Sixth Street Properties L.P. v. City of Los Angeles ("Palmer")*—ruled that the requirements for rental housing set forth in the City of Los Angeles Inclusionary Housing Program violated the Costa-Hawkins Act, which was approved by the California Legislature in 1995. The Costa-Hawkins Acts provides that landlords otherwise subject to rent control may set rents at market-rate whenever units are leased to a new tenant (known as

[5] http://resources.ca.gov/ceqa/docs/2014_CEQA_Statutes_and_Guidelines.pdf

"vacancy decontrol"). The ruling in *Palmer* called into question the validity of inclusionary housing requirements on rental housing projects.

On June 22, 2010, in response to *Palmer*, the City Council/Redevelopment Agency Board amended the inclusionary policy to temporarily suspend the applicability of affordable housing requirements for new rental housing developments until such time as the *Palmer* decision is reversed or modified by another court or by the State Legislature. On September 11, 2013, the California Supreme Court agreed to review separate, pending litigation regarding the City's efforts to create a citywide inclusionary housing ordinance, and a decision on this case will likely be rendered in late 2014. Note that inclusionary requirements for for-sale housing were not impacted by the *Palmer* ruling, and remain in place in Redevelopment Project Areas.

On October 13, 2013, Governor Jerry Brown vetoed legislation (AB 1229) that would have authorized cities to establish inclusionary housing requirements and effectively overturned the Court of Appeals ruling. The Governor indicated that the California Supreme Court is currently weighing whether cities may require inclusionary housing and that he'd "like the benefit of the Supreme Court's thinking before we make adjustments in this area."

State Funding Limitations

Funding at the State level, such as Proposition 1C, has been all but depleted. Additionally, the process of obtaining 9% Low-Income Housing Tax Credits (LIHTC) is extremely competitive, with demand far exceeding supply in each funding round. Although the value of tax credits have essentially returned to pre-recession highs, with a $1 tax credit often valued at more than $1, there is simply not enough to go around. For example, given the competition, one or two applications is the realistic maximum number of housing projects per round that could receive funding in Santa Clara County. Besides the former San José Redevelopment Agency tax increment financing mechanism, tax credits are the most valuable tool for funding the construction and preservation of lower income housing.

Federal Funding Limitations

Funds made available for housing and community development by the federal government have experienced significant cutbacks in recent years. For example, funding to the City of San José for the Community Development Block Grant (CDBG) Program, the HOME Investment Partnerships Program (HOME) have declined by approximately 30% to 40% since 2007-2008. Additionally, cuts to the Housing Choice Voucher ("Section 8 ") Program have had a deleterious impact on housing authorities across the nation, including the San José Housing Authority and Santa Clara County Housing Authority. Funds committed to these programs provide much-needed resources to support affordable housing. Recent funding limitations represent a key constraint on the City's ability to address local housing and homelessness issues.

NON-GOVERNMENTAL CONSTRAINTS

I. Price of Land

The price of land is a significant factor in the financial feasibility of housing development, and this is especially true for affordable housing. In San José, as it is in Santa Clara County and throughout the Bay Area, the cost of land is high, comprising a large percentage of the overall cost of development. Of course, the cost of land is determined by numerous factors, most importantly neighborhood location and proximity to various amenities, including jobs, schools, parks, retail uses, public transit, etc. Thus, it is difficult to generalize about land prices, especially in a place the size and diversity of San José.

However, some insight on land prices can be found from a few common information sources. First, the Santa Clara County Assessor's Office separately itemizes the value of land and improvements in its annual assessment of property taxes. Review of several sample residential property tax statements indicates that land constitutes approximately two-thirds of the total assessed valuation. So, for example, a typical $750,000 single-family home is comprised of roughly $500,000 in land value and $250,000 in improvements value. Thus, while assessed value is not the same as market value, this ratio gives a good indication of the relative significance of land prices in the total cost of development.

In addition, Zillow, an online real estate database that in conjunction with Yahoo! Real Estate has become the largest real estate advertising network on the web, features a price estimate for properties based on a range of publicly available information, including sales of comparable properties in the neighborhood. A scan of San José properties currently listed on Zillow demonstrates the degree of diversity mentioned above. For example, a 1-acre estate lot in the exclusive Almaden or Evergreen neighborhoods are priced as high as $1 million. On the other hand, a 5,000-square foot lot in the mixed residential/commercial areas around Downtown is priced around $300,000.

It is also interesting to consider how the concentration of Bay Area jobs and housing growth into Priority Development Areas (PDAs), as referenced in Chapter I, may accelerate an increase in land values and gentrification. Once again, the City of San José has several dozen PDAs which have been nominated and formally approved in furtherance of the region's integrated long-range plan, Plan Bay Area, and these PDAs coincide with growth locations identified in the City's own General Plan, including Urban Villages. However, due to their strategic location and planned future investments, these same areas may be where upward pressure on land prices could be the greatest, thereby making the creation of affordable housing even more challenging. As such, the implementation program of this Housing Element seeks to explore mechanisms for equitable development in Urban Villages that can provide a range of housing opportunities in higher cost locations.

Resources to Alleviate Constraints

Since 2011, with the adoption of the Envision San José 2040 General Plan, and subsequently with changes to the Zoning Code, the City has implemented policies and ordinances to facilitate taller, higher density development with fewer required parking spaces. In addition to increasing maximum allowable building heights through new Zoning Code provisions, probably the broadest approach the City has taken to alleviate the impact of land costs is in reduction of parking requirements. As briefly mentioned earlier, Ordinance No. 29217 (effective 4/5/13) reduced parking requirements for residential development near transit and provided Transportation Demand Management (TDM) measures. More specifically, the ordinance increased an already existing Zoning Code provision, which had allowed up to a 10% to 15% reduction in parking for projects in Downtown, Transit-Oriented Development Corridors, and other designated Special Strategy and Growth Areas in the General Plan to now as much as a 50% reduction. Also, regardless of location, certain specific residential uses were provided with a 20%

parking reduction, including senior housing, SROs, efficiency living units, emergency residential shelters, and residential care/service facilities. As well, other more general changes to parking requirements were implemented to support more urbanized development, including reduced setbacks and allowance of up to 50% of parking spaces in a tandem arrangement (with certain findings). These parking reductions and flexibility reduce site requirements, especially for affordable housing types, and can thus result in land acquisition cost savings.

J. Cost of Construction

The International Code Council (ICC) publishes biannual Building Valuation Data (BVD) that provide "average" construction costs per square foot for various occupancy groups and construction types, including for single- and multi-family residential development. These costs include everything from foundation work to the roof structure, as well as structural and nonstructural building components, electrical, plumbing, mechanical, and interior finishes. The data cited below are a national average and do not take into account any regional cost differences. Due to high local costs, a Regional Cost Modifier that adds an approximately 15% premium to these figures would be appropriate for San José.

The latest BVD data were published in August 2013, and indicate a construction cost range of approximately $105 to $120 per square foot for R-2 Residential (multi-family) and R-3 Residential (one- and two-family) occupancy groups for the most common construction types (Type IIIA or Type VA for multi-family and Type VB for single-family). Translating these figures into more general terms, the City very roughly estimates construction costs at approximately $300,000 for a typical single-family residence and at about $150,000 to $200,000 for a typical multi-family residence.

Construction costs are comprised of both "hard" costs, such as labor and materials, and "soft" costs, such as architectural and engineering services, project management, and insurance. Taken together with the price of land, hard costs and soft costs cumulatively represent the total cost for a construction project. For construction of most homes in San José, hard costs account for the largest share, but these shares differ by occupancy group. For single-family homes, hard costs and land costs each amount to roughly 40% of the total cost (with soft costs comprising the 20% remainder), whereas for multi-family homes, hard costs account for as much as two-thirds of the total.

It is important to note that construction costs have been quite volatile in recent years. During the economic downturn, construction costs declined by approximately 10% as the demand for both labor and materials waned. Since that time, however, costs have rebounded along with the overall economy. For example, according to the National Association of Home Builders (NAHB), framing lumber prices have risen rather dramatically, doubling from a low of $200 per 1,000 board feet in 2009 to $400 per 1,000 board feet in 2014. Not surprisingly, the NAHB also reports that the share of a new home sales price going to a builder's profit dropped from 8.9% in 2009 to an all-time low of 6.8% in 2011.

As suggested by the prior needs assessment, without subsidies, new market-rate housing is unlikely to be affordable to low-income households, as well as many middle-income households. To some extent, reductions in amenities and lower-quality building materials can reduce sales and rental prices, but minimum building and safety standards are mandatory. The trend towards increased densities in San José can help improve affordability by reducing per-unit costs, and the City's willingness to consider reduced parking requirements in certain circumstances can also make housing more affordable.

Resources to Alleviate Constraints

The actions that San José can take to reduce construction costs are somewhat limited given that the City does not currently implement any programs or policies that reduce labor or materials costs. Note that while labor rates vary by trade and construction method, these higher paid skilled and semi-skilled positions are generally unaffected by the City's imposition of a Minimum Wage Ordinance (MWO) as discussed in Chapter III. In terms of construction related fees/taxes, as previously mentioned, in 2010, and through Council extension through 2014, the City Council amended the schedule of parkland fees charged under the Parkland Dedication Ordinance (PDO) and Park Impact Fee (PIO) specifically for low income housing units, setting the rate at 50% of the fees normally applicable to each housing type. As well, in 2013, the City Council expanded and extended the Downtown High Rise Development Incentive Program, temporarily suspending the collection of 50% of the construction taxes for qualified projects. The Downtown High Rise Development Incentive Program also provides exemptions to the inclusionary housing ordinance within three areas of Downtown and reduces in-lieu fees to 50% in the rest of downtown. Since these fees/taxes contribute to the total cost of construction, their reduction for select housing types and/or locations is a meaningful attempt to alleviate this constraint.

K. Availability of Financing

During the depths of the 2008-2009 financial crisis the availability of financing was clearly among the biggest constraints to housing. Caused by imprudent and excessive lending practices, financial institutions significantly reduced loans to potential homebuyers as well as to developers for construction financing. With the more recent economic recovery, developers and consumers alike have in general had less difficulty in obtaining financing. This is evidenced by the fact that the number of residential building permits issued in San José reached a nine-year high of almost 3,500 dwelling units in calendar year 2012. Indeed, with the possibility that the current housing market rebound reflects yet another housing bubble, there is legitimate reason for concern that another wave of risky lending and foreclosures could occur in the relative near term.

However, several caveats are in order. First, in an effort to better manage risk, banks' willingness to provide construction financing is now much more dependent on product type. In particular, rental housing is experiencing unusually high demand, and is thus looked upon more favorably than housing intended for ownership. Similarly, market-rate housing has had relatively little difficulty obtaining financing, whereas affordable housing projects remain an ongoing challenge. This is especially true given the previously discussed decline in State and federal sources. Finally, construction in San José is dominated by a handful of very large publicly-traded or privately-held development companies or Real Estate Investment Trusts (REITs), which entities have greater access to funds located outside the traditional banking system or the ability to finance projects themselves.

Limited for-sale inventory, strong regional job growth and the emergence of all-cash domestic and foreign real-estate investors has made it difficult for individual consumers to purchase homes with a mortgage.

Resources to Alleviate Constraints

There are limited actions that San José can take to improve the availability of financing. The City has no role or authority in the financial markets and therefore no influence over financing mechanisms.

However, by providing limited public resources for residential development, the City helps developers leverage private resources and spread the risk for private financial institutions investing in residential development. This encourages the availability of financing for affordable housing developments in which the City and other public entities invest.

L. Market Forces

Strong markets are a reflection of healthy economies. On the other hand, absent governmental intervention, a robust free market economy tends to incite various unhealthy conditions that challenge the creation and maintenance of affordable and other specialized housing types, the provision of healthy and safe living conditions, and the existence of balanced and equitable communities, as described below.

- Displacement—efforts to maximize investment returns by replacing lower-value land uses with higher-value ones cause increasing redevelopment pressures. This natural, profit-seeking behavior on the part of individual property owners can result in the steady elimination of existing affordable housing and, as a consequence, displacement of lower income households.
- Product Uniformity—specialized housing types are designed to match the unique needs of persons comprising a relatively small share of the overall market. As a result, these housing types carry higher investment risk making them more difficult to finance. Product uniformity is the outcome, at least until demographic trends or changing preferences alter supply/demand and the associated risk profile.
- Overcrowding—the inability of lower income households to afford housing can result in overcrowding as multiple or extended families are forced to live together. This overcrowding increases health and safety concerns and stresses the condition of the housing stock and infrastructure. As well, overcrowding stifles household formation and thus market demand that would otherwise trigger increasing supply.
- Labor/Housing Imbalances—the labor and housing markets operate somewhat differently, and as a result communities can become imbalanced and inequitable. While both markets seek to maximize profits, the (private) housing market does so by pricing homes according to what the market will bear. Alternatively, the labor market naturally includes workers across a full range of incomes, while generally seeking to keep costs low. As a result, the cost of market rate housing will tend to be affordable for only a (higher income) segment of the workforce, even though a broader range of housing types/prices are needed to match the full income spectrum.

As relates to the homelessness issue, according to San José's recent survey discussed in Chapter III, obstacles to obtaining housing were almost solely income related: one third (35%) of respondents reported being employed, another 42% reported job loss as the reason for becoming homeless, and two thirds (65%) reported an inability to afford rent. Further, there are a lack of available housing units and landlords willing to lease units to homeless persons. At this time, there are more than 100 homeless individuals in San José with a housing subsidy who are actively seeking housing but cannot locate a home to rent. Thus, there is not only a lack of income to afford market rate housing, but also sometimes an inability for market participants to gain access to available supply even when there is willingness and ability to pay.

In this Housing Element implementation program, City staff will explore strategies to facilitate the housing market while simultaneously addressing the issues that market conditions may cause. The

current inability to work productively with market forces is one of the key barriers for affordable housing production and equitable communities. Facilitating the market and creating equitable communities are not mutually exclusive goals—addressing only one or the other is a "false choice." The implementation program seeks to avoid this outcome and develop strategic responses that result in a "win-win."

M. Environmental Hazards and Limitations

San José's Sphere of Influence includes many areas subject to varying degrees of naturally occurring and man-made environmental hazards and limitations. Historically, as land becomes scarce, there is increased pressure to develop land with a higher hazard potential. However, development in hazardous areas can result in significant costs to the community, including major property damage as well as potential loss of life.

For new development, the emphasis of the General Plan is to regulate construction so as to minimize identifiable risks. The hazards policies in the Plan are based on substantial background data and analysis from various sources about existing conditions in San José and Santa Clara County. These sources document many hazards, including noise, seismic, geologic/soil, flooding, and airport-related hazards, as briefly described below.

Noise Hazards

City policy encourages locating new development in areas where noise levels are appropriate for the proposed use. For interior noise levels, San José's residential standard is 45 dBA DNL. Appropriate site and building design, building construction, and noise attenuation techniques are included in new development to meet this standard. For exterior noise levels, the City's residential standard is 60 dBA DNL or less, and an acoustical analysis following protocols in the City-adopted California Building Code is required to demonstrate compliance. For new multi-family residential projects, the 60 dBA DNL standard applies to usable outdoor activity areas, excluding balconies and stoops/porches facing existing roadways. For single-family residential uses, the 60 dBA DNL standard applies to private usable outdoor activity areas, such as backyards.

Seismic Hazards

San José is located in a region of very high seismic activity. The major earthquake faults in the area are the San Andreas, near the crest of the Santa Cruz Mountains, and the Hayward and Calaveras fault system located in the Diablo Range. Numerous other faults are located in the hills and throughout the valley. As a result, the City has numerous policies to help minimize the risk of injury, loss of life, property damage, and community disruption from seismic shaking, fault rupture, ground failure (liquefaction and lateral spreading), earthquake-induced landslides, and other earthquake-induced ground deformation. For example, within seismic hazard zones identified under the Alquist-Priolo Fault Zoning Act, the California Seismic Hazards Mapping Act, and/or by the City of San José, geotechnical and geological investigations are required, and approval of development proposals granted only when the severity of seismic hazards have been appropriately evaluated and mitigated.

Geologic/Soil Hazards

Hazards related to geologic and soil conditions include erosion, landslides, expansive soils (subject to shrink and swell behavior), weak soils (subject to failure), and land subsidence. Soils with varying degrees of expansivity are present throughout the San José area, as are weak soils. Also, soils on some sites throughout the valley floor have been contaminated by chemicals which were used in conjunction with former heavy industrial or agricultural uses. Depending on concentrations, these materials can pose health risks for residential development. As such, City policy stresses the need for identification and awareness of geologic hazards and soils contamination issues in the planning of residential uses. Compliance with the San José Geologic Hazards Ordinance is required for all new development, and such proposals within hazard areas shall not be endangered by, nor contribute to, the hazardous conditions on the site or on adjoining properties.

Flooding Hazards

Information on areas subject to flood hazards in San José is based on several sources. Flood Insurance Rate Maps (FIRM) have been prepared in conjunction with the Federal Flood Insurance Program showing areas projected to be flooded to a depth of one foot or more in the event of a "1%" or "100-year" flood occurrence. Information on areas subject to the "0.5%" or "200-year" flood are provided by the Federal Emergency Management Agency (FEMA) and the California Department of Water Resources (DWR). The California Emergency Management Agency (Cal EMA) also provides information on areas subject to inundation due to dam failure. The Santa Clara Valley Water District (SCVWD) has the primary responsibility for flood protection through the construction, operation, and maintenance of flood protection capital projects. Meanwhile, the City of San José has jurisdiction over, and responsibility for, development and floodplain management such that development is protected from flooding and does not induce flooding on other properties.

Airport-Related Hazards

The City of San José contains two airports: (1) Norman Y. Mineta San José International Airport (SJC), located near Downtown, which serves as the primary commercial airport for Silicon Valley, and (2) Reid-Hillview Airport, located in east San José, which serves primarily small piston aircraft and general aviation demand. To minimize the public's exposure to airport-related hazards (safety, noise, etc.), Airport Influence Areas (AIAs) have been established to protect public health, safety, and welfare. In some cases, Federal Aviation Administration (FAA) regulations and land use controls applicable to AIAs limit the potential for sites within these areas from being developed with residential uses. These regulations are necessary to maintain land use compatibility between airports and their surroundings.

Water Limitations

In 2014, California experienced one of the worst droughts in recent history, with more frequent (and severe) droughts expected in coming years. To the extent that droughts become more common in the State and region, water supply may become a constraint to future development in San José. Staff has recently engaged in discussions regarding the potential impact of the current drought on the City's growth plans in North San José.

Resources to Alleviate Constraints

The environmental hazards and limitations discussed above are largely beyond governmental control, but nonetheless do not unduly constrain residential development needed to achieve San José's Regional Housing Need Allocation (RHNA). The City's Urban Service Area (USA) totals approximately 140 square miles, defining the area where services and facilities provided by the City of San José and other public agencies are generally available and where urban development requiring such services should be located, in large part to avoid unnecessary conflict with hazards situated outside the USA. Within the USA, hazards apply only to limited geographic areas and, in any event, these are generally not planned Growth Areas. A primary exception is Downtown, portions of which fall within the southernmost extent of the Mineta Airport AIA, yet adherence to FAA regulations has clearly not been a constraint to construction of Downtown high-rise residential projects.

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Chapter V: Planned Supply/ Inventory

State law requires that a housing element contain "an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment" (Government Code section 65583(a) (3)). The law clarifies that the phrase "land suitable for residential development" includes: (1) vacant sites zoned for residential use; (2) vacant sites zoned for nonresidential use that allows residential development; (3) residentially zoned sites that are capable of being developed at a higher density; and, (4) sites zoned for nonresidential use that can be redeveloped for, and as necessary, rezoned for, residential use (Government Code section 65583.2(a)).

This chapter serves as an introductory overview to San José's planned supply/inventory of lands suitable for residential development, with a detailed, parcel-specific inventory and methodology discussion separately contained in Appendix A: Adequate Sites Inventory. Further, the chapter addresses several additional provisions of State law related to inventory methodology, and in particular the calculation of units to satisfy the lower income households portion of RHNA.

Two observations might be made about the applicability of these legal requirements to San José. First, the law places emphasis on the importance of zoning in evaluating the suitability of land for residential development. San José, however has long recognized the General Plan as the primary regulatory tool in the practice of city planning and as a charter city, San José is exempt from the statutory requirement that zoning be consistent with its General Plan. A general plan has been called the "constitution" for land use to emphasize its value in the decision-making process, with the General Plan and its maps, diagrams, and development policies forming the basis for the City's zoning and other regulations.

Second, the law implies that vacant land is likely a major contributor to planned housing supply within a community. However, as previously mentioned, San José is largely built-out in a low-density land use pattern within its city limits, and the General Plan does not support the conversion of industrial areas to residential use or the development of Urban Reserves or lands outside the City's Urban Growth Boundary. As such, most new housing development will be achieved through higher-density redevelopment within existing urbanized areas. In other words, as shown in this chapter, vacant land comprises a relatively small and declining share of the City's planned supply of housing.

A. Inventory Overview

Aside from the aforementioned general provisions of State law, an explanation of methodology used to determine development potential of identified lands is also required. As indicated in the General Plan, "zoning will become more consistent as the Plan is implemented over time." This charter city status means that the General Plan is of paramount importance in determining the suitability of lands for future residential development in San José, and that existing zoning is not necessarily the best indicator of the City's longer-term land use plans as further detailed in this chapter.

Table V-1, which follows this paragraph, identifies seven major location/status categories of housing units planned during the current RHNA period, plus a "pool" allocation as previously described in Chapter IV. An explanation of these categories and associated methodology is provided below. These categories are as follows:

1. Already Entitled
2. Downtown
3. Planned Communities
4. Urban Villages
5. Vacant Land
6. North San José
7. Underutilized Parcels

DISTRIBUTION OF HOUSING UNITS
PLANNED DURING THE RHNA PERIOD (2014-2022)

Location/Status Category	Planned Housing Units	Percent of Total
Already Entitled[1]	11,474	32.7%
Downtown	9,701	27.6%
Planned Communities	7,547	21.5%
Urban Villages[2]	2,666	7.6%
Vacant Land[3]	2,125	6.1%
North San Jose[4]	N/A	N/A
"Pool" Allocation[5]	500	1.4%
Underutilized Redevelopable Parcels	1,104	3.1%
Totals	**35,117**	**100.0%**
RHNA Allocation (2014-2022)	35,080	

Source: City of San Jose

Notes:

[1]Includes unbuilt units in Phase 1 of the North San Jose Area Development Policy (NSJADP) and in the Hitachi mixed use village project, but otherwise excludes projects in other identified categories.

[2]Horizon 1 only of the Envision San Jose 2040 General Plan.

[3]To avoid double-counting, excludes vacant lands in other identified categories.

[4]Phases 2-4 of the NSJADP, allowing an additional 24,000 units, are not anticipated during the RHNA period.

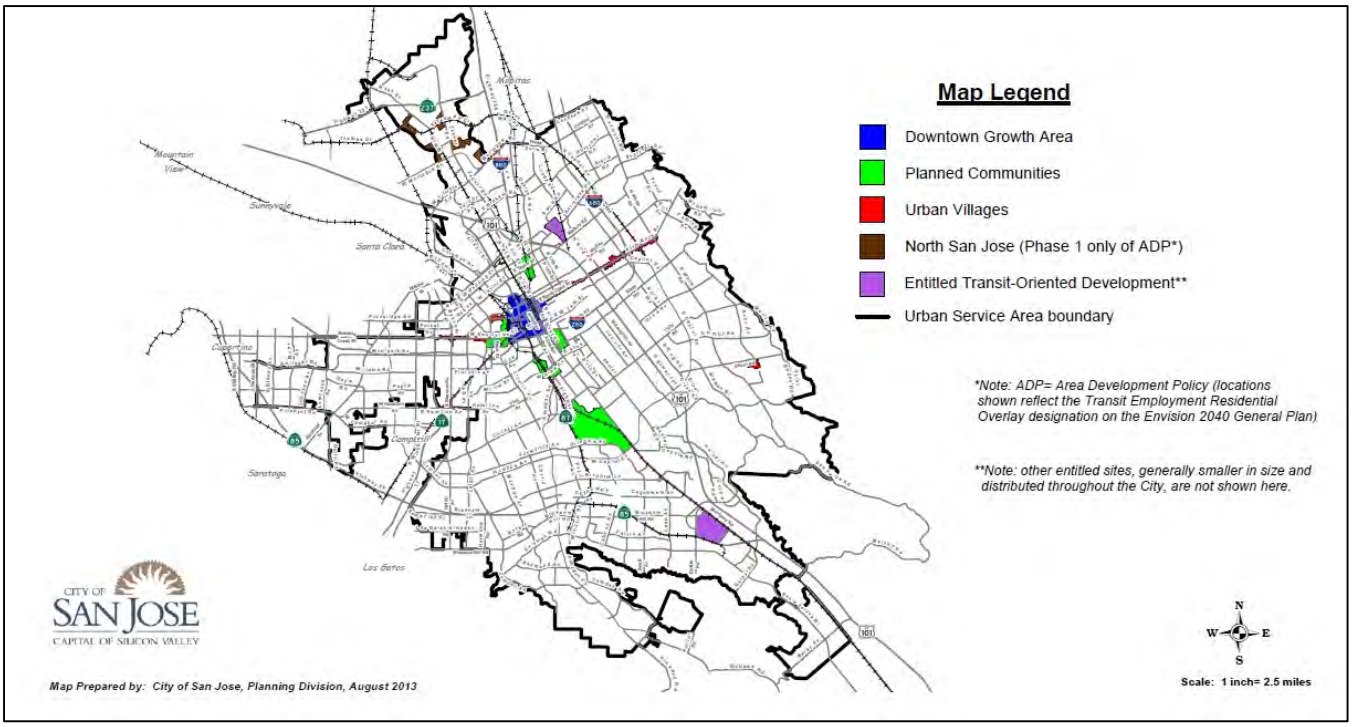
[5]Allocation of units per Policy IP-2.11 of the Envision San Jose 2040 General Plan.

Table V-2, Distribution of Housing Units

The Already Entitled, Downtown, and Planned Communities categories cumulatively yield over 28,500 housing units, or approximately 80% of the current RHNA allocation. Due to phased implementation, Urban Villages and North San José account for a relatively small amount of housing during the current RHNA ~~period.However~~period. However, the next phase of housing including up to 8,000 units in North San José could be initiated during this Housing Element planning period if expected commercial and industrial development occurs as intended. [REED] (Note: see detailed discussion later in this chapter). Vacant land amounts to about 5% of the City's planned supply of housing. Finally, Policy IP-2.11 of the General Plan allows an initial "pool" allocation of up to 5,000 housing units not included within the current Horizon to be used currently in a Plan area that is in a future Horizon. Ten (10) percent or 500 units from this pool of 5,000 units are included in the Planned Housing Units inventory. These 500 units can be used in approved Urban Villages that are in future horizons, such as the South Bascom Urban Village Plan, which is scheduled to be approved by the end of 2014 but is planned to be implemented in a future Horizon (Horizon III).

To consider the environmental impacts that result from development allowed under the General Plan, the City prepared a Program Environmental Impact Report (PEIR) in conformance with the California Environmental Quality Act (CEQA). This PEIR, addressed a series of actions that can be characterized as one large project, and provided an exhaustive consideration of cumulative effects and alternatives.

It is also useful to visualize this planned supply of housing geographically, as illustrated in the map below. Consistent with the General Plan's Focused Growth Major Strategy, primary locations for planned housing represent a combined total of approximately 3,500 acres of land, or just 4% of the City's Urban Service Area (USA), which locations are concentrated in areas with good access to transit and other existing infrastructure and facilities. Further, a comparison of these planned housing locations with the household income by census tract map (Map III-1) presented in Chapter III indicates that San José's RHNA housing supply is well distributed across the full income spectrum (e.g., North San José is "high income," Downtown and Alum Rock are "low income", etc.).



Map V-1, Primary Locations for Planned Housing during the RHNA Period

B. Already Entitled

The City of San José estimates that as of April 4, 2014 there are 11,474 units that have already received entitlements. This means that the units have been issued planning approval but have not yet obtained a building permit for construction. These entitled units are primarily composed of multi-family units, with concentrations located on several large mixed-use development sites, such as the "Hitachi site" at Highway 85 and Cottle Road, the San José Flea Market site along Berryessa Road adjacent to the new Berryessa BART station currently under construction, and in North San José (Note: remaining Phase 1 only of the North San José Area Development Policy as indicated in Table V-1 and Map V-1, and discussed in more detail later in this chapter).

The City of San José maintains an extensive Geographic Information Systems (GIS) database of residential development projects that have received planning entitlements. The database tracks projects throughout the entire process, from the time of planning application submittal to the issuance of building permits and eventual completion of construction.

This database serves several purposes. For example, it enables the City's preparation of an annual Development Activity Highlights and Five-Year Forecast of construction-related tax revenues, spatial analysis of population and housing growth, and fulfillment of annual Congestion Management Program (CMP) land use monitoring reporting requirements pursuant to State law (Government Code section 65089). The CMP mandates inclusion of data on all development project applications that result in a change in the number of entitled dwelling units. As to the mapping of entitled sites, the forecast report (available online at http://www.sanJoséca.gov/index.aspx?nid=2050) provides individual maps by Planning Area of all recent "major" projects (i.e., 50 or more housing units). However, please note that

data contained in Appendix A: Adequate Sites Inventory are inclusive of all entitled projects, regardless of size.

(Note: for the purposes of this Housing Element, the entitled database was queried to exclude projects in other identified location/status categories. This "hierarchy" among location/status categories ensures no double-counting of units tallied in satisfaction of the City's RHNA requirement, and supports ongoing tracking and comparison of stated yields with housing capacity figures (by area and horizon) contained in Appendix 5 of the General Plan (http://www.sanJoséca.gov/DocumentCenter/View/7541)).

C. Downtown

One Major Strategy (Strategy #9) of the General Plan is to support continued growth Downtown. The Downtown Growth Area is depicted in Map V-1, and is bounded by Julian Street, North 4th Street, East St. John Street, 7th Street, East San Fernando Street, South 4th Street, Interstate 280, the Union Pacific Railroad line, Stockton Avenue, Taylor Street, and Coleman Avenue. The General Plan maintains and augments the City's "Downtown Strategy 2000," an action guide for development and redevelopment of the Downtown based on a broad, multidisciplinary consideration of the issues of economics, transportation, urban design, urban landscape, historic resources, cultural resources, and events as they apply to Downtown.

The Downtown Strategy was initially prepared in 2000, but updated and adopted in June 2005 to support additional job and housing growth in Downtown (Note: even before the General Plan, the City was committed to the potential construction of approximately 8,330 new housing units in Downtown). At the same time, the City Council adopted a new Multi-Modal Transportation Policy that provided a process for the analysis and consideration of overall conformance of a proposed development with the City's various General Plan multi-modal transportation policies. By allowing a means for development to proceed in key areas even when traffic mitigation is not feasible or desirable, the Multi-Modal Transportation Policy plays an important role in supporting the Downtown Strategy.

As a result of the General Plan, the capacity of the Downtown Growth Area was increased from 8,330 new housing units to 10,360 units. While well over a dozen planning entitlements have been granted for construction of new housing in Downtown since the collection of "baseline" data for the General Plan in 2008, only two projects have been issued building permits, to date. These construction projects are two high-rise residential towers with a combined total of 659 housing units. Thus, the bulk of Downtown capacity remains available and has been applied in full to the current RHNA period (i.e., 10,360 – 659 = 9,701 units). Planning application activity for residential projects in Downtown has increased dramatically in recent months.

D. Planned Communities

Since 1980, San José has adopted a total of ten (10) Specific Plans or Master Plans for certain limited geographic areas, which areas are referred to as Planned Communities. In general, these Planned Communities have been designed to facilitate infill residential development/redevelopment; however, each Plan is unique and has other objectives beyond housing. These ten Planned Communities are:

- Alviso (1999)
- Berryessa (1980)
- Martha Gardens (2003)
- Midtown (1992)

- Communications Hill (1992)
- Evergreen (1991)
- Jackson-Taylor (1992)
- Rincon South (1999)
- Silver Creek (1982)
- Tamien Station (1995)

Each of these Specific Plans, including detailed maps illustrating plan boundaries and planned land use changes, are available online at http://www.sanJoséca.gov/index.aspx?nid=1741. The General Plan contains most of these Planned Communities, but select others were recently retired with adoption of the Plan. Retired plans include Berryessa, Evergreen, Rincon South, and Silver Creek, with elements of the Rincon South Plan having been incorporated into the Urban Village Plan for corresponding Urban Village areas. As well, given the fairly limited housing growth potential of the Alviso Plan, it has been omitted from the following Table V-2.

ENVISION 2040 GENERAL PLAN
HOUSING CAPACITY BY PLANNED COMMUNITY

Planned Community	Total Planned Housing Units	Units Built	Units Remaining
Communications Hill	4,603	1,828	2,775
Jackson-Taylor	2,225	1,412	813
Martha Gardens	1,995	269	1,726
Midtown	2,940	1,669	1,271
Tamien Station	1,682	720	962
Totals	**13,445**	**5,898**	**7,547**

Source: City of San Jose

Table V-2, Housing Capacity by Planned Community

All five identified Planned Communities have witnessed some amount of new housing construction in recent years, which reduces potential future yield but also demonstrates the viability of these areas for ongoing housing production. In fact, the Planned Community with the largest remaining capacity, Communications Hill, contains pending land use applications filed in spring 2013 for the construction of up to 2,200 housing units. In summary, significant capacity remains in each of these Planned Communities, such that a combined total of approximately 7,500 additional housing units are available for development during the current RHNA period.

E. Urban Villages

The General Plan promotes the development of Urban Villages (Major Strategy #5), yet also closely monitors the achievement of key Plan goals through a periodic major review of the Plan and the use of Plan Horizons to phase implementation of housing development over time (Major Strategy #12). As such, while there are a total of 70 Urban Villages identified within the Plan (see the City's Planned Growth Areas Diagram at http://www.sanJoséca.gov/DocumentCenter/View/7463) , only three Urban Villages, totaling 2,666 housing units, are within "Horizon 1", and anticipated to be available for new

housing development prior to January 31st, 2015, and are thus considered planned during the current RHNA period (see the following Table V-3).

ENVISION 2040 GENERAL PLAN
HOUSING CAPACITY BY URBAN VILLAGE*

Urban Village	Village ID	Planned Housing Units
Alum Rock Avenue	CR29	1,010
West San Carlos Street**	CR31	1,245
The Alameda	VT4	411
Totals		**2,666**

Source: City of San Jose

*Note: Horizon 1 only of the Envision 2040 General Plan.
**Note: capacity reduced by ten units per GP13-005, approved 11/19/13.
***Note: capacity for this village was constructed in 2012-2013.

Table V-3, Housing Capacity by Urban Village

The General Plan Policy IP-2.11 states that "preparation of an Urban Village Plan is necessary prior to allocation of these units unless the project qualifies as a Signature Project."

The City is working diligently to prepare Urban Village Plans for Horizon 1 and other Urban Villages. For example, on October 22, 2013, the City Council approved the Alum Rock rezoning (C13-035) which serves as the Urban Village for this corridor. As of this writing, the following seven Urban Villages are in the planning stages for preparation of an Urban Village Plan:

- The Alameda (East)
- East Santa Clara Street
- South Bascom (North)
- West San Carlos Street
- Stevens Creek
- Valley Fair/Santana Row and Vicinity
- Winchester Boulevard

Of the seven Urban Village Plans above, The Alameda and West San Carlos Plans are anticipated to be approved by the City Council by December 2014 and available for the construction of new housing development prior to January 31, 2015. While not a Horizon I Urban Village, the South Bascom Plan is also anticipated to be approved by the City Council by December 2014, and would be available for new housing construction through the use of the 5,000 unit pool, as discussed above in section A. Inventory Overview.

Please note that the RHNA period extends to year 2022, whereas the first General Plan Major Review will occur in 2015, at which time (and again in 2019) the City Council, per Policy IP-2.5, will "verify that

the current Planning Horizon contains adequate capacity to meet San José's Regional Housing Need Allocation for the upcoming 4-year term." Meanwhile, the capacity of Horizon 1 Urban Villages, along with 500 units from an initial 5,000-unit "pool" of residential capacity allowing entitlement of residential projects within Urban Villages not included within the current Plan Horizon (per Policy IP-2.11), is sufficient to satisfy the City's RHNA allocation.

F. Vacant Land

For several decades, the City of San José has periodically prepared a Vacant Land Inventory. At times, the report has been an invaluable tool in measurement of the rate, type, and location of development activity in the City. This was most certainly true in the mid-1980's and late-1990's, when activity levels were not only extremely high, but the majority of development was still taking place on vacant lands. The situation today is quite different, as development activity has moderated since the end of the "dot com" era. But equally important, infill development patterns and land use intensification trends, along with a rapidly diminishing supply of vacant lands, have resulted in most new construction today occurring via land redevelopment.

The City's latest Vacant Land Inventory was prepared through interpretation of aerial photographs obtained from the U.S. Geological Survey (USGS) taken in April 2011 (see report available online at http://www.sanJoséca.gov/index.aspx?nid=2054). The inventory generally includes only those lands that are within the Urban Service Area (USA) and which are designated for urban development on the General Plan. Note that additional development potential ultimately exists on vacant lands within the City's Urban Reserves (South Almaden Valley and Coyote Valley), that are within the Urban Growth Boundary (UGB) but outside the USA and thus not planned for urbanization in the General Plan.

For the purposes of this Housing Element, the Vacant Land Inventory database was queried for residential lands and then further refined to exclude lands in other identified location/status categories. The resulting list, summarized in the following Table V-4, comprises a total of 2,125 units as of April 4, 2014. Estimates of housing unit yield were derived using General Plan designations and conservative estimates within the density range specified for the associated land use category. Additionally, because the majority of San José's vacant residential lands are in peripheral locations within a half-mile of the USA boundary, the expected number of housing units from vacant lands will mostly take the form of single-family detached development on lower density designations.

ENVISION 2040 GENERAL PLAN
HOUSING CAPACITY OF VACANT RESIDENTIAL LANDS

Land Use Designation	Estimated Housing Units
Lower Hillside	22
Rural Residential	360
Residential Neighborhood	958
Mixed Use Neighborhood	410
Urban Residential	100
Transit Residential	275
Totals	**2,125**

Source: City of San Jose

*Note: excludes vacant lands in other location/status categories.
Also, excludes lands outside the City's Urban Service Area.

Table V-4, Housing Capacity of Vacant Lands

ADDITIONAL DISCUSSION ON HOUSING SUPPLY

G. North San José

North San José generally refers to the area north and west of Interstate 880 and south of State Route 237, and is San José's largest employment district, home to many leading technology companies and a key growth area for the City. Due to its economic importance, several key policy documents have been prepared to guide the ongoing growth and development of the area, including the North San José Area Development Policy. Although San José had enjoyed unprecedented job growth during the "dot com" boom of the late 1990's, the City experienced sustained job loss from 2001 through the early part of the new millennium. In response, the City launched multiple economic development initiatives, including preparation of an *Economic Development Strategy* and a series of stakeholder panel discussions under the name Getting Families Back to Work. The latter served as impetus for an update to the North San José Development Policy in 2005.

The North San José Development Policy update established a plan for the expansion of the area, allowing for the addition of 26.7 million square feet of new industrial development, 32,000 housing units, and 1.7 million square feet of supporting commercial uses (the Policy is available online at http://www.sanJoséca.gov/index.aspx?nid=1744). Consistent with San José's Smart Growth principles,

this growth capacity was focused primarily into higher density development at transit-oriented sites, which the subsequent General Plan considers as already planned Urban Villages. The plan includes a new grid street system to create more walkable, urban blocks within the central part of North San José, new urban, mixed-use housing, parks and services to build neighborhoods in close proximity to employment growth, the City's first Traffic Impact Fee to fund $570 million in transportation improvements, and a phasing plan that links job and housing growth to the construction of those improvements.

This phasing plan explains why no housing, beyond those remaining entitled and unbuilt units allocated in the 8,000-unit Phase 1 of the North San José Development Policy, are anticipated during the RHNA period. In essence, while additional residential development of 24,000 units is proposed to support new job growth, it would be contrary to the City's planning goals and objectives to encourage or facilitate a substantial conversion of industrial land to residential uses too far in advance of new job growth due to the resulting service costs, implications, and impacts. The Policy therefore limits the number of dwelling units that can be developed in advance of new industrial development. Conversely, development of too much industrial square footage without associated residential development would quickly overload the roadway system, and limit the internalization of commute trips and utilization of other transportation modes. The Policy therefore limits the amount of industrial development that could occur without some residential development in the area.

It is important to highlight that delivery of affordable housing will be a key area of focus in future Phase 2 of the Policy, as it originally anticipated a delivery of 1,600 affordable units in Phase 1. However, as the City made adjustments in 2011-12 to increase the allocation of market-rate units in Phase 1, it unilaterally reduced the amount of affordable housing that could be built. Phase 2 will be critical to achieving the affordable unit capacity to ensure there is an appropriate range of affordability to match all income groups. Further, based on current industrial development activity and recent trends, estimates are that it will be five to ten years before the City can consider new residential development as a part of Phase 2 (i.e., not until the next RHNA period beginning in 2022).

H. Underutilized Redevelopable Parcels

There are parcels scattered throughout the City that are designated for residential use such as Transit Residential, Urban Residential, Mixed Use Neighborhood, or Residential Neighborhood, but are either vacant or developed with low intensity non-residential uses such as storage warehouses, surface parking lots, and single-story buildings with FARs well below the maximum allowed, or with one single-family house. Many of these parcels are clustered, and could be combined for redevelopment. These parcels are underutilized. Staff has inventoried such parcels where they do not have historic resources. This inventory is exclusive of the other categories of adequate sites.

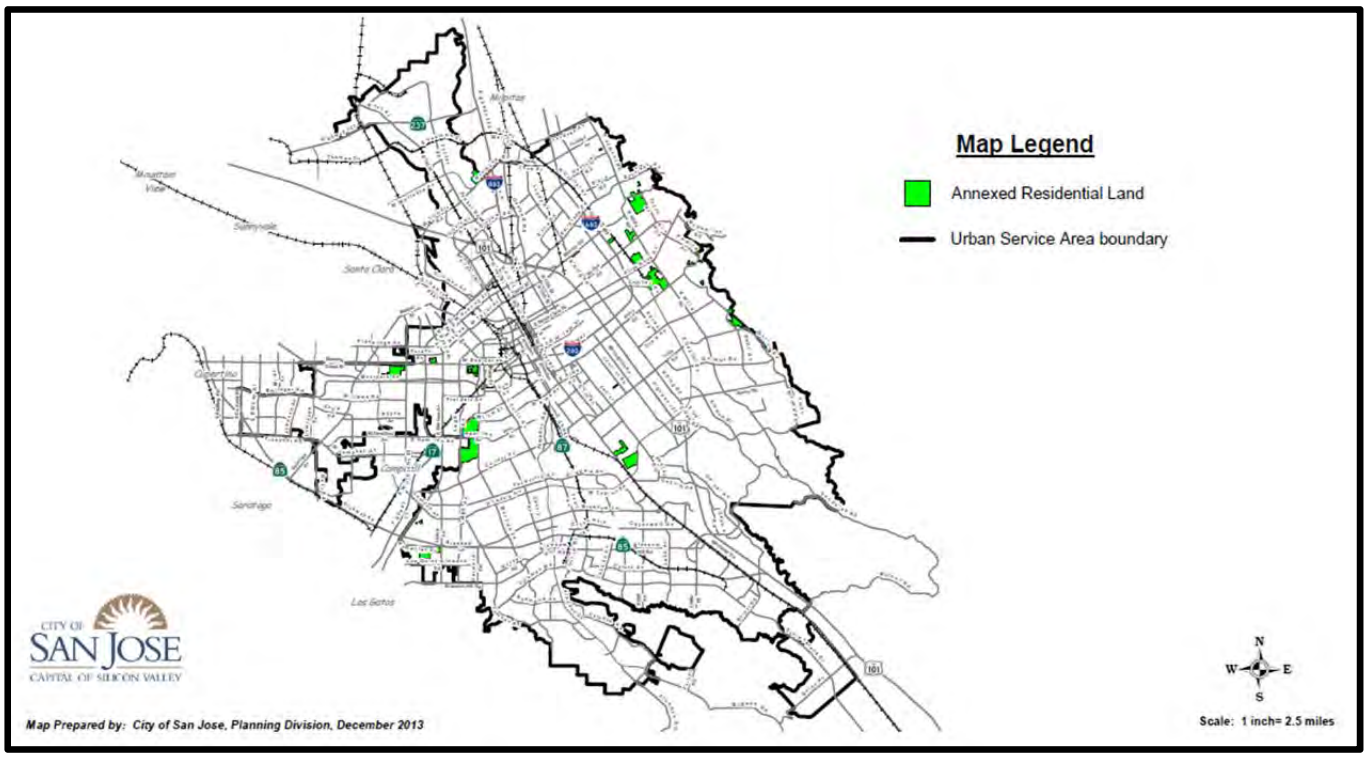
I. Annexations

Although not specifically itemized and quantified in this Housing Element as a source of planned housing during the RHNA period, the annexation of unincorporated residential lands is worth citing as a potential additional contributor to San José's future housing supply. In this regard, State law provides a process to facilitate the transfer of any RHNA allocation associated with such annexed lands through a

mutually acceptable agreement between affected city/county parties (Government Code section 65584.07(d)).

Enactment of Senate Bill 1266 (SB 1266) in 2004, which made temporary, streamlining changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act that governs annexations, prompted the San José City Council to subsequently adopt a multi-year County Island Annexation Program in 2006 (see http://www.sanJoséca.gov/index.aspx?NID=1746). This program ultimately resulted in the completion of nearly fifty (50) annexations of formerly unincorporated areas within San José's Urban Service Area (USA) over the 2007-2010 time period (see map below). Of these annexations, approximately 80% were residential lands that, at the time of Census 2000, contained a combined total of nearly 5,000 housing units.

The rationale behind both SB 1266 and City Council adoption of the County Island Annexation Program was that the continued existence of these unincorporated "islands" (i.e., areas largely or completely surrounded by the existing City limits) resulted in gaps in infrastructure and inefficiencies in the delivery of various urban services, such as police and fire protection. In addition, the City was not receiving tax revenue from property in these areas, although residents made use of City facilities such as roads, sidewalks, libraries, parks, and community centers. Thus, annexation resulted in a more equitable distribution of costs amongst all residents who routinely benefit from these facilities and services.



Map V-2, Residential Land Annexations per County Island Annexation Program, 2007-2010

Aside from potential future City-initiated annexation activity, per longstanding policy agreement between the County of Santa Clara and the City of San José, privately-initiated annexation is the mechanism that will enable new development to occur on unincorporated lands. For example, the previously referenced pending land use applications in the Communications Hill Planned Community, for construction of up to

2,200 housing units, is contingent upon annexation of these lands. Similarly, a small number (about 10%) of the residential lands contained in the Vacant Land Inventory are unincorporated, which lands are primarily concentrated in the Alum Rock Planning Area near other recently-approved annexations. These sites will require annexation as a pre-condition to development.

J. Demolitions

One final consideration in an assessment of planned housing supply is the potential impact associated with demolition of existing housing units. For example, per Article XIIIB of the California Constitution, the State Department of Finance conducts an annual housing unit survey to calculate population-based appropriations limits for governmental agencies, and the survey requires provision of information on, among other items, the number of housing units lost "from demolition, fire, or natural disaster."

As discussed in Chapter II: Demographics, the San José housing stock is relatively new, with only about 20% of the City's housing units dating to the pre-1960 period. As a result, demolition activity in recent years has been negligible, with an average of just 16 units per year having been demolished over the 2010-2013 time period—typical of demolition activity levels over the past several decades[6]. Over the longer-term 30-year timeframe of the General Plan, demolition activity will presumably increase as the housing stock steadily ages and residential redevelopment pressures rise. However, at least during the near-term planning period of this Housing Element (2014-2022), demolition activity is expected to remain minimal.

Regardless, out of concern about the potential loss of housing supply, the City has enacted provisions in the Zoning Code that require review and consideration of demolition impacts. More specifically, Chapter 20.80 (Specific Use Regulations) requires that "no demolition permit shall be issued unless and until a Development Permit which specifically approves such demolition has been issued." Further, prior to the issuance of any Development Permit which allows for demolition, the City must determine whether the benefits of permitting the demolition outweigh the impacts, and consider that "the approval of the permit should maintain the supply of existing housing stock in the City of San José." Finally, while the Zoning Code provides for limited exemptions from the required obtainment of a Development Permit, as it relates to the demolition of a single-family home this exemption is contingent upon a determination that "building permits have been issued for a replacement single-family house."

K. Mobile Homes Preservation

Mobile homes are a critical source of affordable housing in the City. As indicated in Chapter II, census data show well over 10,000 mobile home units in San José, by far the largest number of any California city (for reference, Los Angeles and San Diego have approximately 8,250 and 6,500 mobile homes, respectively). To help address preservation of these units, Chapter 20.180 (Mobile Home Park Conversions to Resident Ownership or to Any Other Use) of the Zoning Code ensures that the approval of any proposed mobile home park conversions is consistent with City policy. The ordinance explicitly states a goal "to provide a variety of individual choices of tenure, type, price, and location of housing and to maintain the supply of mobile home housing for low and moderate income persons and families."

[6] Based on analysis by the City of San José Department of Planning Building and Code Enforcement

In response to public inquiries, a Frequently Asked Questions (FAQ) document has been prepared (http://www.sanJoséca.gov/DocumentCenter/View/27913). Additionally, staff will explore the possibility of updating the Mobile Home Park Conversions Ordinance as part of the Housing Element implementation program in order to assess and potentially address concerns about displacement and the likely inability of affected persons to find affordable replacement housing and, more generally, the continued preservation of the mobile home housing stock.

Separately, in July 1979, the City Council adopted a Rent Stabilization Ordinance, Chapter 17.22 (Mobile Home Rent Ordinance) of the San José Municipal Code, which regulates rent increases on mobile homes and mobile home lots for which plumbing, electrical, and sewer permits were issued prior to September 1979. While certain exemptions and exceptions apply, the ordinance generally limits annual rent increases to 75% of the Consumer Price Index (CPI) as reported by the U.S. Bureau of Labor Statistics (BLS).

One recent example of the workings of this ordinance was in regards to Colonial Mobile Manor Mobilehome Park, a 200-unit park in the South Planning Area that houses mostly low-income seniors. A petition sought to increase monthly rents by $85.01, which would have resulted in rent increases of 6.9% to 17.8% per space, depending on the resident's base rent. After a thorough review process that included a pre-hearing conference, a walk-through at the park, and a series of administrative hearings last summer, on December 4, 2013 a decision was rendered by the City's contract Administrative Hearing Officer (AHO) denying any rent increase in excess of the 3% already allowed by the ordinance (http://www.piersystem.com/external/content/document/1914/2000178/1/12-11-13Housing.PDF). However, while the Rent Stabilization Ordinance can assist with mitigating significant rent increases, it does not prevent the conversion of mobile home parks.

L. Density/Land Use Designation Requirements for Low Income Housing

As discussed in Chapter IV, some provisions of State law specifically pertain to methodology for calculation of units to satisfy the lower income household's portion of RHNA. These State law provisions are as follows:

1. Density—"for the number of units calculated to accommodate the regional housing need for lower income households, jurisdictions in metropolitan counties shall [include] sites allowing at least 30 units per acre." (Government Code section 65583.2(c)(3)(B)(iv)).
2. Land Use Designation—"at least 50% of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed uses are not permitted." (Government Code section 65583.2(h))

As relates to the first provision, San José is located within a Metropolitan Statistical Area (MSA) with a population under 2 million persons, yet is a city with a population over 100,000 persons, and as such is considered a "metropolitan jurisdiction" subject to the minimum 30 units per acre requirement per State law. As previously indicated, most of the City's General Plan land use designations allow a density of 30 units or more per acre, and some as much as 8 to 10 times this figure. Further, as of 2012, the City's R-M Multi-Family Residential Zoning District has no density limit and also provides for building height exceptions, and thus can accommodate development of higher density, lower income housing without need for a Planned Development zoning/permit. While these high densities provide flexibility to developers, as briefly cited in Chapter IV in many cases they represent "excess" capacity that renders a

density bonus a marginalized tool for affordable housing. Given this context, staff will explore ways to create and implement a density bonus ordinance that could be effective in incentivizing the development of affordable housing

Given the redevelopment and intensification envisioned by Planned Communities, the Downtown Strategy, and the North San José Development Policy, for example, housing projects entitled and/or constructed since 2010 have registered an overall average of 40-50 units per acre—well in excess of the 30 units per acre requirement. Further, affordable projects in particular have generally been built at higher-than-average densities. Examples of this with affordable projects currently under construction or completed in 2013 include the Rosemary Family/Senior Apartments (290 units at 54 units per acre), the Mayfair Court Apartments (93 units at 61 units per acre), the San Carlos Senior Apartments (95 units at 71 units per acre), and the Japantown Senior Apartments (75 units at 136 units per acre).

As for planned housing sites, Appendix A includes an "affordable" yes/no data field to itemize compliance with State law for individual projects or parcels. According to a 2013 communication from the Northern California Chapter of the American Planning Association (APA), as a result of recent Housing Element streamlining efforts on this topic, "HCD has now agreed that in most instances it will consider [sites designated or approved for 30 units per acre and above] to be suitable for lower income housing until a building permit is issued, unless it receives comments showing that the site is being marketed to higher incomes." A query of the Adequate Sites Inventory indicates that approximately 22,500 units are to be developed at 30 units per acre or more, well in excess of (about 50% above) the City's RHNA allocation for lower income households.

As relates to the second provision, this Housing Element provides sufficient capacity on solely residential sites to accommodate at least 50% of the City's low and very low income housing needs. Specifically, San José's RHNA allocation is composed of 5,428 low income units and 9,233 very low income units, for a combined total of 14,661 units. This figure translates to a minimum of 7,331 low and very low income units (50% of the above total) on residential-only sites. The only sources of planned housing identified in Table V-1 where exclusively nonresidential uses and/or mixed uses could theoretically displace planned housing production are the Downtown and Urban Villages, which areas allow and encourage a variety of uses.

In reality, however, the longstanding trend is quite the opposite—the conversion of employment lands to residential uses. For example, as noted in a recent report on San José from the San Francisco Planning and Urban Research Association (SPUR), "there has been some concern about letting key sites in Downtown be developed as housing rather than office space, especially near future BART stations, which could limit a resurgent commercial sector—and limit BART ridership—in the future." In any case, since the Downtown and Urban Villages cumulatively amount to well less than half (about 35%) of the City's RHNA allocation, compliance with State law is readily apparent.

Chapter VI: Preservation and Equitable Development

Chapters II and III illustrated the significant need to increase the net supply of affordable housing in San José. In the past, San José facilitated its affordable housing supply primarily through the production of new deed-restricted multifamily housing. In addition, a portion of San José's market-rate and mobile homes are considered "naturally affordable" because of their location, condition, and physical characteristics (although the exact number of naturally affordable homes is unknown).

Because affordable homes may be lost over time due to expiring deed-restrictions or be redeveloped (if naturally affordable), it is important for the City to include policies and programs that seek to preserve the existing affordable housing stock. This chapter analyzes the deed-restricted housing stock that is at risk of conversion to market-rate housing and compares the costs of replacement versus preservation.

Finally, the issue of housing preservation is especially important as the General Plan seeks to focus growth into Priority Development Areas, Urban Villages, and Downtown. These growth locations are rich in transit infrastructure and amenities, and are increasingly desirable for employers, the workforce, and households. As a result, the City anticipates that these locations will become prime development and redevelopment opportunities, which may cause significant price increases and potential displacement of existing households. Thus, the replacement and preservation of existing affordable housing becomes a key tool to ensure that, as San José evolves into an urban center, there remains a variety of housing options for San José's residents and workforce.

A.Definitions

The following terminologies are used in this chapter and the implementation workplan to delineate and clarify the various types of preservation strategies that may be used:

Replacement: When new low or very low income deed-restricted homes are constructed to replace deed-restricted homes that have converted to market rate or that have been demolished.

Preservation: When existing deed-restricted affordable housing is at-risk of converting to other uses in 5 years or less and is preserved through one of the following methods depending on the condition of the housing:

A. Acquisition and Rehabilitation: The development is acquired, rehabilitated, and a new deed-restriction is created. It is anticipated that the majority of preservation projects will fall under this category.
B. Financing: When deed-restriction is extended through financial restructuring but rehabilitation is not required.

Market Rate Acquisition/Rehabilitation: When market rate homes are acquired, rehabilitated, and deed-restricted for low or very-low income residents.

B. Analysis of Deed-Restricted Homes At Risk of Conversion to Market-Rate

Deed-restrictions are a vital tool for ensuring that affordable homes remain affordable for a significant period of time. The longevity and continuity that deed-restricted homes provide are especially important in places where housing is expensive or where costs are expected to rise, such as in San José, as such housing gives lower-income households the ability to remain in their community. Thus, preserving existing deed-restricted affordable housing is an important strategy to ensure there are a variety of residential options for lower-income households in strong markets.

California housing element law requires all jurisdictions to identify assisted rental housing that is eligible to change from low-income housing uses within ten years from the beginning of the new cycle. The following analysis assesses conversion risk for developments with expiring affordability restrictions prior to June 30, 2025. In 2013, the City of San José hired the California Housing Partnership Corporation (CHPC) to research deed restricted HUD and Tax Credit financed properties that were at-risk of conversion. CHPC analyzed data, conducted outreach to property owners, and identified properties with high or moderate risk of conversion. In addition, City staff conducted analysis on City funded, bond funded, and inclusionary funded developments. These lists were combined and sorted by owner type (profit-motivated and nonprofit) and can be found in Appendix C.

In San José, there are 236 affordable deed-restricted housing developments (19,244 homes) of which 47 developments (2,645 homes) have one or more affordability restrictions expiring within the next 10 years. These at-risk homes account for approximately 14% of all deed-restricted homes in San José. Further, of the 47 developments, 36 of them consisting of 1,927 homes have only one affordability restriction and are thus more likely to convert to market rate than homes with multiple affordability restrictions. This subset of at-risk homes contains over 247 ELI and VLI homes.

Another key indicator of risk is ownership type. Of the 47 at-risk developments, 14 have profit-motivated owners consisting of 1,142 homes (43%). Of these, 108 are ELI and VLI homes. The remaining 33 developments consist of 1,503 homes (57%) but are owned by non-profits who are typically interested in preserving affordability status and are thus considered to be lower risk.

Finally it is important to breakdown the types of affordability restrictions to better understand the likelihood of these restrictions being extended. Nearly half of the 2,645 at-risk homes identified above have expiring HUD affordability restrictions. City affordability restrictions and tax credits are the second and third largest respectively.

This analysis has identified 290 senior homes that are at risk of conversion. Of these homes, 220 have only one affordability restriction but all are controlled by nonprofit owners, which reduces the risk of conversion to market-rate housing upon expiration.

Homes By Earliest Expiring Affordability Restriction

Expiration-HUD	1,464	55%
Expiration-City AR	484	18%
Expiration-Bond	405	15%
Expiration-TCAC	292	12%
Total:	**2,645**	**100%**

C. Costs of Replacement versus Preservation of Deed Restricted Homes

The preservation of existing deed-restricted homes is one method for continuing the long-term affordability of the City's affordable housing stock. The City of San José's preservation strategy is to partner with non-profit developers by providing subsidies in order to make the project financially feasible. The following analysis assumes that the majority of preservation deals will require some level of rehabilitation in order to extend the affordability restriction. Using data from recent developments requiring significant rehabilitation, it is estimated that total development cost for rehabilitation are slightly less than total development cost for new construction as detailed in the table below.

Replacement Costs (New Construction)	Low Range	High Range
Cost/Fee Type	Cost Per Unit	Cost Per Unit
Land Acqusition	$35,800	$46,700
Construction	$221,800	$250,700
Financing/Other	$31,500	$49,600
Total Development Cost	$289,100	$347,000
Total Subsidy Required	**$76,600**	**$135,600**
Preservation Costs	Low Range	High Range
Fee/Cost Type	Cost Per Unit	Cost Per Unit
Acquisition	$59,100	$120,900
Rehabilitation	$101,900	$243,700
Financing/Other	$24,300	$21,300*
Total Development Cost	$185,200	$385,900
Total Subsidy Required	**$97,100**	**$105,400**
*This particular project had approximately $505,000 in permanent and temporary		

The total amount of subsidy needed varies by project type, asset condition, affordability level, and the amount of non-city subsidies. It is estimated that the cost to rehabilitate 2,645 at-risk homes could require between $256-278 million in total subsidies. The costs of rehabilitation can be unpredictable and depending on the location and condition of the homes may in fact be equally or more expensive than replacing at-risk homes with new construction. New construction increases the overall housing supply and generally results in higher quality buildings that are less costly to operate, and are generally more

resource efficient. It is for these reasons that the City will prioritize funding new construction in the quantified objectives section of Chapter VII.

D. Entities Qualified to Preserve At-Risk Homes

All housing corporations are legally capable of acquiring "at-risk" housing developments. The following is a list of all entities that have self-identified as having the capacity or the interest in managing assisted homes. Many of these developers have completed replacement and preservation projects in Santa Clara County.

- Mid-Peninsula Housing Coalition
- BRIDGE Housing Corporation
- First Community Housing
- Mercy Housing
- EAH
- Eden housing
- Charities Housing Development Corporation
- Satellite Affordable Housing Associates (SAHA)
- Resources for Community Development
- USA Properties
- ROEM (For profit)
- CORE (For profit)

If a nonprofit purchases an "at-risk" development but lacks adequate project management capabilities based on the City's assessment, the nonprofit may be required to contract with an outside professional management firm.

E. Growth and Potential Impacts on Existing Housing Stock and Residents

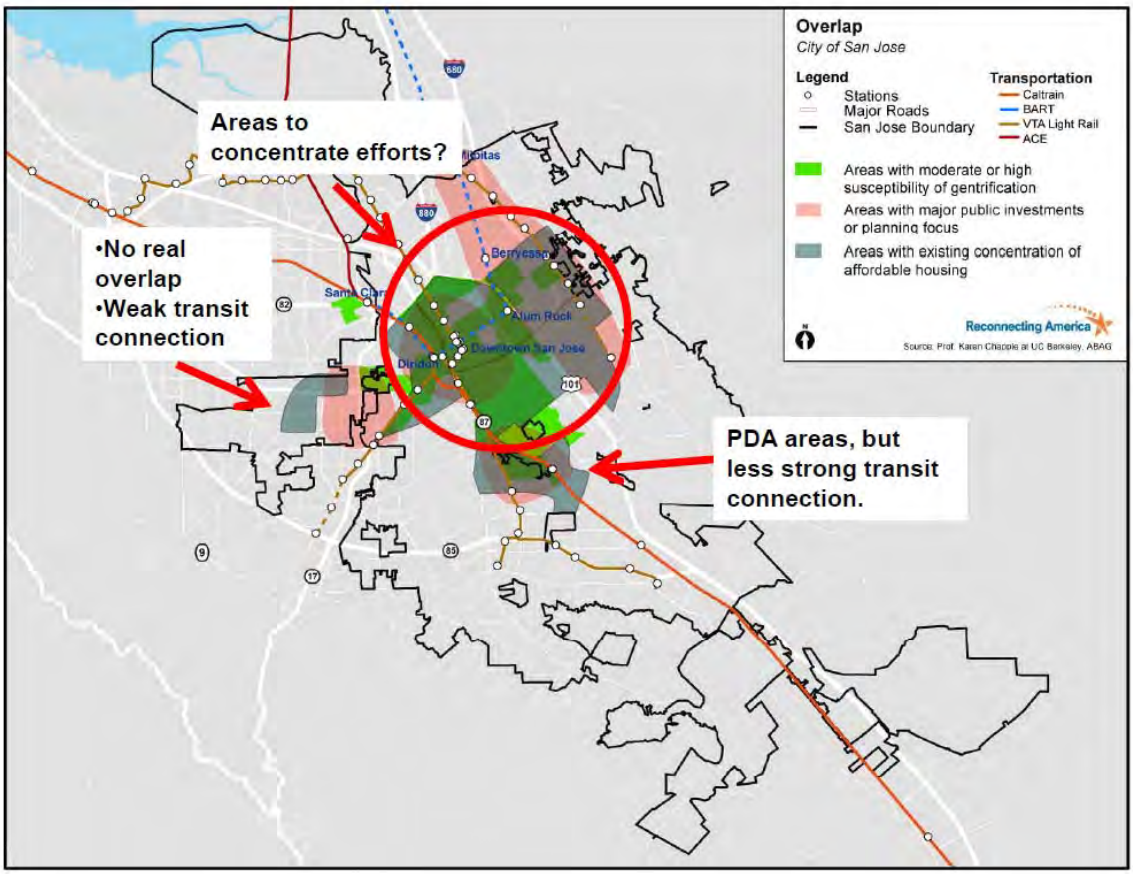
Previous chapters of this Housing Element discussed the local and regional policies to channel future growth into Urban Villages and Priority Development Areas, as well as the shifting trend of employers and households towards locating in vibrant, urban communities. Additionally, significant new transit infrastructure investments, including the BART extension to San José, the addition of new Bus Rapid Transit lines, the electrification of Caltrain, and the proposed High Speed Rail, are being, and will be, made in the same future growth locations. The trend towards urbanization means that the land, property values, and rents in such locations will likely increase significantly. As land values increase, so does the economic feasibility of new infill development or redevelopment of existing parcels and properties. New residential developments will likely be highly amenitized and command premium pricing given their proximity to services, employment, and infrastructure. These premiums can already be seen in San José, where new homes in locations such as Santana Row, The Alameda, and North San José are priced at the top of the market.

While the strengthening of these markets fully aligns with the General Plan and its vision for creating great urban places, public policies must also accompany this vision in order to mitigate the negative impacts that may result from these same market forces, such as displacement, overcrowding, and lack of housing opportunities across incomes. Without concomitant policies to ensure a diverse housing

supply, higher housing costs may price existing residents out of their community and lower-priced existing homes may be lost to redevelopment into luxury housing.

A joint study by California Housing Partnership Corporation and Reconnecting America confirms that Central San José is at the greatest risk of residential displacement and loss of naturally affordable housing stock. This study, funded by a federal grant through the Bay Area's HUD Regional Prosperity Plan, uses data and spatial analysis to identify locations that may experience increasing market pressures as a result of transit infrastructure enhancements and other factors.[7] (See map below) The report identifies potential priority preservation areas in and around downtown San José and neighborhoods immediately to the East and West that also correspond to several Urban Villages. These areas have both vulnerable populations of low-income residents and a concentration of strong transit connections and future transit investment.

Transit Investment and Affordable Housing Preservation Needs:



Source: California Housing Partnership Corporation and Reconnecting America, 2013

Besides providing affordable housing opportunities in strong market locations, there are additional benefits of preserving and building affordable housing near transit. In California, transportation is often the largest cost of living after housing. According to the HUD Location Affordability Index, a low income family of three in San José spends 20% of household income on transportation while the San José-

[7] This grant was funded through the Metropolitan Transportation Commission by the Housing the Workforce Initiative of the U.S. Department of Housing and Urban Development (HUD) Regional Prosperity Plan.

Santa Clara-Sunnyvale area average is only 13%[8]. Transportation costs are largely determined by the distance between home and work, and as housing prices increase low income households have no choice but to crowd or live further from job centers resulting in longer and more costly commutes. Locating affordable housing near jobs and quality transit infrastructure can help lower transportation costs for low income workers freeing up resources for housing, health care, education and other important expenses. In addition studies have shown that low income residents tend to use transit more than middle and high income residents so locating affordable housing near transit may increase transit ridership and reduce greenhouse gas emissions by curtailing long automobile commutes.

F. Preservation & Equitable Development

Lower-income residents in neighborhoods with strong housing markets are most susceptible to displacement, particularly those living in market-rate housing that may be naturally affordable but without deed-restrictions to protect those affordability levels. As the City facilitates its Urban Village strategy, the Diridon Station Area Plan, and development in Priority Development Areas and Downtown, the market strength that will induce development in those locations may also lead to displacement and the lack of affordable housing options if not proactively addressed.

The City will assess the issue of displacement and the potential loss of affordable housing stock in its growth locations, and will explore policies and programs to mitigate those impacts. This includes "naturally affordable" market-rate homes as well as mobilehomes. As indicated in Chapter II, San José as more than 10,000 mobilehomes, by far the largest number of any California city (for reference, Los Angeles and San Diego have approximately 8,250 and 6,500 mobile homes, respectively). The City has an existing Mobilehome Park Conversion Ordinance as well as a Mobilehome Rent ordinance and will review the effectiveness of these ordinances.

In addition to preserving the existing housing stock, the City will develop policies, programs, and tools to create diverse, equitable communities in priority growth areas in order to ensure that housing opportunities are available across incomes in amenities-rich locations. This includes development of an implementation/finance strategy for Urban Villages, the exploration of new housing types such as micro-units, and other potential strategies.

G. Conclusion

The above analysis finds that nearly 14% of the City's deed-restricted housing stock is at risk of conversion within the next ten years. Given that replacement and preservation are relatively similar in cost, the City will prioritize new construction over preservation to increase the overall supply of housing and to create modern buildings that are less costly to operate and more resource efficient. For preservation projects, the City will focus on developments that have affordability restrictions expiring within ten years, a profit-motivated owner, and developments that have deeply affordable ELI and LI homes. While less data is available on the stock of "naturally affordable" homes, it is also important to consider market rate acquisition and rehabilitation to maintain the net supply of affordable homes. Finally it is important to consider the location of replacement and preservation efforts as Urban Villages and Priority Development Areas may become highly susceptible to displacement pressures.

[8] www.locationaffordabilty.info

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Chapter VII: Programs and Implementation

In 1987 San José Mayor Tom McEnery created a Task Force on Housing, formed the City's current housing department, and established a set of housing policy goals in response to the need for high quality affordable housing. Since that time the City of San José has been a leader in facilitating the production of affordable housing for its residents and workforce. However, the affordable housing supply is still not enough to keep up with demand. The need for affordable housing continues as land values and rents rise increasing the likelihood of crowding, displacement, and homelessness. Significant cuts to Federal and State funding sources have resulted in a loss of more than $50M annually compared to the years leading up to 2012. In addition, legal challenges on inclusionary housing policies have left local governments with very few tools to expand the supply of affordable housing. This chapter builds on the previous analysis of needs and constraints and provides quantitative objectives and an implementation work plan that responds to these needs.

A. Summary of Key Findings

In order to frame the context for the implementation work plan, this section summarizes the key findings from the public outreach process and the analysis covered in the first five chapters of this document.

Chapter 1 - Introduction: The broader economic downturn had a significant impact on the for-sale housing market, while the rental market has grown more robust. Rents are now at their highest rates ever in San José, and the for-sale market is near or at pre-recession highs. Separately, State and regional programs and policies over the last few years have advanced efforts to reduce greenhouse gas emissions by encouraging more compact and sustainable development patterns. Similarly, the General Plan seeks to direct future growth into Priority Development Areas, Urban Villages, and other locations to create more compact, walkable, equitable, and complete neighborhoods that are also more environmentally and fiscally sustainable. The following key themes emerged from the City's public process: (1) prioritize housing for those most in need, especially the homeless; (2) preserve the existing affordable housing supply, and mobile homes in particular; (3) update the City's secondary units provisions in the City's Zoning Code; (4) develop strategies for affordable housing in Urban Villages; and (5) develop new partnerships and funding sources to increase the stock of affordable homes.

Chapter 2 – Demographics: The largest city in the Bay Area, San José, has a combination of socioeconomic diversity and urban characteristics, opportunities, and challenges that make it unique relative to its neighboring cities. San José's two fastest growing age groups are seniors aged 65 and over and young adults age 20-35. In terms of race/ethnicity, San José's population is gradually becoming less white and more Latino and Asian. The ratio of owner-occupied and renter-occupied units was 58% and 42% respectively in 2010 and two-thirds of the City's housing units were single family homes. However, since 2000, the vast majority of new housing permits were for multi-family rental projects. These demographic characteristics, shifting preferences, and market trends suggest continued demand for new, diverse, and innovative housing types that serve all economic segments of the community and that support sustainable, long-term economic growth.

Chapter 3-Needs Assessment: The demand for affordable housing in San José far exceeds the supply. For-sale housing costs have increased rebounded to near pre-recession levels, while rents have far surpassed previous highs. As a result, approximately 50% of owners and 53.4% of renters (nearly half a million San José residents) have experienced a housing burden. While Silicon Valley as a whole is housing-poor as residential production lags behind job growth, San José is jobs-poor, thus creating regional inequity in the provision of housing in Santa Clara County for the region's workforce. As such, addressing local housing conditions means, in part, that a regional response to Silicon Valley's significant housing needs is required: housing is not just a local issue. Finally, there are approximately 4,770 homeless persons in San José on any given day, many of whom live on the street or in encampments along local waterways. San José's unhoused homeless population is one of the largest in the United States, further signaling the severity of the housing problem in the city.

Chapter 4- Constraints & Resources: There are a variety of both governmental and non-governmental constraints in San José. Governmental constraints include the lack of regional coordination on fair shares of housing production and the fiscal impacts of this imbalance, the dissolution of all Redevelopment Agencies in California and the loss of the 20% Low and Moderate Income Housing Fund, deep cuts to Federal and State funding programs, and systems (particularly State and County systems) that create homelessness and the demand for low-cost housing upon discharge. Non-governmental constraints to housing production include high land values, high cost of construction, limited availability of financing, and strong market forces that can result in displacement, product uniformity, overcrowding, and jobs/housing imbalances.

Chapter 5-Planned Supply/Inventory: While much of San José is built out, there are ample opportunities to build up and within infill and key growth areas. This chapter identifies the geographic locations in San José to accommodate San José's RHNA in the following eight categories: already entitled, Downtown, Planned Communities, Urban Villages, vacant land, North San José, a citywide "pool" allocation, and Underutilized Redevelopable Parcels.

B. Financing and Subsidy Resources

The City facilitates housing construction, rehabilitation and other programs funded through a variety of state, federal, and local resources. Subsidies for the rehabilitation and replacement of affordable deed-restricted housing come from loan repayments, State grants and bond proceeds, tax credits, inclusionary housing in-lieu fees, negotiated fee payments, and federal programs such as HOME and CDBG. The City of San José's federal Consolidated Plan identified priority housing and community development goals and strategies, and includes Annual Action Plans identifying expected funding

commitments to meet those goals and strategies. In the previous Housing Element cycle the Housing Department received over $169 million of 20% Funds for the creation and preservation of affordable housing, but with the closing of California's redevelopment agencies this significant source of funding has been eliminated.

It is a challenge to predict precise housing needs over an eight-year period, especially given changes in the availability of affordable housing resources and tools in the recent past. Over the last few years San José has seen more than a 40% cut in federal entitlement funding, along with the elimination of redevelopment agencies, reductions in State funding, and challenges to inclusionary housing programs.

The implementation work plan and the quantified housing objectives section below is based on the current availability of resources. However, the City has a loan portfolio of affordable housing assets that generates robust income to fund programs and activities. Additionally, the City is in the process of exploring a housing impact fee, which would create a local source of funding for affordable housing. The City would seek to implement such a fee in a clear, consistent, and predictable manner that would not deter development.[REED and Staff]

At the State level, the Cap and Trade program, which generates revenues by auctioning emissions permits in order to invest in greenhouse gas reduction activities, may provide a meaningful source of affordable housing funding in the future. The State's FY 2014-15 includes a one-time $65 million allocation for transit-oriented and infill affordable housing developments Statewide, with a provision to allocate 10% of future auction proceeds annually. Should these and other programs or policies materialize, the City may be in a position to increase the number of policies and programs it can explore or implement, as well as the number of affordable homes it can facilitate.

C. Policies and Programs:

The implementation work plan responds to the needs and constraints identified in the prior section and in accordance with General Plan goals that are highlighted in Appendix B. The work plan includes existing as well as proposed or potential new policies, programs, and partnerships to meet San José's housing needs. The implementation work plan contains four primary components:

1. Increase, preserve, and improve the supply of safe, livable, and affordable housing for low and moderate income residents.
    - Programs and Funding
    - Coordination
    - Housing Planning Tools
2. Invest in activities to end homelessness.
3. Promote equitable development.
4. Support healthy, sustainable communities and neighborhoods.

Specific descriptions and timeframes for proposed policies and programs can be found in Appendix D. Additionally, this work plan identifies "Potential Actions" that the City has identified as important but may not currently have the staffing or resources to explore. City staff will monitor these items and will explore or undertake those items pending resources and if those items escalate in importance.

D. Quantified Objectives

Table VII-1 identifies the City's quantified housing objectives for new construction, acquisition/rehabilitation, and preservation based on the needs identified in prior chapters as well as the capacity and resources to carry them out. Over the time period of the Housing Element from January 31, 2015 to December 31, 2023, the City seeks to facilitate the development of up to 3,405 homes with an emphasis on Extremely Low- and Very Low-income households. Then quantified objectives assume that the City will need to leverage its subsidies with other resources such as low income housing tax credits and other sources to fill the affordability gap.

The quantified objectives include housing goals in three categories:

- **New construction:** The quantified objectives for new ELI, VLI and LI are based primarily on the existing pipeline of development projects and the current resources available to facilitate the development of affordable multifamily rental housing. If new housing programs and resources become available in the future, there may be the potential to exceed these objectives. While some moderate-income homes may be built without subsidies, it will become increasingly difficult to do so if prices continue to rise. While the need for moderate income housing is important given current resources, the City will continue to prioritize housing resources for those who have the greatest housing needs. An analysis of historic production levels shows that in the 1999-2006 RHNA cycle approximately 1,170 ELI/VLI/LI multifamily homes were permitted each year while in the 2007-2014 RHNA cycle the average dropped to approximately 400 lower-income homes permitted each year. This steep decline in affordable housing production underscores the effects of the economic downturn and steep reductions in federal, state, and local funding sources. To meet San José's 2014-2023 RHNA allocation for below market rate homes, approximately 1,830 ELI/VLI/LI homes would need to be permitted annually for eight years. It is important to note that the actual construction of these affordable units is largely dependent on the availability of new subsidy sources.

- **Acquisition and Rehabilitation:** Historically the City has prioritized funding for new construction over acquisition and rehabilitation. The cost/benefit of using public resources to rehabilitate older building stock versus building new homes depends on many factors but especially the quality and condition of the existing structure. For this planning period a small number of acquisition and rehabilitation projects have been identified and they will serve ELI residents. If additional funds become available it may be possible for the City to exceed the quantified objective in the table below.

- **Preservation:** Chapter VI identifies 2,645 at-risk units of which 1,142 are owned by profit-motivated companies and are thus at greater risk of conversion in the next ten years. Looking five years out, there are 1,733 at-risk units of which 763 are owned by profit motivated companies. If more funds become available it may be possible for the City to exceed the quantified objective in the table below.

Table VII-1.

EIGHT-YEAR QUANTIFIED OBJECTIVES, JULY 1, 2014 TO JUNE 30, 2022

Targeting	New Construction	Acquisition / Rehabilitation	Preservation	Eight-Year Total
ELI	788	20	40	848
VLI	290	50	34	374
LI	2,048	29	106	2,183
Moderate	-	-	-	-
Market	14,231	-	-	14,231
Totals	**17,357**	**99**	**180**	**17,636**

Source: City of San Jose

*This number represents the 2014-2022 RHNA goal and is subject to market conditions.

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Chapter VIII: Prior Element Evaluation

The City of San José is committed to providing housing opportunities across a range of needs and incomes for its families and households. As the largest city in the Bay Area and the third largest in California, San José has a leadership role in providing housing opportunities as well as addressing governmental and non-governmental constraints to housing in meaningful and innovative ways. While the City was significantly challenged in reaching its 2007-14 RHNA goals, it nearly met its 2009-14 quantified objectives in spite of the elimination of redevelopment agencies and the significant reduction in other funding sources.

Chapter VII reviews the City's prior Housing Element to evaluate the efficacy of its programs as required by State law. This "review and revise" evaluation is a three-step process:

1. Effectiveness: evaluate "the effectiveness of the housing element in attainment of the community's housing goals and objectives" (Government Code section 65588(a)(2)).
2. Implementation: evaluate "the progress of the city in implementation of the housing element" (Government Code section 65588(a)(3)).
3. Appropriateness: evaluate "the appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the State housing goal" (Government Code section 65588(a)(1)).

This chapter provides a summary evaluation of the effectiveness, implementation, and appropriateness of San José's Housing Element and quantified objectives for the prior 2007-2014 RHNA planning period. A more detailed evaluation of the work plan can be found in Appendix E.

A. Construction Cycles

It is useful to revisit the introductory chapter's note that a jurisdiction's ability to facilitate the production of housing is significantly dependent on the economy.
During the 2000-2013 time period, the total number of new housing units issued building permits averaged about 2,750 units per year, of which more than 80% were multi-family in type (see chart below). The start of this period was the height of the "dot com" boom, and permit activity for both single-family and multi-family construction was very strong, totaling nearly 4,500 housing units—more than 60% above average. After a brief economic downturn, interest rates were reduced and the separate "housing boom" commenced. Activity returned to a high level in calendar year 2003 and then moderated over successive years. Given this sequence of events, San José exceeded by 10% its fair share of the regional housing need during the 1999-2006 RHNA planning period, issuing building permits for a total of 28,712 newly constructed or rehabilitated housing units.

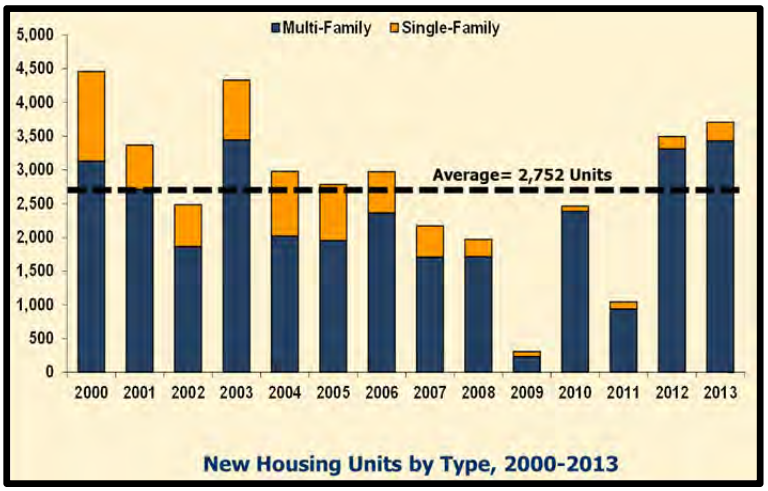

Chart VIII-1, New Housing Units by Type, 2000-2013

However, it is important to note that while San José is proud of its performance in exceeding its overall RHNA for the 1999-2006 cycle, that performance was driven primarily in its market rate (above moderate) housing production, where the City exceeded its goal by 66%. While the City exceeded its goal for low-income homes, it fell short of its very low-income goal, and significantly short of its moderate-income goal. This demonstrates two important points: first, even in strong economic conditions, challenges exist to sufficiently produce affordable homes; and second, the market on its own will under produce a range of housing opportunities across incomes. Public policies have traditionally been required to address this market failure.

Table X-1.

Units Produced between 1999-2006

Affordability Categories	1999-2006 RHNA*	Units Added - By Calendar Year								Total Units Added 1999-2006	% RHNA
		1999	2000	2001	2002	2003	2004	2005	As of June 2006		
Very Low	5,337	420	560	928	849	686	277	695	255	4,670	88%
Low	2,364	199	707	1,303	383	386	469	439	359	4,245	180%
Moderate	7,086	68	163	46	92	271	129	7	173	949	13%
Above Moderate	11,327	2,919	3,663	2,391	1,254	3,416	1,961	1,982	1,262	18,848	166%
TOTAL	**26,114**	**3,606**	**5,093**	**4,668**	**2,578**	**4,759**	**2,836**	**3,123**	**2,049**	**28,712**	**110%**

* RHNA goals for the time period beginning January 1999 to June 2006.
Note: Includes acquisition and rehabilitation

On the other hand, with onset of the global financial crisis in 2007-2008, the Great Recession spanned about 18 months near the beginning of the 2007-2014 RHNA planning period. Activity in calendar year 2009 fell to an all-time low of approximately 300 housing units. While the initial economic recovery was relatively weak, it has since strengthened into a more sustained recovery. On the other hand, the recovery in market rate housing has seen strong increases in the past two years in the resale of single family homes and condos/townhomes, while significant new construction has concentrated almost exclusively in multi-family rental housing. In fact, calendar years 2012 and 2013 taken together accounted for San José's highest rate of rental housing production in any 24-month period since 1980. Yet, construction of for-sale housing continues to be impacted by a myriad of issues as discussed previously in this document. Aside from market impacts, affordable housing production has been significantly impacted by the elimination, mitigation, or depletion of several key public policy tools. In summary, due to negative conditions affecting the economy and the housing market in particular, as well as public policy and legal decisions that have highly impacted affordable housing production, the City was unable to achieve its RHNA for the 2007-2014 planning period (see next section).

B. Meeting San José's 2007-14 Regional Housing Needs Allocation

As shown in the table and chart below, the City issued 16,029 building permits since the start of the 2007 RHNA period through calendar year 2013, equaling 48% of the overall allocation. However, the income categories in which production occurred vary significantly: while the City has met nearly 85% of its AMOD allocation, it has only met 15% of its lower- and moderate-income housing needs. The most challenging income category is the MOD category, as market-rate developers typically build at higher price points in the AMOD category, while affordable housing programs typically target deeper affordability levels. However, note that some market-rate housing developments in the 2007-14 RHNA cycle, particular rental homes, may be affordable at moderate-income income levels but are not deed-restricted as such, although exact numbers are not known.

Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

			2007	2008	2009	2010	2011	2012	2013	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income-Level		RHNA Allocation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7		
ELI	Deed Restricted	3,876	67	76	136	151	7	112	68	617	3,259
VLI	Deed Restricted	3,875	121	291	167	262		146	170	1,157	2,718
LI	Deed Restricted	5,322	288	212		45		237	256	1,038	4,284
MOD	Deed Restricted	6,198	100	37	7					144	6,054
AMOD		15,450	1,925	1,700	88	2,006	1,046	3,097	3,211	13,073	2,377
Total RHNA by COG. Enter allocation number:		**34,721**									
Total Units ► ► ►			**2,501**	**2,316**	**398**	**2,464**	**1,053**	**3,592**	**3,705**	**16,029**	**18,692**

Table VII-1, Regional Housing Need Allocation (RHNA) Performance Results, 2007-2014

This disparity in production between AMOD and lower-income categories underscores the notion that there exists a failure in the housing market: although there is a need for homes throughout the income range but especially for lower-income households, the market on its own only produces housing affordable to those at higher income levels, with public and non-profit sectors historically filling the gap or exploring ways to facilitate market rate participation in the provision of affordable housing. As wage disparity grows in Silicon Valley and given diminished public resources, it will become increasingly important to develop new tools and resources in which all sectors equitably share the responsibility towards addressing housing needs for low and moderate income residents.

Note that affordable housing development averaged approximately 425 units annually. Thus, when San José's overall residential production fell to an all-time low in 2009 due to the housing crash, affordable homes accounted for over 75% of the total residential (market and affordable) permits issued. However, unlike market rate housing, affordable production did not experience significant upturn during the subsequent economic recovery, as the dissolution of redevelopment agencies occurred in 2011 and added to the challenges already posed by the legal challenges to inclusionary housing and diminished levels of State and federal housing funds.

Evaluation of 2009-2014 Quantified Objectives

Although significant challenges exist for meeting the total RHNA, San José is proud of the nearly 3,000 affordable homes it has helped finance during the challenging 2007-14 RHNA cycle. This level of production aligns much more closely to the five-year quantified objectives identified in the City's 2009-14 Housing Element. Note that the due date for the Housing Element that covers the 2007-14 RHNA cycle was June 2009. As a result, the quantified objectives were forward looking objectives that began in 2009 rather than in 2007 at the start of the RHNA cycle.

The table below shows that the City had a new construction goal of 2,250 affordable homes for the July, 1, 2009 and June 30, 2014 period. The table below shows that while the City has produced less than its VLI goal, it nearly achieved its ELI and exceeded its LI and MOD goals for new production. For acquisition and rehabilitation activities, the City exceeded its goals for all income categories except for VLI.

July 1, 2009 to June 30, 2014 Quantified Objectives

Income Category	5- Year New Construction Goal	Actual Permitted	5-Year Acquisition/Rehab Goal	Actual Acquisition/Rehab Completed
ELI	563	474	125	137
VLI	1,462	745	325	211
LI	225	538	50	479
MOD	0	7	0	7
TOTAL	2,250	1,764	500	834

Additionally, the City achieved the following goals for its housing rehabilitation programs for owners of single family and mobilehomes in need of repair. These programs are restricted to lower-income households and are awarded per application on a first come first served basis, subject to income and asset criteria. As such, these programs provide an overall objective without quantifying goals by income categories.

Housing Rehabilitation Production Goals July 1, 2009 to June 30, 2014

Income Category	5-Year Goal	Actual
Single Family Grants/Loans	625	246
Mobilehome Grants/Loans	750	1,086
Project Alliance	242	282
TOTAL		1,614

C. Effectiveness of the 2007-14 Housing Element Implementation Work Program

Please see Appendix E for a more detailed evaluation of the City's work program. In summary:

- The Planning, Building & Code Enforcement Department's 2007-14 Housing Element work program totaled twenty one (21) programs, objectives, status, and implementation items. All items were successfully completed during the RHNA period. Most importantly, in 2011, the

Envision San José 2040 General Plan was adopted—the first comprehensive update of the City's General Plan since 1994.

- Note that the item for the Secondary Units program (item #3) will be included in the 2014-22 work program as staff explores additional opportunities to revise the ordinance in order to better facilitate secondary units. As of April 7, 2014, the program has resulted in the construction of approximately only 150 secondary units, and thus has not yet had a meaningful impact on the supply of affordable housing. In response, per guiding policy in the Envision Plan (see Policy H-2.5 and Action H-2.9 in Appendix B), San José is currently exploring options to revise certain development standards in order to facilitate greater use of this code provision by providing greater flexibility to interested homeowners, while at the same time preserving the character of existing neighborhoods.
- The Housing Department's 2007-14 Housing Element work program totaled twenty nine (29) programs, objectives, status, and implementation items. The Housing Department, in collaboration with internal and external partners, successfully implemented those programs. During this time period, several of the programs initially identified continued to be in operation, while others, such as the Strong Neighborhoods Initiative, discontinued due to the elimination of the City's Redevelopment Agency, or were scaled down, such as the City's Homebuyer program, to invest resources towards meeting other priorities. On the other hand, responding effectively to homelessness increased in priority as the economic recession and the subsequent uneven recovery led to an increase in homelessness and made this important issue even more visible. The programs identified in the 2007-14 Housing Element provided important resources and programs. The 2014-23 will continue to build on that effort through extensive collaboration with internal and external program to provide resources while seeking to create real systems change.summary of achievements from during the 2007-2014 RHNA cycle:

D. Element Appropriateness

To evaluate the appropriateness of the 2007-2014 Housing Element it is important to acknowledge several major changes that occurred during the RHNA cycle. In 2011 the City adopted *Envision San José 2020*, a new general plan. According to *Envision San José 2040 General Plan* and the former *San José 2020 General Plan*, most new housing development in the City will be achieved through higher density redevelopment within existing urbanized areas. This policy approach is appropriate and essential to achievement of a variety of long-term goals, including the State housing goal, which as identified in the introductory chapter has the following objectives:

- Increasing the supply, diversity, and affordability of housing
- Promoting infill development and a more efficient land use pattern
- Promoting an improved intraregional relationship between jobs and housing
- Protecting environmental resources, and
- Promoting socioeconomic equity

On the issue of housing diversity, RHNA methodology includes a "fair share" component intended to promote socioeconomic equity by expanding the range of housing choices available in all jurisdictions throughout the Bay Area. By promoting higher density redevelopment within existing urbanized areas, the City has clearly had success in furthering housing diversity (and related goals above) during the prior RHNA period. As evidence, the table below examines the change in housing units by structure type in

San José over the 2000-2010 time period. While traditional single-family detached housing still accounted for a majority (53.8%) of housing units in 2010, growth in this structure type was greatly exceeded by the five-plus-unit structure (i.e., apartments) category and even slightly surpassed by an increase in single-family attached townhomes and condos. In percentage terms, single-family detached housing grew just 3.8% in the last decade, whereas many higher-density forms of housing experienced growth rates of about 25% or more.

HOUSING UNITS BY STRUCTURE TYPE: 2000-2010

	Year				
Structure Type	**2000**	**2010**	**Absolute Change**	**Percent Change**	**Percent of Total (2010)**
1-Unit, Detached	161,962	168,149	6,187	3.8%	53.8%
1-Unit, Attached	27,560	34,096	6,536	23.7%	10.9%
2-Unit	5,751	7,929	2,178	37.9%	2.5%
3-to-4 Unit	17,403	17,397	(6)	0.0%	5.6%
5+ Unit	58,011	74,106	16,095	27.7%	23.7%
Mobile Home	10,658	10,613	(45)	-0.4%	3.4%
Boat, RV, Van, etc.	361	251	(110)	-30.5%	0.1%
Totals	**281,706**	**312,541**	**30,835**	**10.9%**	**100.0%**

Source: U.S. Census Bureau

Table VII-3, Housing Units by Structure Type, 2000-2010

On the issue of an improved intraregional relationship between jobs and housing, adoption of the Envision Plan establishes achievement of a jobs-to-employed residents ratio (J/ER) of 1.3 as a core objective. Unfortunately, as described in Chapter III, San José's J/ER ratio declined over the 2008-2012 time period, from 0.91 in 2008 to 0.85 in 2012. In summary, the City lost jobs and added residents during much of the prior RHNA period, and thus continued emphasis on the topic of "jobs-housing balance" is appropriate to ensure an improved intraregional relationship and San José's own fiscal health. However, achievement of a 1.3:1 jobs-to-employed resident ratio could worsen the City's and the region's housing affordability crisis, assuming that the County as a whole continues to be jobs rich and housing poor.

Another key change during the 2007-2014 RHNA cycle, was the end of the Strong Neighborhoods Initiative (SNI); a partnership between the City of San José, The Redevelopment Agency, residents, and local business owners to build clean, safe, and strong neighborhoods. This initiative ended in 2011 due to funding constraints. In February 2012 all Redevelopment Agencies in California were dissolved eliminating one of the largest funding sources for affordable housing development and neighborhood revitalization in San José. Finally in 2013, San José adopted several Urban Village Plans in an effort to implement to policies in the Envision San José 2020.

Appendix A: Adequate Sites Inventory

As cited in Chapter V, State law requires that a housing element contain "an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment" (Government Code section 65583(a) (3)). As relates to non-vacant sites, the inventory shall include "a description of the use of each property." The methodology used to determine the development potential of non-vacant sites shall consider "the extent to which existing uses may constitute an impediment to additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage development" (Government Code section 65583.2(g)).

Recognizing HCD's longstanding concern about the extent to which existing uses may present an impediment to redevelopment, and the agency's frequent desire for additional information from local jurisdictions to support their determination of a housing element's "substantial compliance" with State law, the City of San José initially inquired on this and other specific provisions during the first Bay Area housing element training workshop conducted by HCD/ABAG on January 15, 2014. Subsequently, on February 26, 2014, San José personally met with HCD staff at City Hall to further discuss this issue. In response, Appendix A provides a methodology discussion and detailed inventory data to demonstrate current and ongoing compliance with various legal requirements.

A. Methodology Overview

A summary description of the process and methodology used in creation of the inventory dataset of adequate sites is provided below.

Inventory Process: Step 1

Using Geographic Information Systems (GIS), parcels located within one of the major location/status categories identified in Chapter V were queried and assigned various characteristics, including the property's Assessor's Parcel Number (APN), General Plan, and Zoning, among others. Contiguous parcels with identical attributes were then merged into a single record and assigned a "tracking APN" taken from one of the former parcels. The size of this new land area was calculated by GIS and populated into an acres field.

Inventory Process: Step 2

A detailed evaluation of development/redevelopment potential was performed on this GIS dataset. The evaluation included, but was not limited to, the following:

a. Analysis of the dataset using high-resolution aerial and street-level photos using imagery obtained from the U.S. Geological Survey (USGS) and also available via Google's various web-based geographic products (i.e., Earth, Maps, Street View);
b. Overlay of the dataset with GIS layers depicting various public and private land uses and property investments over the past several decades, so as to exclude sites for which no additional development is planned or upon which redevelopment is infeasible or unlikely.
c. Comparison of the dataset against a GIS database of properties listed on San José's Historic Resources Inventory. This analysis sought to minimize potential conflict between assumptions about redevelopment and policies intended to promote preservation of existing historic structures.

Inventory Process: Step 3

The GIS dataset was analyzed in terms of applying conservative assumptions of housing density based upon a combination of *Envision San José 2040 General Plan* policies and past development trends. The Envision Plan contains a range of allowable density for all residential land use designations (as cited in Table IV of Chapter IV), and the City closely monitors citywide and neighborhood development trends on an ongoing basis. Each area of San José has unique development potential as determined by the City's extensive neighborhood-level planning efforts. These efforts have resulted in specific and realistic assumptions of housing capacity, which figures are monitored via a GIS-based tracking system of planning entitlements and building permits. For the North San José Development Policy and Urban Villages, this planned capacity is metered out in the previously described phases or "horizons," with some flexibility for the City Council to allow implementation to be responsive to market conditions. For Urban Villages, inventory methodology sought to evenly distribute the Envision Plan yield for each Urban Village across all parcels resulting from the previously described screening process.

Vacant lands exclude such parcels that fall within other identified location/status categories, and assumptions of density are independent of any area capacity figures. Instead, vacant land yield relies on

conservative estimates within the density range specified by a parcel's General Plan designation. For example, Urban Residential lands are assumed at 50 units per acre and Transit Residential lands at 100 units per acre, whereas the Envision Plan allows up to 95 units per acre and 250 units per acre, respectively, for these designations.

The underutilized lands that can be redeveloped or intensified are lands that contain individual parcels with residential General Plan land use designations that are located in non-residential zoning districts. This list of underutilized parcels excludes parcels in the other above-mentioned categories in this Appendix.

Some of these parcels are vacant or too small to likely yield 50 or more net dwelling units per parcel. In some locations, however, these parcels may be adjacent to other vacant or underutilized parcels that may be potentially combined to create larger sites that potentially can be developed or redeveloped with larger yields of units. Several of these parcels were designated in the General Plan for residential uses as a result of private-party initiated General Plan amendment requests that were approved by the City Council. Other parcels in the underutilized category are currently used for industrial warehouses or other low intensity uses and are surrounded by residential development.

Another type of underutilization can be seen in the listing of parcels that have low or no floor area ratio (FAR) and are developed with surface parking lots used for automobile-related uses in central urban locations in proximity to transit. The attributes for each underutilized parcel are described in the listing of such parcels that are in the inventory of adequate sites.

B. "No-Net-Loss" Provision

In 2002, the California Legislature amended housing element law in passage of Assembly Bill 2292 (AB 2292), otherwise commonly referred to as the "no-net-loss" provision. In essence, AB 2292 imposed a new requirement on local agencies to continually ensure that an adequate sites inventory accommodates its RHNA allocation.

The law provides that "no city shall, by administrative, quasi-judicial, legislative, or other action, reduce the residential density for any parcel" that is relied upon by HCD in determining housing element compliance "to a lower residential density" unless written findings are made. Such findings "shall be supported by substantial evidence of both of the following: (1) the reduction is consistent with the adopted general plan, including the housing element; and, (2) the remaining sites identified in the housing element are adequate to accommodate the jurisdiction's share of the regional housing need" (Government Code section 65863).

In response, upon State certification of this Housing Element, San José will implement a parcel-based tracking system that leverages existing use of Geographic Information Systems (GIS) and associated relational database and web-based technologies to proactively inform City staff, prospective applicants, and the public about applicability of the "no-net-loss" provision and, where applicable, include written findings in relevant actions. In short, the City's Integrated Development Tracking System ("AMANDA") and associated public-facing web portal (https://www.sjpermits.org/permits/) will include data fields to indicate if a property is listed in the Adequate Sites Inventory and the implications of this listing.

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Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
Downtown												
1	DT	The 88 Condos (Phase 2)	HA04-038-04	46722156	204	0	152.2	Yes	DT	DC	Commercial	1.34
2	DT	The Pierce Apts	H13-021	26432087	234	0	117.6	Yes	DT	DC-NT1	Commercial	1.99
3	DT	Silvery Towers Apts	H13-041	25932004	643	0	349.5	Yes	DT	DC	Commercial	1.84
4	DT	Post/San Pedro Apts	PRE13-189	25940088	156	0	339.1	Yes	DT	DC	Commercial	0.46
5	DT	San Pedro Square	H12-020	25932044	408	0	190.7	Yes	DT	DC	Industrial	2.14
6	DT	Balbach Condos	PDC13-027	26430067	101	0	64.3	Yes	DT	A(PD)	Commercial	1.57
7	DT	N/A	N/A	25951006	70	0	175.0	Yes	DT	DC	None	0.40
8	DT	N/A	N/A	25924020	375	0	175.0	Yes	DT	DC	None	2.14
9	DT	North San Pedro Townhomes 1	H14-002	25933017	43	0	33.1	Yes	DT	DC	Commercial	1.30
10	DT	N/A	N/A	25932040	228	0	175.0	Yes	DT	DC	None	1.30
11	DT	N/A	N/A	25933007	138	0	175.0	Yes	DT	DC	Commercial	0.79
12	DT	N/A	N/A	46701029	119	0	175.0	Yes	DT	CG	Commercial	0.68
13	DT	N/A	N/A	25935026	320	0	175.0	Yes	DT	DC	Commercial	1.83
14	DT	N/A	N/A	25935042	117	0	175.0	Yes	DT	DC	Commercial	0.67
15	DT	Marshall Squares	H14-010	46721030	195	0	137.3	Yes	DT	DC	Commercial	1.42
16	DT	N/A	N/A	46721011	110	0	175.0	Yes	DT	DC	Commercial	0.63
17	DT	N/A	N/A	46720075	207	0	175.0	Yes	DT	CG	Commercial	1.18
18	DT	N/A	N/A	46720060	77	0	175.0	Yes	DT	CG	Commercial	0.44
658	DT	N/A	N/A	25940016	29	0	175.0	Yes	DT	DC	None	0.17
19	DT	N/A	N/A	46720081	170	0	175.0	Yes	DT	CG	Commercial	0.97
20	DT	N/A	N/A	25935055	61	0	175.0	Yes	DT	DC	None	0.22
21	DT	N/A	N/A	46722142	175	0	175.0	Yes	DT	DC	Commercial	1.00
22	DT	N/A	PRE07-277	25943076	131	0	175.0	Yes	DT	DC	Commercial	0.75
23	DT	City Front Square	H06-040	25942080	359	0	175.0	Yes	DT	DC	Commercial	2.05
24	DT	N/A	N/A	46746082	380	0	175.0	Yes	DT	DC	Commercial	2.17
25	DT	N/A	N/A	46746068	317	0	175.0	Yes	DT	DC	Commercial	1.81
26	DT	Riverpark	PDC06-117	25943072	187	0	175.0	Yes	DT	CG(PD)	Commercial	1.07

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
27	DT	N/A	N/A	46747019	131	0	175.0	Yes	DT	DC	Commercial	0.75
28	DT	N/A	N/A	26430089	88	0	175.0	Yes	DT	DC	Commercial	0.50
29	DT	N/A	PDC06-125	26426006	144	0	175.0	Yes	DT	LI	Residential	0.82
30	DT	N/A	N/A	47226010	180	0	175.0	Yes	DT	DC	Commercial	1.03
31	DT	N/A	N/A	47226070	51	0	175.0	Yes	DT	DC	None	0.29
32	DT	N/A	N/A	25931070	158	0	175.0	Yes	DT	DC	Commercial	0.90
33	DT	N/A	N/A	25934025	683	0	175.0	Yes	DT	DC	Commercial	3.90
34	DT	4th Street Live/Work	PD08-024	46701034	2	0	25.0	No	DT	A(PD)	None	0.08
35	DT	N/A	N/A	25946109	294	0	175.0	Yes	DT	DC	None	1.68
36	DT	N/A	N/A	25946097	287	0	175.0	Yes	DT	LI	Commercial	1.64
37	DT	Delmas Housing	PDC02-046	25938036	325	0	145.0	Yes	DT	A(PD)	None	2.79
38	DT	Donner Lofts	H09-004	46720018	156	0	354.5	Yes	DT	DC	Commercial	0.44
39	DT	N/A	N/A	46745033	84	0	175.0	Yes	DT	DC	Commercial	0.48
40	DT	N/A	N/A	47227054	168	0	175.0	Yes	DT	CG/R-M	Commercial	0.96
41	DT	N/A	N/A	46724110	406	0	175.0	Yes	DT	CG	Commercial	2.32
42	DT	N/A	N/A	46720079	124	0	175.0	Yes	DT	DC	Commercial	0.71
43	DT	North San Pedro Townhomes 3	H14-004	25932079	14	0	46.6	Yes	DT	DC	None	0.30
44	DT	North San Pedro Townhomes 2	H14-003	25932034	21	0	48.8	Yes	DT	DC	None	0.43
45	DT	N/A	N/A	26428160	241	0	175.0	Yes	DT	DC	None	1.38
46	DT	Fountain Alley Mixed Use	RCP02-013	46722121	120	0	96.0	Yes	DT	DC	Commercial	1.25
47	DT	North San Pedro Apts	CP11-034	25923016	135	0	184.9	Yes	DT	DC	Commercial	0.73
48	DT	Park View Towers	H14-009	46701118	216	0	140.3	Yes	DT	DC	Commercial	1.54
49	DT	San Jose Student Apts	H13-023	46757080	119	0	101.7	Yes	DT	DC	Commercial	1.17
Subtotals					**9,701**	**-**						**58.42**
Entitled												
50	ENT	13th Street Homes	PD04-073	46704020	4	0	12.2	No	RN	A(PD)	Residential	0.33
51	ENT	15th Street Homes	PD08-065	24912048	4	0	16.0	No	RN	A(PD)	Residential	0.26

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
52	ENT	24th Street Duplex	H06-008	46732065	2	0	16.7	No	RN	R-2	Residential	0.12
53	ENT	26th Street Homes	PD06-037	46706090	3	0	13.0	No	RN	A(PD)	None	0.12
54	ENT	33rd Street Duplex	H08-020	48101087	2	0	8.7	No	RN	R-2	None	0.23
55	ENT	34th Street Homes	PDC04-033	48145001	5	0	11.1	No	RN	A(PD)	None	0.48
56	ENT	34th Street Homes	PDC03-021	48145039	3	0	11.1	No	RN	A(PD)	Residential	0.74
660	ENT	Adamo Homes	PDC13-020	45812025	13	0	11.2	No	MUN	A(PD)	Residential	1.21
57	ENT	Almaden and Oak	PDC01-080	26438053	4	0	25.0	No	MUC	A(PD)	Residential	0.16
58	ENT	Almaden Duplex	H13-012	43410073	2	0	10.8	No	RN	R-2	Residential	0.19
59	ENT	Almaden Homes	PD07-056	69601002	6	0	6.9	No	RN	A(PD)	Residential	1.13
60	ENT	Almaden Homes	PD07-051	74235141	6	0	6.9	No	RN	A(PD)	Commercial	1.03
61	ENT	Almaden Crossing	PDA07-064-01	70117016	13	0	6.9	No	RN	A(PD)	None	1.22
62	ENT	Almaden Townhomes	PD04-079	26434046	10	0	21.3	No	MUC	A(PD)	Residential	0.48
63	ENT	Almaden/Goodyear Homes	SP07-059	43407016	4	0	18.4	No	RN	R-M	Residential	0.21
64	ENT	Bark Condos	PDC06-005	37224011	45	0	50.0	Yes	UR	A(PD)	Residential	0.91
65	ENT	Bascom Senior Assisted Living	CP07-101	41224009	69	0	135.3	Yes	NCC	CP	None	0.51
66	ENT	Berryessa Crossing (Phase 1)	PD08-027	25417084	242	43	20.0	No	UV	A(PD)	None	12.50
67	ENT	Berryessa Crossing (Phase 2)	PD12-031	25417084	494	0	30.0	Yes	UV	A(PD)	None	13.70
68	ENT	Berryessa Crossing Mixed Use	PDC09-006	25417084	2,082	0	20.0	No	UV	A(PD)	Commercial	19.09
69	ENT	Blackford Townhomes	PD07-017	29938082	20	0	20.6	No	MUN	A(PD)	Residential	0.97
70	ENT	Boynton Homes	PD07-029	29946023	4	0	15.3	No	MUN	A(PD)	Residential	0.25
71	ENT	Brandon Park Apts	PD07-090	9706038	1,579	620	73.2	Yes	IP	A(PD)	Industrial	22.77
72	ENT	Brookside Homes	PD10-024	57502027	89	52	5.9	No	RN	A(PD)	Commercial	15.48
73	ENT	Bundy Homes	PD13-026	30333035	4	0	13.8	No	MUN	A(PD)	Residential	0.28
657	ENT	Cambrian Center	PD14-011	42136007	10	0	68.0	Yes	UR	A(PD)	Residential	2.28
74	ENT	Camden Homes	PDC12-024	57501003	5	0	0.9	No	RN	A(PD)	Residential	7.32
75	ENT	Catherine Homes	PD08-016	1502012	4	0	8.7	No	MUN	A(PD)	Residential	0.49
76	ENT	Centered on Capitol Townhomes	PD11-023	58919063	94	55	24.9	No	NCC	A(PD)	Residential	3.78
77	ENT	Century Center Mixed Use	PD13-048	23029022	378	0	191.6	Yes	CIC	A(PD)	Commercial	2.42
78	ENT	Cottle Station Mixed Use (Hitachi)	PD12-028	70604013	234	0	30.0	Yes	UV	A(PD)	None	5.83

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
79	ENT	Creekside Townhomes	PD06-038	28403009	19	0	39.6	Yes	NCC	A(PD)	Residential	0.49
80	ENT	Dent Homes	PD07-038	56925023	20	0	40.0	Yes	UR	A(PD)	Residential	0.50
81	ENT	Douglas Homes	PDC07-089	27719012	6	0	14.0	No	MUN	A(PD)	Residential	0.43
82	ENT	Dove Hill Homes	PD13-037	67911001	16	0	4.2	No	RN	A(PD)	None	3.88
83	ENT	Edwards Mixed Use	PD09-039	26437060	50	0	46.8	Yes	MUC	A(PD)	Residential	1.07
84	ENT	Elden Glen Housing	PD09-010	41221046	4	0	7.8	No	RN	A(PD)	Residential	0.82
85	ENT	Entrada Cedros Homes	PDC07-012	46414017	8	0	15.7	No	RN	A(PD)	Residential	0.52
86	ENT	Epic Apts	PD08-056	9715026	769	569	75.0	Yes	IP	A(PD)	Industrial	10.27
87	ENT	Essex Homes	PD06-031	1512032	3	0	9.1	No	RN	A(PD)	Residential	0.34
88	ENT	Falling Tree Homes	PD13-029	24439042	7	0	9.1	No	RN	A(PD)	Residential	0.79
89	ENT	Fruitdale Station (Phase 2)	PD07-007	28402008	256	80	39.5	Yes	NCC	A(PD)	None	6.73
90	ENT	Gibson Girl Homes	PD07-077	65214012	5	0	1.8	No	LH	A(PD)	Residential	3.04
91	ENT	Grand Duplex	H08-033	1505138	2	0	14.3	No	RN	R-M	Residential	0.15
92	ENT	Grand Duplex	H07-042	1505137	2	0	13.3	No	RN	R-M	Residential	0.15
93	ENT	Grand Oak Homes	PD10-019	66003013	3	0	1.9	No	RR	A(PD)	Residential	2.35
656	ENT	Greenbriar Homes	T09-002	27918052	4	0	6.6	No	RN	R-1-8	Residential	0.61
94	ENT	Heritage Estates II	PD07-047	66002013	6	0	1.8	No	RR	A(PD)	None	2.48
95	ENT	Hyundai Site Mixed Use	PDA06-048-01	9706055	528	0	67.0	Yes	IP	A(PD)	None	11.55
96	ENT	Japantown Senior Apts	PD08-015	24939011	75	0	136.0	Yes	MUN	A(PD)	None	0.54
97	ENT	La Pala Homes	PD06-033	60106045	9	0	25.0	No	UR	A(PD)	None	0.40
98	ENT	Leigh Senior Housing	PD07-089	28432014	64	0	66.0	Yes	NCC	A(PD)	None	0.94
99	ENT	Livery Lane Homes	PD13-008	66058001	7	0	1.2	No	OSPH	A(PD)	Residential	3.27
100	ENT	Lucretia and Owsley	PD05-046	47715003	15	0	15.0	No	MUN	A(PD)	None	1.01
101	ENT	Lucretia Development	PDA06-030-01	47766004	20	0	14.4	No	RN	A(PD)	None	1.82
102	ENT	Lucretia Homes	PDC06-131	47711051	10	0	10.0	No	RN	A(PD)	None	0.96
103	ENT	Mayfair Village Apts	H11-006	48402049	4	0	45.0	Yes	MUN	R-M	Residential	1.01
104	ENT	Metropolitan Apts	PD11-011	47723021	102	0	36.4	Yes	CIC	A(PD)	None	2.92
105	ENT	Michigan Homes	PD09-037	1505082	4	0	8.7	No	RN	A(PD)	Residential	0.48
106	ENT	Moitozo Ranch Site	PDC03-043	9707068	637	0	26.0	No	TR	A(PD)	Agriculture	27.14

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
107	ENT	Monterey Homes	PD11-032	68402010	38	0	7.6	No	CIC	A(PD)	None	4.09
108	ENT	Moorpark Homes	PD06-010	27903020	2	0	4.9	No	RN	A(PD)	Residential	0.65
109	ENT	Morrill Homes	PDC09-011	58720017	2	0	4.3	No	RN	A(PD)	Residential	0.46
110	ENT	Neilson Homes	PD07-015	68456028	3	0	2.3	No	RR	A(PD)	Residential	1.67
111	ENT	Newbury Park Mixed Use	PD13-023	25404076	230	0	80.0	Yes	UV	A(PD)	Industrial	3.08
112	ENT	Newbury Park Mixed Use	PDC07-015	25404076	742	0	80.0	Yes	UV	A(PD)	Industrial	16.36
113	ENT	Oak Knoll Homes	PD05-088	68002008	25	19	2.9	No	RN	A(PD)	None	3.42
114	ENT	Olga Homes	PD12-034	29936048	5	0	13.8	No	NCC	A(PD)	Residential	0.37
115	ENT	Olsen Homes	PD09-027	30330013	3	0	12.5	No	RN	A(PD)	Residential	0.23
116	ENT	Orchard Park	PDA11-007-02	23703070	240	0	25.0	No	UR	A(PD)	None	13.38
117	ENT	Oyama Site	PD08-063	24142103	34	2	11.3	No	RN	A(PD)	Residential	2.84
118	ENT	Page Homes	PD06-053	27721016	7	0	17.5	No	MUN	A(PD)	Residential	0.41
119	ENT	Page Street Homes	PD08-032	27719032	4	0	13.0	No	MUN	A(PD)	Residential	0.31
120	ENT	Palm Street Housing	PD08-020	43412067	3	0	15.0	No	MUN	A(PD)	Residential	0.20
121	ENT	Parc 22 Townhomes	PDA07-013-01	47201021	67	28	20.6	No	CIC	A(PD)	Industrial	3.31
122	ENT	Pepper Lane Mixed Use	PD08-001	25415072	371	285	19.7	No	MUN	A(PD)	None	17.46
123	ENT	Piedmont Homes	PDC07-021	59112047	3	0	7.5	No	RN	A(PD)	Residential	0.41
124	ENT	Pinn Brothers	PDC04-110	68002008	13	0	2.9	No	RN	A(PD)	Residential	1.92
125	ENT	Quimby Homes	PDC10-002	65925002	7	0	4.1	No	LH	A(PD)	None	1.93
126	ENT	Race Street Housing	PDC06-024	26409051	293	0	50.0	Yes	TR	A(PD)	Commercial	5.67
127	ENT	Race Street Terrace	PDC13-037	26142072	80	0	35.0	Yes	UR	A(PD)	Commercial	2.27
128	ENT	Rachaella Homes	PDC06-104	66072020	3	0	1.6	No	RR	A(PD)	None	2.34
129	ENT	Rosemar Court Homes	PD10-021	61268002	13	0	0.6	No	LH	A(PD)	None	25.69
130	ENT	Ruby Estates	PD11-012	65211010	10	0	4.0	No	RR	A(PD)	None	2.50
131	ENT	Sabatino Homes	PD12-037	25405046	18	0	16.4	No	MUN	A(PD)	Residential	3.16
132	ENT	San Felipe Homes	PD09-029	66002013	14	0	1.8	No	RR	A(PD)	None	6.51
133	ENT	San Felipe Homes	PD11-029	66005001	4	0	1.8	No	RR	A(PD)	Residential	2.10
134	ENT	Santa Teresa Transit Village	PD13-044	70604013	664	0	45.0	Yes	UR	A(PD)	None	14.77
135	ENT	Senter Court Homes	PD13-041	49447004	5	0	8.9	No	RN	A(PD)	None	0.55

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
136	ENT	Senter Road Family Apts	PDC09-033	49741098	102	0	29.5	No	PQP	A(PD)	Commercial	3.51
137	ENT	Sierra Creek Homes	PD05-069	58706061	6	0	9.1	No	RN	A(PD)	Residential	0.78
138	ENT	Skylark Housing	PD13-020	45514006	24	0	29.0	No	NCC	A(PD)	None	1.10
139	ENT	South Village (Hitachi)	PD14-010	70604013	845	10	17.0	No	UV	A(PD)	None	40.43
140	ENT	Springbrook Homes	PD13-003	65403022	12	0	1.9	No	RR	A(PD)	Residential	6.88
141	ENT	Summerwind Apts (annex)	PDC08-067	47719060	103	0	30.3	Yes	UR	A(PD)	Residential	3.74
142	ENT	Sycamore Terrace Townhomes	PD13-032	69402002	27	0	22.5	No	OSPH	A(PD)	None	1.42
143	ENT	Tasman Apts	PD11-030	9752028	554	0	79.6	Yes	IP	A(PD)	Industrial	7.32
144	ENT	Taylor Homes	PDC07-003	24925020	2	0	8.6	No	RN	A(PD)	Residential	0.23
145	ENT	Vendome Place	PDC05-101	25905024	433	0	178.5	Yes	TR	A(PD)	Commercial	1.90
146	ENT	Venetian Terrace Condos	PD04-024	45532012	170	86	50.0	Yes	TR	A(PD)	Residential	3.12
147	ENT	Vine Homes	PD07-074	43411008	3	0	11.8	No	RN	A(PD)	Residential	0.32
148	ENT	Willard Housing	PD06-027	27718034	6	0	17.0	No	MUN	A(PD)	None	0.43
149	ENT	Williams Mixed Use	PD13-016	47228054	28	0	49.0	Yes	RN	A(PD)	Residential	0.57
150	ENT	Willow Street Homes	PD13-035	43403093	3	0	8.2	No	NCC	A(PD)	Residential	0.50
151	ENT	Boynton Homes II	PDC13-033	29946021	10	0	13.9	No	RN	A(PD)	Residential	0.72
152	ENT	10th Street Homes	PD07-096	47223004	3	0	15.0	No	RN	A(PD)	Residential	0.22
Subtotals					**13,323**	**1,849**						**414.40**
Planned Communities												
153	PC	Vicenza at Montecito Vista	PD13-027	45509062	162	0	33.0	Yes	CIC	A(PD)	None	2.17
154	PC	KB Home (Townhomes)	PDC13-009	45509057	1,575	0	22.0	No	UR	County	None	70.00
155	PC	KB Home (Condos/Apts)	PDC13-009	45528017	625	0	68.0	Yes	UR	County	None	9.00
156	PC	Murano at Montecito Vista	PD12-008	45509060	100	0	33.0	Yes	CIC	A(PD)	None	4.97
157	PC	Sorrento at Montecito Vista	PD13-034	45509058	36	0	33.0	Yes	CIC	A(PD)	None	2.05
158	PC	Verona at Montecito Vista	PD12-009	45509062	277	0	33.0	Yes	CIC	A(PD)	None	3.86
159	PC	Corporation Yard	GP13-007	24939039	360	0	100.0	Yes	TR	LI	Industrial	5.28
160	PC	Libitzky Mixed Use	PDC08-036	24909001	403	0	35.4	Yes	MUN	A(PD)	Industrial	11.61

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ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
161	PC	Taylor Street Rowhomes	PD06-035	24905055	5	0	19.2	No	MUN	A(PD)	Residential	0.26
162	PC	Westmount Homes	PD09-030	24909009	60	15	18.8	No	MUN	A(PD)	Residential	3.16
163	PC	N/A	N/A	47218062	27	0	100.0	Yes	TR	A(PD)	Commercial	0.27
164	PC	N/A	N/A	47227105	86	0	100.0	Yes	TR	LI	Industrial	0.86
165	PC	N/A	N/A	47216064	4	0	50.0	Yes	UR	CP	Commercial	0.08
166	PC	N/A	N/A	47214024	13	0	50.0	Yes	UR	CP	Commercial	0.25
167	PC	N/A	N/A	47215023	62	0	50.0	Yes	UR	HI	Industrial	1.23
168	PC	N/A	N/A	47701073	10	0	35.0	Yes	MUC	CP	Commercial	0.29
169	PC	South 2nd Mixed Use	PD07-094	47701082	134	0	116.4	Yes	MUC	A(PD)	None	1.18
170	PC	Virginia Terrace Apts	PDA08-029-01	47218051	238	0	66.0	Yes	TR	A(PD)	Industrial	3.68
171	PC	N/A	N/A	47214025	71	0	50.0	Yes	UR	LI	Industrial	1.41
172	PC	N/A	N/A	47701077	20	0	35.0	Yes	MUC	CP	Commercial	0.57
173	PC	N/A	N/A	47217002	27	0	35.0	Yes	MUC	CP	Commercial	0.76
174	PC	N/A	N/A	47217094	14	0	25.0	No	MUN	CN	Commercial	0.56
175	PC	N/A	N/A	47216025	477	0	100.0	Yes	TR	LI	Industrial	4.77
176	PC	N/A	N/A	47216039	31	0	25.0	No	MUN	LI	Industrial	1.24
177	PC	N/A	N/A	47216017	52	0	50.0	Yes	UR	LI	Industrial	1.00
178	PC	N/A	N/A	47218061	55	0	100.0	Yes	TR	A(PD)	None	0.55
179	PC	N/A	N/A	47227087	30	0	100.0	Yes	TR	R-M	Residential	0.30
180	PC	N/A	N/A	47218007	104	0	100.0	Yes	TR	LI	Industrial	1.04
181	PC	N/A	N/A	47218058	86	0	100.0	Yes	TR	LI	Industrial	0.86
182	PC	N/A	N/A	47214055	42	0	100.0	Yes	TR	LI	Industrial	0.42
183	PC	N/A	N/A	47215027	20	0	100.0	Yes	TR	HI	Industrial	0.20
184	PC	N/A	N/A	47225092	123	0	100.0	Yes	TR	A(PD)	Commercial	1.23
186	PC	Ohlone Mixed Use	PDC08-061	26414131	775	0	94.2	Yes	TR	A(PD)	Industrial	8.23
659	PC	Cheim Lumber Site	PDC14-007	26415062	315	0	67.3	Yes	TR	HI	Industrial	4.68
187	PC	Park Family/Senior Apts	PDC13-012	26136062	181	0	95.3	No	TR	A(PD)	None	1.90
190	PC	N/A	N/A	43405079	7	0	25.0	No	MUN	LI	Industrial	0.28
191	PC	N/A	N/A	43404081	15	0	25.0	No	MUN	LI	Industrial	0.59

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ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
192	PC	N/A	N/A	43420023	358	0	50.0	Yes	UR	LI	Industrial	7.15
193	PC	N/A	N/A	43405078	8	0	25.0	No	MUN	R-2/LI	Industrial	0.33
194	PC	N/A	N/A	43413040	354	0	50.0	Yes	UR	LI	Industrial	7.07
195	PC	N/A	N/A	43412101	11	0	25.0	No	MUN	LI	Industrial	0.43
196	PC	Almaden Road Apts (Phase 2)	PDC98-089	43426032	90	0	50.0	Yes	UR	A(PD)	Industrial	2.43
197	PC	Skyline Condos (Phase 2)	PD04-021	43413015	119	0	76.0	Yes	TR	A(PD)	None	1.36
Subtotals					**7,562**	**15**						**169.56**
Urban Villages		Specific Urban Village										
198	UV	Alum Rock Ave (East of 680)	N/A	48419032	2	0	12.1	No	NCC	R-1-8	Residential	0.14
199	UV	Alum Rock Ave (East of 680)	N/A	48420079	2	0	12.1	No	NCC	CP	Commercial	0.18
200	UV	Alum Rock Ave (East of 680)	N/A	48420035	5	0	12.1	No	NCC	CP(PD)	Commercial	0.40
201	UV	Alum Rock Ave (East of 680)	N/A	48420053	8	0	12.1	No	NCC	A(PD)	Commercial	0.66
202	UV	Alum Rock Ave (East of 680)	N/A	48445117	2	0	12.1	No	NCC	R-2	Residential	0.14
204	UV	Alum Rock Ave (East of 680)	N/A	48444063	3	0	12.1	No	NCC	A(PD)	Residential	0.24
205	UV	Alum Rock Ave (East of 680)	N/A	48443120	37	0	12.1	No	NCC	A(PD)	Commercial	3.02
207	UV	Alum Rock Ave (East of 680)	N/A	48442014	8	0	12.1	No	NCC	CN	Commercial	0.69
208	UV	Alum Rock Ave (East of 680)	N/A	48442011	9	0	12.1	No	NCC	A(PD)	Commercial	0.74
209	UV	Alum Rock Ave (East of 680)	N/A	48444061	23	0	12.1	No	NCC	A(PD)	Residential	1.89
210	UV	Alum Rock Ave (East of 680)	N/A	48456050	14	0	12.1	No	NCC	A(PD)	Commercial	1.18
211	UV	Alum Rock Ave (NBD)	N/A	48109049	22	0	12.1	No	UV	MS-G	Commercial	1.78
212	UV	Alum Rock Ave (NBD)	N/A	48109022	23	0	12.1	No	UV	MS-G	Commercial	1.87
213	UV	Alum Rock Ave (NBD)	N/A	48108015	23	0	12.1	No	UV	MS-G	Commercial	1.89
214	UV	Alum Rock Ave (NBD)	N/A	48106021	42	0	12.1	No	UV	MS-G	Commercial	3.45
215	UV	Alum Rock Ave (NBD)	N/A	48106016	7	0	12.1	No	UV	MS-G	Commercial	0.54
216	UV	Alum Rock Ave (NBD)	N/A	48401020	27	0	12.1	No	UV	MS-G	Commercial	2.22
217	UV	Alum Rock Ave (NBD)	N/A	48401037	22	0	12.1	No	UV	MS-G	Commercial	1.84
218	UV	Alum Rock Ave (NBD)	N/A	48441147	6	0	12.1	No	UV	MS-G	Commercial	0.49

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
219	UV	Alum Rock Ave (NBD)	N/A	48441151	22	0	12.1	No	UV	MS-G	Commercial	1.79
220	UV	Alum Rock Ave (NBD)	N/A	48122033	33	0	12.1	No	UV	MS-G	Commercial	2.71
221	UV	Alum Rock Ave (NBD)	N/A	48121009	93	0	12.1	No	UV	MS-G	Commercial	7.74
222	UV	Alum Rock Ave (NBD)	N/A	48119011	17	0	12.1	No	UV	MS-G	Commercial	1.38
223	UV	Alum Rock Ave (NBD)	N/A	48121152	3	0	12.1	No	UV	MS-G	Commercial	0.28
224	UV	Alum Rock Ave (NBD)	N/A	48119003	31	0	12.1	No	UV	MS-G	Commercial	2.59
225	UV	Alum Rock Ave (NBD)	N/A	48107042	185	0	12.1	No	UV	MS-C	Commercial	15.53
233	UV	Alum Rock Ave (East of 680)	N/A	48421038	7	0	12.1	No	NCC	CP	Commercial	0.61
234	UV	Alum Rock Ave (East of 680)	N/A	60111089	20	0	12.1	No	NCC	CP	Commercial	1.62
235	UV	Alum Rock Ave (East of 680)	N/A	60111026	15	0	12.1	No	NCC	CP	Commercial	1.26
236	UV	Alum Rock Ave (East of 680)	N/A	60110077	30	0	12.1	No	NCC	CP	Commercial	2.45
237	UV	Alum Rock Ave (East of 680)	N/A	60111002	18	0	12.1	No	NCC	County	Commercial	1.47
238	UV	Alum Rock Ave (East of 680)	N/A	60111024	7	0	12.1	No	NCC	County	Residential	0.60
239	UV	Alum Rock Ave (East of 680)	N/A	48420032	144	0	12.1	No	NCC	CN	Commercial	12.06
240	UV	Alum Rock Ave (East of 680)	N/A	48419001	4	0	12.1	No	NCC	CN	Commercial	0.34
241	UV	Alum Rock Ave (East of 680)	N/A	48419033	6	0	12.1	No	NCC	CN	Commercial	0.49
242	UV	Alum Rock Ave (East of 680)	N/A	48452029	24	0	12.1	No	NCC	CN	Commercial	1.99
245	UV	Alum Rock Ave (East of 680)	N/A	48443045	12	0	12.1	No	NCC	CG	Commercial	0.96
246	UV	Alum Rock Ave (East of 680)	N/A	48443119	58	0	12.1	No	NCC	CG	Commercial	4.85
247	UV	Alum Rock Ave (East of 680)	N/A	48444066	7	0	12.1	No	NCC	CG	Commercial	0.55
248	UV	Alum Rock Ave (East of 680)	N/A	48403043	4	0	12.1	No	NCC	R-1-8	Residential	0.36
249	UV	Alum Rock Ave (East of 680)	N/A	48419029	2	0	12.1	No	NCC	R-1-8	Residential	0.14
250	UV	Alum Rock Ave (East of 680)	N/A	48445061	7	0	12.1	No	NCC	R-2	Residential	0.54
253	UV	Alum Rock Ave (NBD)	N/A	48118064	22	0	12.1	No	UV	MS-G	Commercial	1.85
254	UV	Alum Rock Ave (NBD)	N/A	48118047	8	0	12.1	No	UV	MS-G	Commercial	0.65
261	UV	Alum Rock Ave (East of 680)	N/A	48403044	3	0	12.1	No	NCC	CN	Commercial	0.28
262	UV	WSC West	N/A	27457009	3	0	12.4	No	UV	R-2	Residential	0.23
263	UV	WSC East	N/A	26142051	2	0	12.4	No	UV	CN(PD)	Commercial	0.14
264	UV	WSC East	N/A	26142005	2	0	12.4	No	UV	CN	Commercial	0.15

Adequate Sites Inventory (2014-2022)

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265	UV	WSC West	N/A	27417075	11	0	12.4	No	PQP	CP	Commercial	0.88
266	UV	WSC East	N/A	27414063	3	0	12.4	No	UV	CO	Commercial	0.28
267	UV	WSC East	N/A	27414081	1	0	12.4	No	UV	R-2	Residential	0.09
268	UV	WSC Mid	N/A	27415112	21	0	12.4	No	UV	CP	Commercial	1.66
269	UV	WSC West	N/A	27441115	2	0	12.4	No	UV	CP	Commercial	0.16
270	UV	WSC West	N/A	27441074	3	0	12.4	No	UV	County	Commercial	0.22
271	UV	WSC Mid	N/A	27713027	4	0	12.4	No	UV	County	Commercial	0.31
272	UV	WSC Mid	N/A	27715056	4	0	12.4	No	UV	A	Commercial	0.29
273	UV	WSC East	N/A	27414153	40	0	12.4	No	UV	A(PD)	Commercial	3.32
274	UV	WSC West	N/A	27417087	11	0	12.4	No	UV	R-1-8	Residential	0.88
275	UV	WSC East	N/A	27720016	6	0	12.4	No	UV	CP	Commercial	0.45
276	UV	WSC West	N/A	27704019	3	0	12.4	No	UV	CP	Commercial	0.24
277	UV	WSC West	N/A	27705012	7	0	12.4	No	UV	CG	Commercial	0.56
278	UV	WSC West	N/A	27705007	7	0	12.4	No	UV	A(PD)	Commercial	0.57
279	UV	WSC Mid	N/A	27715028	4	0	12.4	No	UV	CP	Commercial	0.29
280	UV	WSC West	N/A	27709027	1	0	12.4	No	UV	CG	Commercial	0.09
281	UV	WSC West	N/A	27709028	2	0	12.4	No	UV	CP	Commercial	0.18
282	UV	WSC Mid	N/A	27718018	6	0	12.4	No	UV	CP	Commercial	0.46
283	UV	WSC Mid	N/A	27718020	3	0	12.4	No	UV	CP	Commercial	0.25
284	UV	WSC West	N/A	27701001	5	0	12.4	No	UV	CO	Commercial	0.40
285	UV	WSC West	N/A	27701002	5	0	12.4	No	UV	CP	Commercial	0.43
286	UV	WSC West	N/A	27704028	3	0	12.4	No	UV	County	Commercial	0.21
287	UV	WSC Mid	N/A	27714028	2	0	12.4	No	UV	County	Commercial	0.14
288	UV	WSC West	N/A	27702020	14	0	12.4	No	UV	CP	Commercial	1.16
289	UV	WSC West	N/A	27457022	8	0	12.4	No	UV	CP	Commercial	0.65
290	UV	WSC West	N/A	27457008	13	0	12.4	No	UV	CP	Commercial	1.07
291	UV	WSC West	N/A	27441098	8	0	12.4	No	UV	CP	Commercial	0.63
292	UV	WSC West	N/A	27703018	15	0	12.4	No	UV	CP	Commercial	1.20
293	UV	WSC West	N/A	27704020	33	0	12.4	No	UV	CP	Commercial	2.73

Adequate Sites Inventory (2014-2022)

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294	UV	WSC West	N/A	27441089	29	0	12.4	No	UV	CP	Commercial	2.33
295	UV	WSC West	N/A	27417065	10	0	12.4	No	UV	CP	Commercial	0.82
296	UV	WSC West	N/A	27706023	7	0	12.4	No	UV	CP	Commercial	0.53
297	UV	WSC West	N/A	27416029	11	0	12.4	No	UV	CP	Commercial	0.86
298	UV	WSC West	N/A	27711027	6	0	12.4	No	UV	CP	Commercial	0.47
299	UV	WSC Mid	N/A	27416010	14	0	12.4	No	UV	CP	Commercial	1.10
300	UV	WSC Mid	N/A	27713029	4	0	12.4	No	UV	CP	Commercial	0.31
301	UV	WSC Mid	N/A	27714055	9	0	12.4	No	UV	CP	Commercial	0.71
302	UV	WSC Mid	N/A	27415145	83	0	12.4	No	UV	CP	Commercial	6.88
303	UV	WSC Mid	N/A	27716028	6	0	12.4	No	UV	CP	Commercial	0.52
304	UV	WSC Mid	N/A	27717026	16	0	12.4	No	UV	CP	Commercial	1.33
305	UV	WSC Mid	N/A	27415150	15	0	12.4	No	UV	CP	Commercial	1.20
306	UV	WSC East	N/A	27414079	6	0	12.4	No	UV	CP	Commercial	0.51
307	UV	WSC East	N/A	27720019	5	0	12.4	No	UV	CP	Commercial	0.39
308	UV	WSC East	N/A	27414067	17	0	12.4	No	UV	CP	Commercial	1.35
309	UV	WSC East	N/A	26142032	32	0	12.4	No	UV	CP	Commercial	2.62
310	UV	WSC East	N/A	26142004	23	0	12.4	No	UV	CP	Commercial	1.88
311	UV	WSC East	N/A	26141005	29	0	12.4	No	UV	CP	Commercial	2.37
312	UV	WSC East	N/A	26140089	25	0	12.4	No	UV	CP	Commercial	2.05
313	UV	WSC West	N/A	27441101	17	0	12.4	No	UV	County	Commercial	1.39
314	UV	WSC West	N/A	27705001	27	0	12.4	No	UV	County	Commercial	2.18
315	UV	WSC West	N/A	27705008	10	0	12.4	No	UV	County	Commercial	0.77
316	UV	WSC West	N/A	27706020	9	0	12.4	No	UV	County	Commercial	0.75
317	UV	WSC West	N/A	27417039	10	0	12.4	No	UV	County	Commercial	0.83
318	UV	WSC West	N/A	27707024	8	0	12.4	No	UV	County	Commercial	0.63
319	UV	WSC West	N/A	27708029	6	0	12.4	No	UV	County	Commercial	0.46
320	UV	WSC West	N/A	27417018	7	0	12.4	No	UV	County	Commercial	0.56
321	UV	WSC West	N/A	27709029	3	0	12.4	No	UV	County	Commercial	0.28
322	UV	WSC West	N/A	27416050	11	0	12.4	No	UV	County	Commercial	0.89

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
323	UV	WSC West	N/A	27710025	7	0	12.4	No	UV	County	Commercial	0.56
324	UV	WSC West	N/A	27416068	6	0	12.4	No	UV	County	Commercial	0.52
325	UV	WSC Mid	N/A	27712029	6	0	12.4	No	UV	County	Commercial	0.50
326	UV	WSC West	N/A	27459001	25	0	12.4	No	UV	CO	Commercial	1.98
327	UV	WSC Mid	N/A	27718023	9	0	12.4	No	UV	CN	Commercial	0.74
328	UV	WSC East	N/A	27720035	10	0	12.4	No	UV	CN	Commercial	0.79
329	UV	WSC Mid	N/A	27717031	12	0	12.4	No	UV	R-M	Residential	0.99
330	UV	WSC Mid	N/A	27718019	27	0	12.4	No	UV	R-M	Residential	2.16
331	UV	WSC East	N/A	27720034	34	0	12.4	No	UV	R-M	Residential	2.78
332	UV	WSC East	N/A	27414141	20	0	12.4	No	UV	R-2	Residential	1.62
333	UV	WSC East	N/A	27720017	5	0	12.4	No	UV	LI	Industrial	0.44
334	UV	WSC West	N/A	27416049	2	0	12.4	No	UV	R-M	Residential	0.13
335	UV	WSC West	N/A	27416051	3	0	12.4	No	UV	CP	Commercial	0.21
336	UV	WSC East	N/A	26141103	5	0	12.4	No	UV	CP	Commercial	0.40
337	UV	Lincoln Avenue Mixed Use in WSC East	PD07-016	26141096	41	0	45.0	Yes	UV	A(PD)	Commercial	0.91
338	UV	WSC West	N/A	27457047	3	0	12.4	No	UV	CO	Commercial	0.21
406	UV	The Alameda	N/A	26133022	2	0	12.2	No	UV	CN	Commercial	0.15
407	UV	The Alameda	N/A	26101023	4	0	12.2	No	MUC	A(PD)	Commercial	0.32
408	UV	The Alameda	N/A	26101007	17	0	12.2	No	MUC	CG	Commercial	1.39
409	UV	The Alameda	N/A	26126065	3	0	12.2	No	UV	CN	Commercial	0.23
410	UV	The Alameda	N/A	26102036	1	0	12.2	No	UV	CO	Commercial	0.09
411	UV	The Alameda	N/A	26124053	4	0	12.2	No	UV	CG	Commercial	0.30
412	UV	The Alameda	N/A	26130019	1	0	12.2	No	RN	R-1-8	Residential	0.08
413	UV	The Alameda	N/A	26130020	1	0	12.2	No	RN	R-M	Residential	0.09
414	UV	The Alameda	N/A	26132072	8	0	12.2	No	UV	A(PD)	Commercial	0.65
415	UV	The Alameda	N/A	26101106	12	0	12.2	No	UV	A(PD)	Commercial	0.95
416	UV	The Alameda	N/A	26133052	5	0	12.2	No	UV	LI	Industrial	0.39
417	UV	The Alameda	N/A	26133053	4	0	12.2	No	UV	CG	Commercial	0.36

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
418	UV	The Alameda	N/A	26102064	7	0	12.2	No	UV	CP	Commercial	0.59
419	UV	The Alameda	N/A	26102017	12	0	12.2	No	UV	CG	Commercial	0.95
420	UV	The Alameda	N/A	26102032	25	0	12.2	No	UV	CG	Commercial	2.09
421	UV	The Alameda	N/A	26129023	10	0	12.2	No	UV	CG	Commercial	0.86
422	UV	The Alameda	N/A	26129056	17	0	12.2	No	UV	CG	Commercial	1.41
423	UV	The Alameda	N/A	26102045	9	0	12.2	No	UV	CG	Commercial	0.70
424	UV	The Alameda	N/A	26130021	9	0	12.2	No	UV	CG	Commercial	0.72
425	UV	The Alameda	N/A	26130054	8	0	12.2	No	UV	CG	Commercial	0.66
426	UV	The Alameda	N/A	26132019	9	0	12.2	No	UV	CG	Commercial	0.72
427	UV	The Alameda	N/A	26102046	50	0	12.2	No	UV	CO	Commercial	4.20
428	UV	The Alameda	N/A	26102063	40	0	12.2	No	UV	CO	Commercial	3.24
429	UV	The Alameda	N/A	26133020	3	0	12.2	No	UV	LI	Industrial	0.27
430	UV	The Alameda	N/A	26129017	19	0	12.2	No	UV	CN	Commercial	1.58
431	UV	The Alameda	N/A	26129027	12	0	12.2	No	UV	R-M	Residential	0.97
432	UV	The Alameda	N/A	26124008	13	0	12.2	No	UV	A(PD)	Commercial	1.08
433	UV	The Alameda	N/A	26101089	9	0	12.2	No	MUC	LI	Industrial	0.76
434	UV	The Alameda	N/A	26101091	4	0	12.2	No	MUC	A(PD)	Commercial	0.35
435	UV	The Alameda	N/A	26101068	5	0	12.2	No	UV	CG	Commercial	0.43
436	UV	The Alameda Mixed Use	PDC13-007	26101003	70	0	67.3	Yes	MUC	A(PD)	Commercial	1.04
437	UV	Sunol Mixed Use in The Alameda	PDC07-020	26132058	9	0	30.0	Yes	UV	A(PD)	Commercial	0.32
Subtotals		**Planned Units per site**			**2,391**	**-**						**188.62**
Additional Capacity in approved Urban Village Plan areas in Horizon 1.					**275**							
Total capacity allocated for West San Carlos, the Alameda, and Alum Rock Urban Village PlansWest San Carlos (Horizon I): 1,245 units Alum Rock Rezoning (Horizon I): 1,010 units The Alameda (Horizon): 411 units Total: 2,666					**2,666**							

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
"Pool" Allocation for South Bascom Urban Village Horizon III (per Envision Policy IP-2.11)					500	-						N/A
Vacant Land												
438	VAC	N/A	N/A	59924008	1	0	0.2	No	LH	A(PD)	None	3.57
439	VAC	N/A	N/A	59931015	1	0	0.2	No	LH	County	None	1.64
440	VAC	N/A	N/A	59527049	2	0	0.2	No	LH	A(PD)	None	8.20
441	VAC	N/A	N/A	67623018	1	0	0.2	No	LH	A(PD)	None	3.76
442	VAC	N/A	N/A	70122004	1	0	0.2	No	LH	R-1-1	None	2.93
443	VAC	N/A	N/A	68033033	1	0	2.0	No	RR	A(PD)	None	0.28
444	VAC	N/A	N/A	68016024	1	0	2.0	No	RR	A(PD)	None	0.26
445	VAC	N/A	N/A	68014022	1	0	2.0	No	RR	A(PD)	None	0.37
446	VAC	N/A	N/A	67638035	35	0	2.0	No	RR	A(PD)	None	18.79
447	VAC	N/A	N/A	68022017	1	0	2.0	No	RR	A(PD)	None	0.33
448	VAC	N/A	N/A	68034010	1	0	2.0	No	RR	A(PD)	None	0.59
449	VAC	N/A	N/A	61211036	1	0	2.0	No	RR	County	None	0.46
450	VAC	N/A	N/A	61209016	1	0	2.0	No	RR	County	None	0.74
451	VAC	N/A	N/A	61217038	2	0	2.0	No	RR	County	None	0.96
452	VAC	N/A	N/A	61216047	2	0	2.0	No	RR	County	None	1.14
453	VAC	N/A	N/A	61266015	7	0	2.0	No	RR	County	None	3.38
454	VAC	N/A	N/A	61236027	1	0	0.2	No	LH	R-1-5	None	5.03
455	VAC	N/A	N/A	65210005	1	0	2.0	No	RR	R-1-2	None	0.38
456	VAC	N/A	N/A	9243013	2	0	2.0	No	RR	A(PD)	None	0.80
457	VAC	N/A	N/A	59538009	1	0	2.0	No	RR	R-1-5(PD)	None	0.27
458	VAC	N/A	N/A	59538014	1	0	2.0	No	RR	R-1-5(PD)	None	0.47
459	VAC	N/A	N/A	59512020	15	0	2.0	No	RR	R-1-1	None	7.68
460	VAC	N/A	N/A	59535007	1	0	2.0	No	RR	R-1-2(PD)	None	0.67
461	VAC	N/A	N/A	59511014	3	0	2.0	No	RR	R-1-2	None	1.70
462	VAC	N/A	N/A	68403042	1	0	2.0	No	RR	R-1-5	None	0.25

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
463	VAC	N/A	N/A	68443030	5	0	2.0	No	RR	A(PD)	None	2.63
464	VAC	N/A	N/A	67818037	1	0	2.0	No	RR	A(PD)	None	0.35
465	VAC	N/A	N/A	67680001	5	0	2.0	No	RR	A(PD)	None	2.52
466	VAC	N/A	N/A	67624001	9	0	2.0	No	RR	R-1-5	None	4.63
467	VAC	N/A	N/A	44201043	8	0	8.0	No	RN	R-1-5	None	0.94
468	VAC	N/A	N/A	59527049	10	0	2.0	No	RR	A(PD)	None	6.00
469	VAC	N/A	N/A	59527049	25	0	2.0	No	RR	A(PD)	None	12.95
470	VAC	N/A	N/A	69601025	25	0	2.0	No	RR	County	None	13.15
471	VAC	N/A	N/A	59512026	25	0	2.0	No	RR	County	None	12.46
472	VAC	N/A	N/A	9243027	1	0	2.0	No	RR	A(PD)	None	0.69
473	VAC	N/A	N/A	59510005	65	0	2.0	No	RR	R-1-8	None	33.48
474	VAC	N/A	N/A	58311099	5	0	2.0	No	RR	R-1-2	None	2.35
475	VAC	N/A	N/A	58146019	3	0	2.0	No	RR	R-1-8	None	1.40
476	VAC	N/A	N/A	66008010	5	0	2.0	No	RR	A	None	2.37
477	VAC	N/A	N/A	58371017	2	0	2.0	No	RR	A(PD)	None	0.90
478	VAC	N/A	N/A	58308031	1	0	2.0	No	RR	A(PD)	None	0.74
479	VAC	N/A	N/A	58368031	1	0	2.0	No	RR	A(PD)	None	0.58
480	VAC	N/A	N/A	58308037	2	0	2.0	No	RR	A(PD)	None	0.81
481	VAC	N/A	N/A	58372015	1	0	2.0	No	RR	A(PD)	None	0.50
482	VAC	N/A	N/A	58351018	2	0	0.2	No	LH	A(PD)	None	8.01
483	VAC	N/A	N/A	58343038	1	0	2.0	No	RR	A(PD)	None	0.38
484	VAC	N/A	N/A	58311029	2	0	2.0	No	RR	R-1-2	None	0.94
485	VAC	N/A	N/A	58311094	4	0	2.0	No	RR	R-1-2(PD)	None	1.80
486	VAC	N/A	N/A	58311017	2	0	2.0	No	RR	R-1-2	None	0.85
487	VAC	N/A	N/A	58343043	1	0	2.0	No	RR	A(PD)	None	0.28
488	VAC	N/A	N/A	58311079	1	0	2.0	No	RR	R-1-2	None	0.35
489	VAC	N/A	N/A	68066002	3	0	2.0	No	RR	A(PD)	None	1.42
490	VAC	N/A	N/A	68066009	1	0	2.0	No	RR	A(PD)	None	0.70
491	VAC	N/A	N/A	65909015	1	0	0.2	No	LH	A(PD)	None	6.41

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
492	VAC	N/A	N/A	66023015	20	0	8.0	No	RN	A	None	2.80
493	VAC	N/A	N/A	67637012	3	0	2.0	No	RR	R-1-5	None	1.58
494	VAC	N/A	N/A	28820041	3	0	8.0	No	RN	R-1-5	None	0.43
495	VAC	N/A	N/A	44204011	2	0	8.0	No	RN	R-1-8	None	0.28
496	VAC	N/A	N/A	59928001	39	0	8.0	No	RN	County	None	4.90
497	VAC	N/A	N/A	59515069	25	0	8.0	No	RN	R-1-8	None	3.30
498	VAC	N/A	N/A	61219026	9	0	2.0	No	RR	County	None	4.30
499	VAC	N/A	N/A	70121019	12	0	8.0	No	RN	R-1-1	None	1.54
500	VAC	N/A	N/A	58115047	2	0	8.0	No	RN	R-1-8	None	0.26
501	VAC	N/A	N/A	58129005	5	0	8.0	No	RN	R-1-8	None	0.60
502	VAC	N/A	N/A	58125024	4	0	8.0	No	RN	R-1-8	None	0.55
503	VAC	N/A	N/A	59927011	10	0	8.0	No	RN	R-1-5	None	1.52
504	VAC	N/A	N/A	59926047	2	0	8.0	No	RN	County	None	0.21
505	VAC	N/A	N/A	59930036	4	0	8.0	No	RN	County	None	0.51
506	VAC	N/A	N/A	58708028	2	0	8.0	No	RN	R-1-5	None	0.19
507	VAC	N/A	N/A	59510066	4	0	8.0	No	RN	R-1-5	None	0.47
508	VAC	N/A	N/A	59510013	4	0	2.0	No	RR	A	None	2.13
509	VAC	N/A	N/A	70411009	35	0	8.0	No	RN	OS	None	4.37
510	VAC	N/A	N/A	69605001	25	0	8.0	No	RN	A	None	3.33
511	VAC	N/A	N/A	69511046	9	0	8.0	No	RN	R-1-5	None	1.08
512	VAC	N/A	N/A	69511039	10	0	8.0	No	RN	R-1-5	None	1.45
513	VAC	N/A	N/A	69511022	4	0	8.0	No	RN	R-1-5	None	0.55
514	VAC	N/A	N/A	69511051	7	0	8.0	No	RN	R-1-8	None	0.91
515	VAC	N/A	N/A	69503043	10	0	8.0	No	RN	R-1-5	None	1.50
516	VAC	N/A	N/A	69503032	3	0	8.0	No	RN	R-1-5	None	0.38
517	VAC	N/A	N/A	67623012	2	0	2.0	No	RR	A(PD)	None	0.80
518	VAC	N/A	N/A	48446047	2	0	8.0	No	RN	R-1-8	None	0.22
519	VAC	N/A	N/A	48433071	4	0	8.0	No	RN	R-1-8	None	0.50
520	VAC	N/A	N/A	48801046	3	0	8.0	No	RN	CP	None	0.42

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
521	VAC	N/A	N/A	58618055	7	0	8.0	No	RN	R-1-8	None	0.90
522	VAC	N/A	N/A	58619042	7	0	8.0	No	RN	R-1-8	None	0.91
523	VAC	N/A	N/A	9233038	11	0	8.0	No	RN	R-1-8	None	1.52
524	VAC	N/A	N/A	59518030	1	0	8.0	No	RN	R-1-5	None	0.16
525	VAC	N/A	N/A	59514080	4	0	8.0	No	RN	R-1-8	None	0.52
526	VAC	N/A	N/A	59514068	3	0	8.0	No	RN	R-1-8	None	0.39
527	VAC	N/A	N/A	59501041	4	0	8.0	No	RN	R-1-8	None	0.48
528	VAC	N/A	N/A	59501101	3	0	8.0	No	RN	R-1-8	None	0.34
529	VAC	N/A	N/A	59526045	30	0	8.0	No	RN	R-1-5	None	3.90
530	VAC	N/A	N/A	24912097	1	0	8.0	No	RN	R-2	None	0.12
531	VAC	N/A	N/A	24916066	1	0	8.0	No	RN	R-2	None	0.18
532	VAC	N/A	N/A	24918010	1	0	8.0	No	RN	R-1-8	None	0.15
533	VAC	N/A	N/A	24965018	2	0	8.0	No	RN	CP	None	0.20
534	VAC	N/A	N/A	24962007	1	0	8.0	No	RN	R-2	None	0.15
535	VAC	N/A	N/A	24924081	1	0	8.0	No	RN	R-1-8	None	0.13
536	VAC	N/A	N/A	24913012	2	0	8.0	No	RN	R-2	None	0.20
537	VAC	N/A	N/A	24911077	1	0	8.0	No	RN	R-2	None	0.13
538	VAC	N/A	N/A	23508083	2	0	8.0	No	RN	R-2	None	0.23
539	VAC	N/A	N/A	46705059	1	0	8.0	No	RN	R-2	None	0.10
540	VAC	N/A	N/A	46729028	5	0	8.0	No	RN	R-1-8	None	0.67
541	VAC	N/A	N/A	26121066	1	0	8.0	No	RN	R-1-8	None	0.15
542	VAC	N/A	N/A	47230049	2	0	8.0	No	RN	R-1-8	None	0.23
543	VAC	N/A	N/A	27457040	1	0	8.0	No	RN	R-1-8	None	0.16
544	VAC	N/A	N/A	27459054	2	0	8.0	No	RN	CO	None	0.24
545	VAC	N/A	N/A	27729032	1	0	8.0	No	RN	County	None	0.15
546	VAC	N/A	N/A	43423085	1	0	8.0	No	RN	R-2	None	0.12
547	VAC	N/A	N/A	43422069	2	0	8.0	No	RN	R-1-8	None	0.22
548	VAC	N/A	N/A	56935049	3	0	8.0	No	RN	R-1-8	None	0.36
549	VAC	N/A	N/A	41936131	5	0	8.0	No	RN	R-1-8	None	0.62

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
550	VAC	N/A	N/A	56723027	3	0	8.0	No	RN	R-1-8	None	0.35
551	VAC	N/A	N/A	68403037	2	0	8.0	No	RN	R-1-5	None	0.20
552	VAC	N/A	N/A	68404002	3	0	8.0	No	RN	R-1-5	None	0.35
553	VAC	N/A	N/A	68404002	2	0	8.0	No	RN	R-1-5	None	0.27
554	VAC	N/A	N/A	70611021	2	0	8.0	No	RN	A	None	0.27
555	VAC	N/A	N/A	69514014	20	0	8.0	No	RN	R-1-5	None	2.63
556	VAC	N/A	N/A	69511047	3	0	8.0	No	RN	R-1-5	None	0.39
557	VAC	N/A	N/A	69511031	5	0	8.0	No	RN	R-1-5	None	0.61
558	VAC	N/A	N/A	49137106	4	0	8.0	No	RN	A	None	0.51
559	VAC	N/A	N/A	67633009	4	0	8.0	No	RN	R-1-5	None	0.48
560	VAC	N/A	N/A	67013028	2	0	8.0	No	RN	R-1-8	None	0.19
561	VAC	N/A	N/A	67616020	8	0	8.0	No	RN	R-1-8	None	1.04
562	VAC	N/A	N/A	47776002	7	0	8.0	No	RN	R-1-8	None	0.92
563	VAC	N/A	N/A	47720047	13	0	8.0	No	RN	A	None	1.63
564	VAC	N/A	N/A	49919029	4	0	8.0	No	RN	R-1-8	None	0.52
565	VAC	N/A	N/A	45545005	6	0	8.0	No	RN	A	None	0.73
566	VAC	N/A	N/A	26417103	2	0	8.0	No	RN	R-2	None	0.24
567	VAC	N/A	N/A	26443018	4	0	8.0	No	RN	R-2	None	0.56
568	VAC	N/A	N/A	26443071	4	0	8.0	No	RN	R-2	None	0.56
569	VAC	N/A	N/A	26442109	1	0	8.0	No	RN	R-2	None	0.18
570	VAC	N/A	N/A	28201014	2	0	8.0	No	RN	County	None	0.22
571	VAC	N/A	N/A	28206024	21	0	25.0	No	MUN	R-M	None	0.84
572	VAC	N/A	N/A	42951044	4	0	8.0	No	RN	R-1-8	None	0.56
573	VAC	N/A	N/A	43917009	4	0	8.0	No	RN	R-1-8	None	0.45
574	VAC	N/A	N/A	30341018	3	0	8.0	No	RN	R-1-8	None	0.36
575	VAC	N/A	N/A	30332041	2	0	8.0	No	RN	R-1-8	None	0.24
576	VAC	N/A	N/A	38122001	7	0	8.0	No	RN	R-1-8	None	0.92
577	VAC	N/A	N/A	67013004	2	0	8.0	No	RN	R-1-8	None	0.19
578	VAC	N/A	N/A	59514080	1	0	8.0	No	RN	R-1-8	None	0.18

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
579	VAC	N/A	N/A	46705048	15	0	8.0	No	RN	R-2	None	1.99
580	VAC	N/A	N/A	70101006	7	0	8.0	No	RN	R-1-8	None	0.82
581	VAC	N/A	N/A	45928001	65	0	8.0	No	RN	A	None	9.02
582	VAC	N/A	N/A	59916116	2	0	8.0	No	RN	R-1-8	None	0.28
583	VAC	N/A	N/A	48411082	10	0	8.0	No	RN	R-1-8	None	1.40
584	VAC	N/A	N/A	67633014	3	0	8.0	No	RN	A	None	0.41
585	VAC	N/A	N/A	60107066	9	0	8.0	No	RN	County	None	1.14
586	VAC	N/A	N/A	60108128	2	0	8.0	No	RN	County	None	0.31
587	VAC	N/A	N/A	60107075	6	0	8.0	No	RN	County	None	0.70
588	VAC	N/A	N/A	61223056	45	0	8.0	No	RN	County	None	5.87
589	VAC	N/A	N/A	61221120	10	0	8.0	No	RN	County	None	1.26
590	VAC	N/A	N/A	60129009	20	0	8.0	No	RN	County	None	2.71
591	VAC	N/A	N/A	26448106	1	0	8.0	No	RN	R-1-8	None	0.11
592	VAC	N/A	N/A	64707074	4	0	8.0	No	RN	A	None	0.53
593	VAC	N/A	N/A	60125121	3	0	8.0	No	RN	County	None	0.36
594	VAC	N/A	N/A	60122050	2	0	8.0	No	RN	County	None	0.22
595	VAC	N/A	N/A	60122118	1	0	8.0	No	RN	County	None	0.14
596	VAC	N/A	N/A	48417035	1	0	8.0	No	RN	R-1-8	None	0.16
597	VAC	N/A	N/A	48114130	1	0	8.0	No	RN	R-1-8	None	0.11
598	VAC	N/A	N/A	48143017	2	0	8.0	No	RN	R-2	None	0.20
599	VAC	N/A	N/A	24543017	14	0	8.0	No	RN	A	None	1.73
600	VAC	N/A	N/A	46733034	2	0	8.0	No	RN	R-M	None	0.25
601	VAC	N/A	N/A	47206090	1	0	8.0	No	RN	R-1-8	None	0.12
602	VAC	N/A	N/A	47236017	6	0	8.0	No	RN	A(PD)	None	0.70
603	VAC	N/A	N/A	43404071	2	0	8.0	No	RN	A(PD)	None	0.20
604	VAC	N/A	N/A	43411063	1	0	8.0	No	RN	R-2	None	0.17
605	VAC	N/A	N/A	68503002	20	0	8.0	No	RN	LI	None	2.78
606	VAC	N/A	N/A	49103049	7	0	8.0	No	RN	A(PD)	None	0.89
607	VAC	N/A	N/A	67606015	4	0	8.0	No	RN	A(PD)	None	0.50

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
608	VAC	N/A	N/A	47711020	20	0	8.0	No	RN	R-1-8	None	2.49
609	VAC	N/A	N/A	45545007	35	0	8.0	No	RN	A	None	4.52
610	VAC	N/A	N/A	49466003	45	0	8.0	No	RN	A(PD)	None	5.81
611	VAC	N/A	N/A	42920054	5	0	8.0	No	RN	R-1-8	None	0.59
612	VAC	N/A	N/A	48403036	1	0	8.0	No	RN	R-1-8	None	0.14
613	VAC	N/A	N/A	46701120	3	0	8.0	No	RN	CG	None	0.43
614	VAC	N/A	N/A	25412011	9	0	8.0	No	RN	R-M	None	1.08
615	VAC	N/A	N/A	48119055	2	0	8.0	No	RN	R-1-8	None	0.19
616	VAC	N/A	N/A	48123072	3	0	8.0	No	RN	R-1-8	None	0.38
617	VAC	N/A	N/A	48441090	2	0	8.0	No	RN	R-2	None	0.26
618	VAC	N/A	N/A	46720020	4	0	8.0	No	RN	CG	None	0.45
619	VAC	N/A	N/A	48122067	6	0	8.0	No	RN	R-1-8	None	0.74
620	VAC	N/A	N/A	23509018	5	0	8.0	No	RN	R-2	None	0.64
621	VAC	N/A	N/A	24941032	1	0	8.0	No	RN	R-M	None	0.14
622	VAC	N/A	N/A	24941024	1	0	8.0	No	RN	R-M	None	0.14
623	VAC	N/A	N/A	24941022	1	0	8.0	No	RN	R-M	None	0.14
624	VAC	N/A	N/A	24947009	2	0	8.0	No	RN	R-M	None	0.19
625	VAC	N/A	N/A	24947018	1	0	8.0	No	RN	CN	None	0.10
626	VAC	N/A	N/A	24947025	1	0	8.0	No	RN	R-M	None	0.16
627	VAC	N/A	N/A	46706089	1	0	8.0	No	RN	R-2	None	0.12
628	VAC	N/A	N/A	26402045	15	0	25.0	No	MUN	R-M	None	0.65
629	VAC	N/A	N/A	27718031	49	0	25.0	No	MUN	R-M	None	1.97
630	VAC	N/A	N/A	25922059	4	0	8.0	No	RN	R-1-8	None	0.47
631	VAC	N/A	N/A	26448037	6	0	25.0	No	MUN	R-2	None	0.23
632	VAC	N/A	N/A	56918058	13	0	8.0	No	RN	R-M(PD)	None	1.63
633	VAC	N/A	N/A	46214004	30	0	25.0	No	MUN	A	None	1.23
634	VAC	N/A	N/A	26403007	5	0	25.0	No	MUN	R-1-8	None	0.20
635	VAC	N/A	N/A	47720148	58	0	50.0	Yes	UR	IP	None	1.16
636	VAC	N/A	N/A	25429026	137	0	100.0	Yes	TR	R-M	None	1.35

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
637	VAC	N/A	N/A	25429025	138	0	100.0	Yes	TR	R-M	None	1.36
638	VAC	N/A	N/A	25917032	1	0	8.0	No	RN	CO	None	0.15
639	VAC	N/A	N/A	47212086	36	0	50.0	Yes	UR	R-M	None	0.72
640	VAC	N/A	N/A	67029017	284	0	25.0	No	MUN	R-1-8	None	11.50
641	VAC	N/A	N/A	46748073	6	0	50.0	Yes	UR	R-M	None	0.12
642	VAC	N/A	N/A	42942014	2	0	8.0	No	RN	R-1-5(PD)	None	0.26
643	VAC	N/A	N/A	58372002	2	0	2.0	No	RR	A(PD)	None	0.95
644	VAC	N/A	N/A	59901087	3	0	8.0	No	RN	R-1-8	None	0.35
645	VAC	N/A	N/A	67652001	35	0	8.0	No	RN	R-1-8(PD)	None	4.54
646	VAC	N/A	N/A	67912057	2	0	8.0	No	RN	A(PD)	None	0.23
647	VAC	N/A	N/A	67910005	40	0	2.0	No	RR	A	None	20.15
648	VAC	N/A	N/A	57754013	16	0	2.0	No	RR	A(PD)	None	7.88
649	VAC	N/A	N/A	61265042	1	0	0.2	No	LH	County	None	4.30
650	VAC	N/A	N/A	61270016	2	0	0.2	No	LH	A	None	11.71
651	VAC	N/A	N/A	60131054	1	0	0.2	No	LH	R-1-RR	None	1.64
652	VAC	N/A	N/A	61234061	1	0	0.2	No	LH	R-1-5	None	2.91
653	VAC	N/A	N/A	65201008	1	0	0.2	No	LH	A	None	4.92
654	VAC	N/A	N/A	59504071	1	0	0.2	No	LH	R-1-8	None	2.23
655	VAC	N/A	N/A	59504067	5	0	0.2	No	LH	R-1-8	None	26.61
Subtotals					**2,125**	**-**						**421.75**
Grand Totals					**35,877**	**1,864**						**1,252.75**
Net Total Planned Units					**34,013**							

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
Nonresidentially zoned residentially designated underutilized or vacant parcels outside of Downtown, Planned Communities, and Urban Villages					Planned Units (new minus existing)							
Address/Description				Tracking APN		Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
642	3880 San Felipe. AT&T Office Bldg with equipment. .35 FAR. In Evergreen DPA 642 next to APN 66023015 which is already listed in inventory as vacant.			66023003	20	0	8.0	No	RN	A	Commercial	2.46
582	242 La Pala single story office bldg 4,100 s.f. FAR .28 Surface parking. Max allowable height 45 feet. Next to RM Zoning District.			60106041	17	0	50.0	No	UR	CP	Commercial	0.34
779	16601 Almaden Expressway SP12-004 Special Use Permit approved to demolish gas station. Corner site. Surrounded by low density residential.			57715014	40	0	50.0	No	UR	CP	Commercial	0.80
4	1704 Senter Road. Happy Hollow Market. Corner lot with surface parking and one-story liquor store. In Tully Senter SNI next to APN 47729056 Retail Building. Existing FAR .25			47729057	18	0	50.0	No	UR	CP	Commercial	0.36
5	Retail building next to res in Tully-Senter SNI next to APN 47729057.			47729056	26	0	50.0	No	UR	CP	Commercial	0.51
560	1888 Senter Road GP03-07-09 changed to res by DDD. Next to APN 47720148, which is vacant.			47720147	99	0	50.0	No	UR	IP	Government	1.97
1	1870 Senter Road GP03-07-09 changed to res by DDD.			47720133	157	0	50.0	No	UR	IP	Government	3.13
717	1960 Senter Road. SFR surrounded on 3 sides by multifamily affordable housing (Paseo Senter). In PDA and Tully Senter SNI.			47720030	11	0	50.0	No	UR	LI	Residential (one single-family)	0.23
447	North side E St. John approx 50 feet east of corner. Vacant next to vacant corner N 4th.			46720040	20	0	100.0	No	TR	CG	Vacant	0.20
448	Corner 4th & E St John. Vacant next to APN 48720040.			46720019	10	0	100.0	No	TR	CG	Vacant	0.10

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
786	955 Branham Lane PRE14-027 for 25 townhomes. Existing one-story day care facility.			45908088	30	0	25.0	No	MUN	A	Commercial	1.20
791	Ohlone LRT lot bounded by Chynoweth Ave., Terner Way, and SR 87.			45811020	75	0	100.0	No	TR	A	Government/ Transit Parking	0.75
251	2180 Canoas Garden Ave. Open Bible Faith Community Church built prior to annexation (pre-1978). One story commercial bldg .35 FAR. Max allow height 120 feet near LRT. In PDA.			45531008	14	0	50.0	No	UR	CO	Commercial used for Religious	0.27
175	2438 Almaden Road Corner site. Developed with commercial restaurant (Super Taqueria).			45525062	24	0	50.0	No	UR	CP	Commercial	0.47
125	1810 Almaden Rd btwn Canoas & SR 87. One of several parcels. Developed wih LI & HI uses.			45520057	23	0	50.0	No	UR	HI	Industrial Warehouse	0.45
124	Almaden Rd btwn Canoas & SR 87. One of several parcels.			45520056	22	0	50.0	No	UR	HI	Industrial	0.43
118	Almaden Rd btwn Canoas & SR 87. One of several parcels.			45520048	16	0	50.0	No	UR	HI	Industrial	0.32
115	Almaden Rd btwn Canoas & SR 87. One of several parcels.			45520047	17	0	50.0	No	UR	HI	Industrial	0.34
117	Almaden Rd btwn Canoas & SR 87. One of several parcels.			45520046	30	0	50.0	No	UR	HI	Industrial	0.60
116	Almaden Rd btwn Canoas & SR 87. One of several parcels.			45520045	39	0	50.0	No	UR	HI	Industrial	0.78
119	Almaden Rd btwn Canoas & SR 87. One of several parcels.			45520042	36	0	50.0	No	UR	HI	Industrial	0.72
123	Almaden Rd btwn Canoas & SR 87. One of several parcels.			45520038	11	0	50.0	No	UR	HI	Industrial	0.21
122	Almaden Rd btwn Canoas & SR 87. One of several parcels.			45520037	11	0	50.0	No	UR	HI	Industrial	0.21
120	Almaden Rd btwn Canoas & SR 87. One of several parcels.			45520036	11	0	50.0	No	UR	HI	Industrial	0.21
114	1860-1868 Almaden Rd btwn Canoas & SR 87. 1-story industrial warehouse. One of several parcels. Developed wih LI			45520029	30	0	50.0	No	UR	HI	Industrial Warehouse	0.59
54	1199 S 1st Street Washington SNI Autosales and repair, one story commercial FAR .10 Max allow height 320 feet. PDA next to APN 43408085. Code Case.			43408086	90	0	100.0	No	TR	CP	Commercial	0.90
53	1141 S 1st St. Lot used for wholesale used car sales next to APN 43408086 Wash SNI Max allow height 320 feet.			43408085	26	0	100.0	No	TR	CP	Commercial	0.26
52	1141 S 1st St. Lot used for wholesale used car sales next to APN 43408086 Washington SNI Max allow height 320 feet.			43408084	15	0	100.0	No	TR	CP	Commercial	0.15

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
51		1127 S 1st St. Lot used for wholesale used car sales next to APN 43408086 Washington SNI Max allow height 320 feet.		43408083	15	0	100.0	No	TR	CP	Commercial	0.15
331		935 S 1st St. NW corner Edwards Ave. 1-story Wiener Snitzel with surface parking in Washington SNI. Corner lot. 120 feet		26437075	39	0	100.0	No	TR	CP	Commercial	0.39
180		1369 Pedro St. SFR built in 1918 Next to APN 26407023 apts on Pedro.		26407071	11	0	25.0	No	MUN	A	Residential (one single-family)	0.47
179		963 Cinnabar SFR built 1900. Maximum allowable height 120 feet in Priority Development Area.		26103015	13	0	100.0	No	TR	LI	Residential (one single-family)	0.14
178		959 Cinnabar SFR built 1925. Max allowable hieght 120 feet in Priority Dev Area.		26103014	13	0	100.0	No	TR	LI	Residential (one single-family)	0.14
177		955 Cinnabar corner lot with SFR. Maximum allowable height 120 feet in Priority Dev Area.		26103013	6	0	100.0	No	TR	LI	Residential (one single-family)	0.07
182		433 N Morrison Ave SFR built 1900. Max height 120 feet in Priority Dev Area.		26103012	6	0	100.0	No	TR	LI	Residential (one single-family)	0.07
181		434 N Morrison Ave SFR built 1915. Maximum allowable height 120 feet in Priority Dev Area.		26103005	6	0	100.0	No	TR	LI	Residential (one single-family)	0.07
185		945 Cinnabar corner lot with SFR built 1905. Maximum allowable height 120 feet in Priority Dev Area.		26103004	8	0	100.0	No	TR	LI	Residential (one single-family)	0.09
184		927 Cinnabar SFR built 1918. Maximum allowable height 120 feet in Priority Development Area.		26103003	7	0	100.0	No	TR	LI	Residential (one single-family)	0.08
183		909 Cinnabar SFR built 1900. Maximum allowable height 120 feet in Priority Dev Area.		26103002	11	0	100.0	No	TR	LI	Residential (one single-family)	0.12
310		850 Cinnabar SFR built 1900, Max allowable height 120 feet, Priority Dev Area.		26101047	8	0	100.0	No	TR	LI	Residential (one single-family)	0.09
308		890 Cinnabar SFR built 1935. Max allowable height 120 feet Priority Dev Area.		26101045	8	0	100.0	No	TR	LI	Residential (one single-family)	0.09
309		870 Cinnabar SFR bungalow built 1900. Max allowable height 120 feet. Priority Dev Area.		26101046	8	0	100.0	No	TR	LI	Residential (one single-family)	0.09
307		910 Cinnebar SFR bungalow built 1924. Max allowable height 120 feet Priority Dev Area		26101044	8	0	100.0	No	TR	LI	Residential (one single-family)	0.09

Adequate Sites Inventory (2014-2022)

ID	Land Type*	Project Name	File Number	Tracking APN	Planned Units	Units Issued	Density	Affordable	General Plan**	Zoning***	Existing Use	Acres
154		967 North Capitol Ave. SFR built 1935. Near LRT. Max allow height 150 feet.		25429019	6	0	25.0	No	MUN	A	Residential (one single-family)	0.28
			Subtotal:		1104							
			Grand Net Total Planned Units:		35,117							
Abbreviations Legend												
*Land Type: DT= Downtown; ENT= Entitled; PC= Planned Community; UV= Urban Village; VAC= Vacant.												
**General Plan: CIC= Combined Industrial/Commercial; DT= Downtown; IP= Industrial Park; LH= Lower Hillside; MUC= Mixed Use Commercial;												
MUN= Mixed Use Neighborhood; NCC= Neighborhood/Community Commercial; OSPH= Open Space, Parklands and Habitat; PQP= Public/Quasi-Public;												
RN= Residential Neighborhood; RR= Rural Residential; TR= Transit Residential; UR= Urban Residential; UV= Urban Village.												
***Zoning: A= Agricultural; A(PD)= Planned Development; CG= Commercial General; CIC= Combined Industrial/Commercial; CN= Commercial Neighborhood;												
CO= Commercial Office; County= Unincorporated; CP= Commercial Pedestrian; DC= Downtown Core; DC-NT1= Downtown Core-Neighborhood Transition 1;												
HI= Heavy Industrial; IP= Industrial Park; Light Industrial; MS-C= Main Street Commercial; MS-G= Main Street Ground Floor Commercial; OS= Open Space;												
R-1-1= Single-Family Residence; R-1-2= Single-Family Residence; R-1-8= Single-Family Residence; R-1-RR= Single-Family Residence;												
R-2= Two-Family Residence; R-M= Multiple Residence.												

Appendix B: List of Housing Goals, Policies, and Actions

Appendix B: Housing Goals, Policies, and Actions

California law requires that general plans address seven topics or "elements," one of which is housing (Government Code section 65302). The *Envision San José 2040 General Plan* is an integrated general plan, with elements addressed throughout the document. As such, Appendix B summarizes the policies in the General Plan related to housing. However, due to the interrelated nature of the City's General Plan policies and their potentially complex influences, additional policies not included here may also contribute towards housing issues.

<u>Chapter 4: Quality of Life (Vibrant Neighborhoods)</u>

Goal VN-1 – Vibrant, Attractive, and Complete Neighborhoods

Develop new and preserve and enhance existing neighborhoods to be vibrant, attractive and complete.

Policies – Vibrant, Attractive, and Complete Neighborhoods

VN-1.1 Include services and facilities within each neighborhood to meet the daily needs of neighborhood residents with the goal that all San José residents be provided with the opportunity to live within a half mile walking distance of schools, parks and retail services.

VN-1.2 Maintain existing and develop new community services and gathering spaces that allow for increased social interaction of neighbors, (i.e., parks, community centers and gardens, libraries, schools, commercial areas, churches, and other gathering spaces).

VN-1.3 Encourage the development and maintenance of compatible neighborhood retail and services within walking distance of residences as a means to promote the creation of "complete" neighborhoods.

VN-1.4 Distribute neighborhood-oriented services and facilities equitably throughout the City's neighborhoods, to the extent feasible.

VN-1.5 Continue to work with neighborhoods on the planning and provision of City services and facilities to meet their specific needs.

VN-1.6 Design new development to contribute to the positive identity of a neighborhood and to encourage pedestrian activity.

VN-1.7 Use new development within neighborhoods to enhance the public realm, provide for direct and convenient pedestrian access, and visually connect to the surrounding neighborhood. As opportunities arise, improve existing development to meet these objectives as well.

VN-1.10 Promote the preservation of positive character-defining elements in neighborhoods, such as architecture; design elements like setbacks, heights, number of stories, or attached/detached garages; landscape features; street design; etc.

VN-1.11 Protect residential neighborhoods from the encroachment of incompatible activities or land uses which may have a negative impact on the residential living environment.

VN-1.12 Design new public and private development to build upon the vital character and desirable qualities of existing neighborhoods.

VN-1.13 Encourage the maintenance of private property within the city's neighborhoods. Actively enforce the City's codes related to blight.

Actions – Vibrant, Attractive, and Complete Neighborhoods

VN-1.14 Continue to work with community and neighborhood groups on the development and implementation of policies and initiatives to enhance community identity and to foster pride in the City's neighborhoods.

VN-1.15 Develop and implement policies, design guidelines and regulations to facilitate the development of compatible small scale neighborhood-serving retail in appropriate locations within or adjacent to existing neighborhoods.

VN-1.16 Develop and implement policies, design guidelines and regulations to promote the preservation of positive character-defining elements within neighborhoods.

Goal VN-2 – Community Empowerment

Empower communities to improve the quality of life in their neighborhoods.

Policies – Community Empowerment

VN-2.1 Proactively engage neighborhood groups in the decision-making process as a regular component of City government activities.

VN-2.2 Abide by the City's Community Outreach Policy and update the Policy, as needed, to reflect changing technology and improved techniques.

VN-2.3 Ensure that community members have the opportunity to provide input on the design of public and private development within their community.

Action – Community Empowerment

VN-2.4 Work with neighborhood and community leaders to educate them on the City's decision making processes and to empower them with the knowledge to participate in those processes.

Goal VN-3 – Access to Healthful Foods

Ensure that all residents have sufficient access to healthful food, as defined by the U.S. Department of Health and Human Services and the U.S. Department of Agriculture.

Policies – Access to Healthful Foods

VN-3.1 Encourage the location of full service grocery stores within or adjacent to neighborhoods with limited access to healthful foods with the goal that all San José residents be able to live within a half mile walking distance of a full service grocery store.

VN-3.4 Ensure that the Envision General Plan Land Use/Transportation Diagram continues to designate appropriate lands for full-service grocery stores in low-income and nutrition deficient neighborhoods.

VN-3.5 Encourage the location of healthful food retail, including farmers markets, in neighborhoods with high concentrations of fast food outlets compared to full service grocery stores and fresh produce markets.

Actions – Access to Healthful Foods

VN-3.7 Collaborate with the Santa Clara County Public Health Department to measure the accessibility of healthful foods by neighborhood including both the percentage of residents living near full-service grocery stores or fresh produce markets and the relative concentration of fast food restaurants and convenience stores to healthful food retailers. Use this data to identify nutrition deficient neighborhoods in the City.

VN-3.8 Collaborate with the Santa Clara County Public Health Department and the non-profit health sector to develop an economic development strategy to attract full-service grocery stores, fresh produce markets, and other healthful food retailers to low-income and nutrition deficient neighborhoods in the City. Also work collaboratively to develop an economic development strategy to attract healthful food options near schools.

VN-3.9 Collaborate with the Santa Clara County Public Health Department and the non-profit health sector to explore the potential to develop an incentive program to encourage existing liquor stores, neighborhood markets or convenience stores in nutrition deficient neighborhoods to sell fresh fruits and vegetables. Incentives could include, but are not

limited to increases in density, reductions in parking requirements, or grants to purchase refrigeration units or other equipment necessary to sell fresh produce.

VN-3.10 Identify potential new locations for farmers' markets in low-income and nutrition deficient neighborhoods, including joint use opportunities on publicly owned land.

<u>Chapter 4: Quality of Life (Community Design)</u>

Goal CD-1 – Attractive City

Create a well-designed, unique, and vibrant public realm with appropriate uses and facilities to maximize pedestrian activity; support community interaction; and attract residents, business, and visitors to San José.

Policies – Attractive City

CD-1.1 Require the highest standards of architectural and site design, and apply strong design controls for all development projects, both public and private, for the enhancement and development of community character and for the proper transition between areas with different types of land uses.

CD-1.3 Further the Major Strategies of this Plan to focus growth in appropriate locations; design complete streets for people; promote Grand Boulevards, Main Streets, and Downtown; support transit; and foster a healthful community.

CD-1.13 Use design review to encourage creative, high-quality, innovative, and distinctive architecture that helps to create unique, vibrant places that are both desirable urban places to live, work, and play and that lead to competitive advantages over other regions.

CD-1.14 Use the Urban Village Planning process to establish standards for their architecture, height, and massing.

Goal CD-2 – Function

Create integrated public and private areas and uses that work together to support businesses and to promote pedestrian activity and multi-modal transportation.

Policies – Function

CD-2.4 Incorporate public spaces (squares, plazas, etc.) into private developments to encourage social interaction, particularly where such spaces promote symbiotic relationships between businesses, residents, and visitors.

CD-2.10 Recognize that finite land area exists for development and that density supports retail vitality and transit ridership. Use land use regulations to require compact, low-impact development that efficiently uses land planned for growth, especially for residential

development which tends to have a long life-span. Strongly discourage small-lot and single-family detached residential product types in Growth Areas.

Goal CD-3 – Connections

Maintain a network of publicly accessible streets and pathways that are safe and convenient for walking and bicycling and minimize automobile use; that encourage social interaction; and that increase pedestrian activity, multi-modal transit use, environmental sustainability, economic growth, and public health.

Policies – Connections

CD-3.6 Encourage a street grid with lengths of 600 feet or less to facilitate walking and biking. Use design techniques such as multiple building entrances and pedestrian paseos to improve pedestrian and bicycle connections.

CD-3.7 Encourage development to maximize pedestrian, bicycle, and vehicular connections to adjacent existing and planned neighborhoods and community facilities. Use cul-de-sacs only when no current or future options exist to connect one area to another, or if such design would help preclude development from extending to areas where it is not planned.

CD-3.8 Provide direct access from developments to adjacent parks or open spaces, and encourage residential development to provide common open space contiguous to such areas.

CD-3.9 Minimize driveway entrances to enhance pedestrian safety and decrease the area of paved surfaces. Encourage shared vehicular access points that serve multiple uses and/or parcels, including shared access for commercial and residential uses. Avoid driveways that break up continuous commercial building frontages. Position vehicular access to minimize negative impacts to aesthetics and to pedestrian and bicycle safety.

CD-3.10 Increase neighborhood connectivity in new development by providing access across natural barriers (e.g., rivers) and man-made barriers (e.g., freeways).

CD-3.11 Encourage new development to connect with the surrounding community and continue the existing street grid to integrate with the neighborhood.

Goal CD-4 – Compatibility

Provide aesthetically pleasing streetscapes and new development that preserves and builds on the unique characteristics of the local area and contributes to a distinctive neighborhood or community identity.

Policies – Compatibility

CD-4.1 Maintain and update design guidelines adopted by the City and abide by them in the development of projects.

CD-4.2 Develop and propose for City Council or Commission approval development review policies to address specific land uses, structures, development types, or other urban design factors that would benefit from more specific criteria than those identified in this Plan.

CD-4.3 Promote consistent development patterns along streets, particularly in how buildings relate to the street, to promote a sense of visual order, and to provide attractive streetscapes.

CD-4.4 In non-growth areas, design new development and subdivisions to reflect the character of predominant existing development of the same type in the surrounding area through the regulation of lot size, street frontage, height, building scale, siting/setbacks, and building orientation.

CD-4.5 For new development in transition areas between identified Growth Areas and non-growth areas, use a combination of building setbacks, building step-backs, materials, building orientation, landscaping, and other design techniques to provide a consistent streetscape that buffers lower-intensity areas from higher intensity areas and that reduces potential shade, shadow, massing, viewshed, or other land use compatibility concerns.

CD-4.9 For development subject to design review, ensure the design of new or remodeled structures is consistent or complementary with the surrounding neighborhood fabric (including but not limited to prevalent building scale, building materials, and orientation of structures to the street).

CD-4.10 When development is proposed adjacent to existing or planned parks or along park chains, include frontage roads along the public park in that development in order to maximize access to park lands, to provide separation between urban land uses and park lands without the use of "back-up" design, and to maximize public exposure and view of park lands for scenic and security purposes.

CD-4.11 Accomplish sound attenuation for development along City streets through the use of setbacks and building design rather than sound attenuation walls. When sound attenuation walls are located adjacent to expressways or freeways, or railroad lines, landscaping, public art, and/or an aesthetically pleasing and visually interesting design should be used to minimize visual impacts.

CD-4.12 For structures other than buildings, and including structures on top of buildings, such as solar panels, other energy-saving or generating devices, roof landscaping, steeples, bell towers, and wireless communication antennae, where substantial height is intrinsic to the function of the structures, consider heights above those established for structures in the area. Locate such structures to minimize public visibility and avoid significant adverse effects on adjacent properties. Incorporate visual amenities, such as landscaping, to offset potential adverse visual impacts.

Actions - Compatibility

CD-4.13 Review and revise height limitations in the Zoning Ordinance to provide appropriate height limitations for various locations within San José consistent with the land use objectives of this Plan.

Goal CD-5 – Community Health, Safety, and Wellness

Create great public places where the built environment creates attractive and vibrant spaces, provides a safe and healthful setting, fosters interaction among community members, and improves quality of life.

Policies – Community Health, Safety, and Wellness

CD-5.1 Design areas to promote pedestrian and bicycle movements, to facilitate interaction between community members, and to strengthen the sense of community.

CD-5.2 Foster a culture of walking by designing walkable urban spaces; strategically locating jobs, residences and commercial amenities; providing incentives for alternative commute modes; and partnering with community groups and health services organizations to promote healthful life-styles for San José residents.

CD-5.3 Promote crime prevention through site and building designs that facilitate surveillance of communities by putting "eyes on the street." Design sites and buildings to promote visual and physical access to parks and open space areas. Support safe, accessible, and well-used public open spaces by orienting active use areas and building facades towards them.

CD-5.5 Include design elements during the development review process that address security, aesthetics and safety. Safety issues include, but are not limited to, minimum clearances around buildings, fire protection measures such as peak load water requirements, construction techniques, and minimum standards for vehicular and pedestrian facilities and other standards set forth in local, state, and federal regulations.

CD-5.9 To promote safety and to minimize noise and vibration impacts in residential and working environments, design development that is proposed adjacent to railroad lines to provide the maximum separation feasible between the rail line and dwelling units, yards or common open space areas, offices and other job locations, facilities for the storage of toxic or explosive materials, and the like. To the extent possible, devote areas of development closest to an adjacent railroad line to use as parking lots, public streets, peripheral landscaping, the storage of non-hazardous materials and so forth. In industrial facilities, where the primary function is the production, processing or storage of hazardous materials, for new development follow the setback guidelines and other protective measures called for in the City's Industrial Design Guidelines when such facilities are to be located adjacent to or near a main railroad line.

Goal CD-6 – Downtown Urban Design

Promote and achieve the Downtown's full potential as a regional destination and diverse cultural, recreational, civic, and employment center through distinctive and high-quality design.

Policies – Downtown Urban Design

CD-6.1 Recognize Downtown as the most vibrant urban area of San José and maximize development potential and overall density within the Downtown.

CD-6.2 Design new development with a scale, quality, and character to strengthen Downtown's status as a major urban center.

CD-6.3 Design publicly-accessible and welcoming areas, allow easy access and facilitate movement of pedestrians and bicyclists throughout the Downtown, and provide strong physical and visual connections across potential barriers (i.e., roadways and creeks). Promote Downtown as a focal point for community activity (e.g., festivals, parades, etc.) for the entire City.

CD-6.4 Design quality publicly-accessible open spaces at appropriate locations that enhance the pedestrian experience and attract people to the Downtown. Use appropriate design, scale, and edge treatment to define, and create publicly accessible spaces that positively contribute to the character of the area and provide public access to community gathering, recreational, artistic, cultural, or natural amenities.

CD-6.5 Promote iconic architecture and encourage and incorporate innovative, varied, and dynamic design features (e.g., appearance, function, sustainability aspects) into sites, buildings, art, streetscapes, landscapes, and signage to make Downtown visually exciting and to attract residents and visitors.

Goal CD-7 – Urban Villages Design

Create thriving, attractive Urban Villages that reflect unique urban characteristics of an area and provide complete neighborhoods for residents, workers, and visitors.

Policies – Urban Villages Design

CD-7.1 Support intensive development and uses within Urban Villages, while ensuring an appropriate interface with lower-intensity development in surrounding areas and the protection of appropriate historic resources.

CD-7.2 Designated Urban Villages should not proceed with residential development until an Urban Village Plan has been completed. Residential development that is purely ancillary to a primary employment use, such as penthouse residences in an office building, may be considered in advance of an Urban Village Plan. "Signature" projects, and other types of development expressly allowed in accordance with Envision General Plan policies may proceed prior to acceptance or approval of the Urban Village Plan.

CD-7.3 Review development proposed within an Urban Village Area prior to approval of an Urban Village Plan for consistency with any applicable design policies pertaining to the proposed use. Review proposed mixed-use projects that include residential units for consistency with the Design Policies for Urban Villages. Following adoption of an Urban Village Plan, review new development for consistency with design polices included within the Urban Village Plan as well as for consistency with any other applicable design policies.

CD-7.4 Identify a vision for urban design character consistent with development standards, including but not limited to building scale, relationship to the street, and setbacks, as part of the Urban Village planning process. Accommodate all planned employment and housing growth capacity within each Urban Village and consider how to accommodate projected employment growth demand by sector in each respective Urban Village Plan.

CD-7.6 Incorporate a full range of uses in each Urban Village Plan to address daily needs of residents, businesses, and visitors in the area. Consider retail, parks, school, libraries, day care, entertainment, plazas, public gathering space, private community gathering facilities, and other neighborhood-serving uses as part of the Urban Village planning process. Encourage multi-use spaces wherever possible to increase flexibility and responsiveness to community needs over time.

CD-7.9 Build new residential development within Urban Village areas at a minimum of four stories in height with the exception that a single row of 2-3 story development, such as townhouses, should be used when building new residential development immediately adjacent to single-family residential sites that have a Residential Neighborhood designation.

Action – Urban Villages Design

CD-7.10 As described in the Implementation Chapter, develop Urban Village Plans in cooperation with the nearby community and obtain San José City Council acceptance or approval of the plans prior to issuance of land use entitlements for any new residential development within designated Urban Villages Area Boundaries. Residential uses that are purely ancillary to primary employment uses, "Signature" projects, and other types of development expressly allowed in accordance with Envision General Plan policies may proceed prior to acceptance or approval of the Urban Village Plan.

Goal CD-8 – Building Height

Regulate the height of new development to avoid adverse land use incompatibility while providing maximum opportunity for the achievement of the Envision General Plan goals for economic development and the provision of new housing within the identified Growth Areas.

Policies – Building Height

CD-8.1 Ensure new development is consistent with specific height limits established within the City's Zoning Ordinance and applied through the zoning designation for properties

throughout the City. Land use designations in the Land Use/Transportation Diagram provide an indication of the typical number of stories expected for new development; however, specific height limitations for buildings and structures in San José are not identified in the Envision General Plan.

CD-8.2 Consider the Envision General Plan Community Design Goals, Policies and Implementation Actions, which provide guidance for the appropriate regulation of building heights to be implemented through the Zoning Ordinance.

CD-8.3 While the height of new development should be regulated to avoid long-term land use incompatibilities, ensure proposed Zoning Ordinance changes establish adequate maximum building heights to allow full build-out of the planned job and housing growth capacity within each of the identified Growth Areas.

Chapter 4: Quality of Life (Housing)

Goal H-1 Housing – Social Equity and Diversity

Provide housing throughout our City in a range of residential densities, especially at higher densities, and product types, including rental and for-sale housing, to address the needs of an economically, demographically, and culturally diverse population.

Policies – Housing – Social Equity and Diversity

H-1.1 Through the development of new housing and the rehabilitation of existing housing, facilitate the creation of economically, culturally, and demographically diverse and integrated communities.

H-1.2 Facilitate the provision of housing sites and structures across location, type, price and status as rental or ownership that respond to the needs of all economic and demographic segments of the community including seniors, families, the homeless and individuals with special needs.

H-1.3 Create housing opportunities and accessible living environments that allow seniors to age in place, either in the same home, assisted living facilities, continuing care facilities, or other housing types within the same community.

H-1.4 Encourage the location of housing designed for senior citizens in neighborhoods where health and community facilities and services are within a reasonable walking distance and are accessible by public transportation.

H-1.5 Facilitate the development of multi-generational housing in compact form that meets the needs of families living together.

H-1.6 Foster the production of housing to serve the "starter" housing market by leveraging financial resources such as purchasing assistance programs and by encouraging market-rate building typologies that serve the "starter" housing market.

H-1.7 Comply with State and Federal laws prohibiting discrimination in housing and that support fair and equal access to housing.

H-1.8 Encourage investments in infrastructure in order to maintain high-quality living environments in existing mobile home parks.

H-1.9 Facilitate the development of housing to meet San José's fair share of the County's and region's housing needs.

Actions – Housing – Social Equity and Diversity

H-1.10 Develop a program to promote the "starter" housing market that leverages all financial resources and facilitates production of "starter" housing.

H-1.11 Continue to work in close cooperation with other entities, public, private and non-profits, to foster information, techniques, and policies to achieve the Housing Goals, Policies, and Implementation Actions in this Plan and make such information readily available.

H-1.12 Continue to partner with local agencies, non-profits, and businesses to provide fair housing information, legal services, foreclosure prevention assistance, and anti-predatory lending assistance.

H-1.13 Continue to monitor and participate in anti-predatory lending practices by partnering with local agencies.

Goal H-2 – Affordable Housing

Increase, preserve and improve San José's affordable housing stock.

Policies – Affordable Housing

H-2.1 Facilitate the production of extremely low-, very low-, low-, and moderate-income housing by maximizing use of appropriate policies and financial resources at the federal, state, and local levels; and various other programs.

H-2.2 Integrate affordable housing in identified growth locations and where other housing opportunities may exist, consistent with the Envision General Plan.

H-2.3 Conserve viable housing stock through a balanced combination of housing code enforcement and complementary programs such as rehabilitation loans and grants to help maintain the supply of low-priced housing.

H-2.4 Allow affordable residential development at densities beyond the maximum density allowed under an existing Land Use/Transportation Diagram designation, consistent with the minimum requirements of the State Density Bonus Law (Government Code Section 65915) and local ordinances.

H-2.5 Facilitate second units on single-family residential lots, in conformance with our City's Secondary Unit Ordinance, to take advantage of a potential source of affordable housing and to assist our City in meeting its needs as identified in its Consolidated Plan.

H-2.6 Evaluate and incorporate, if feasible, an affordable housing component in the preparation of specific plans, master plans, or strategy plans that include plans for housing.

H-2.7 Support strategies in collaboration with other jurisdictions and agencies to end homelessness by creating permanent housing solutions combined with services such as medical, education, and job placement.

Actions – Affordable Housing

H-2.8 Coordinate and implement housing policies and goals contained in the City's Consolidated Plan, and its 5-Year Investment Plan.

H-2.9 Explore revisions to our City's Secondary Unit Ordinance that further support the provision of affordable housing and help achieve needs identified in its Consolidated Plan.

H-2.10 Update the City's dispersion policy: 1) to align the location of future affordable housing developments with planned future Growth Areas identified in the Envision General Plan; 2) to be consistent with the City's inclusionary housing ordinance; 3) to maximize the access of transit, retail, services, and amenities to affordable housing developments; and 4) to reemphasize the support for integration and complete communities.

H-2.11 Seek permanent sources of affordable housing funds.

H-2.12 Maintain our City's Inclusionary Housing Policy and Ordinance, and provide technical assistance to the development community to ensure that residential projects conform to it.

H-2.13 Support State and federal regulations that preserve "at-risk" subsidized rental units subject to potential conversion to market rate rents and that will encourage equitable and fair policies that protect tenant and owner rights.

H-2.14 Support legislation at the State and Federal levels that: (1) facilitates private and/or public sector investment in housing affordable to households of extremely-low, very low-, low- and moderate-income; (2) provides for the greatest local autonomy in the administration of State and Federal housing programs; and (3) furthers the City's objective of conserving and rehabilitating the existing housing stock.

H-2.15 Create and maintain a list of sites that are appropriate for meeting our City's affordable housing needs.

Goal H-3 Housing – High Quality Housing and Great Places

Create and maintain safe and high quality housing that contributes to the creation of great neighborhoods and great places.

Policies – High Quality Housing and Great Places

H-3.1 Require the development of housing that incorporates the highest possible level of amenities, fit and finish, urban design and architectural quality.

H-3.2 Design high density residential and mixed residential/commercial development, particularly development located in identified Growth Areas, to:

1. Create and maintain safe and pleasant walking environments to encourage pedestrian activity, particularly to the nearest transit stop and to retail, services, and amenities.
2. Maximize transit usage.
3. Allow residents to conduct routine errands close to their residence, especially by walking, biking, or transit.
4. Integrate with surrounding uses to become a part of the neighborhood rather than being an isolated project.
5. Use architectural elements or themes from the surrounding neighborhood when appropriate.
6. Provide residents with access to adequate on- or off-site open space.
7. Create a building scale that does not overwhelm the neighborhood.
8. Be usable by people of all ages, abilities, and needs to the greatest extent possible, without the need for adaptation or specialized design.

H-3.3 Situate housing in an environment that promotes the health, safety, and wellbeing of the occupants and is close to services and amenities.

H-3.4 Promote the conservation and rehabilitation of existing viable housing stock.

H-3.5 Prioritize housing resources to assist those groups most in need, or to those geographic locations in the City that most require investment in order to improve neighborhood blight conditions.

H-3.6 Regulate conversions of rental apartments to condominium or community apartment projects to meet public health and safety standards and to assist displaced renters. Residential rentals undergoing conversion should meet or exceed the minimum residential density in this Plan.

Action – High Quality Housing and Great Places

H-3.7 Coordinate across multiple City departments to achieve the City's vision for creating complete, safe, high-quality living environments.

Goal H-4 Housing - Environmental Sustainability

Provide housing that minimizes the consumption of natural resources and advances our City's fiscal, climate change, and environmental goals.

Policies – Housing - Environmental Sustainability

H-4.1 Implement green building principles in the design and construction of housing and related infrastructure, in conformance with the Green Building Goals and Policies in the Envision General Plan and in conformance with the City's Green Building Ordinance.

H-4.2 Minimize housing's contribution to greenhouse gas emissions, and locate housing, consistent with our City's land use and transportation goals and policies, to reduce vehicle miles traveled and auto dependency.

H-4.3 Encourage the development of higher residential densities in complete, mixed use, walkable and bikeable communities to reduce energy use and greenhouse gas emissions.

<u>Chapter 6: Land Use and Transportation (Land Use Policies)</u>

Goal LU-2 – Growth Areas

Focus new growth into identified Growth Areas to protect the quality of existing neighborhoods, while establishing new mixed use neighborhoods with a compact and dense form that is attractive to the City's projected demographics i.e., a young and senior population, and that supports walking, provides opportunities to incorporate retail and other services in a mixed-use format, and facilitates transit use.

Policies – Growth Areas

LU-2.1 Provide significant job and housing growth capacity within strategically identified "Growth Areas" in order to maximize use of existing or planned infrastructure (including fixed transit facilities), minimize the environmental impacts of new development, provide for more efficient delivery of City services, and foster the development of more vibrant, walkable urban settings.

LU-2.2 Include within the Envision General Plan Land Use / Transportation Diagram significant job and housing growth capacity within the following identified Growth Areas:

- Downtown – The City's Downtown Strategy plans for ambitious job and housing growth capacity in the Downtown area to reinforce its role as San Jose's civic, cultural and symbolic center and to support key infrastructure investments, including the planned BART and High-Speed Rail systems.

- Specific Plan Areas – The City's Specific Plans provide significant residential growth capacity and opportunities for mixed-use development. Alviso Master Plan and Rincon South Specific Plan areas also include significant amounts of planned job growth. The Water Pollution Control Plant lands, currently undergoing a separate master planning process, have been identified as a significant opportunity within the

City to add new employment land areas, and in particular to provide an opportunity for new light industry or manufacturing activity jobs.

- North San José – Because of its importance as a job center, access to transit facilities and proximity to the San José Mineta International Airport, the North San José Area is planned to accommodate up to 100,000 new jobs and 32,000 new housing units. The North San José Area Development Policy includes a phasing plan and a Traffic Impact Fee which link job and housing growth and provide funding for transportation improvements. The North San José Neighborhoods Plan and North San José Urban Design Guidelines provide additional guidance for the development of this City region.

- Employment Lands – The Plan supports significant intensification of employment activity within each of the City's major employment districts (North San José, Monterey Corridor, Edenvale, Berryessa / International Business Park, Mabury, East Gish and Senter Road and North Coyote Valley). Within the North San José, Berryessa / International Business Park and Old Edenvale areas, a centralized sub-area with strong transit access has been designated as an Employment Center to support mid-rise or high-rise employment development. The Employment Center in the northeast corner of the Berryessa / International Business Park area is also classified as a BART station area due to its proximity to the planned Milpitas BART station and existing Capitol Avenue Light Rail stations.

- Urban Villages: BART / Caltrain Station Areas – To maximize utilization of the Caltrain and BART systems, support regional commuting and foster the City's growth as a regional job center, significant new job growth capacity is planned for the each of the BART / Caltrain Urban Villages. Significant job and housing growth capacity is planned for the Berrryessa BART station area in order to support intensification of the station area as a regional employment destination and to achieve a level of density consistent with that planned for other BART and Light Rail station areas.

- Urban Villages: Transit / Commercial Corridors – A large and balanced amount of job and housing growth capacity is planned for the Transit / Commercial Corridor Urban Villages with the goal to maximize the opportunity for creating new mixed-use Urban Villages in these areas. While the BART area job capacity is planned primarily for mid-rise and high-rise offices, the Light Rail Urban Villages provide more opportunity for retail and service jobs that benefit from close proximity to residential use. Although the BART system serves as a regional transit line that brings workers from throughout the region to employment centers within San José, the light rail system is more appropriate for shorter commute trips and is also less likely to generate land use compatibility concerns. Accordingly, it is appropriate to include more residential and retail growth capacity along the light rail system. The Oakridge Mall Light Rail station area is particularly of interest because of its size and high level of unrealized potential to support a walkable, mixed-use community owing to the amount and diversity of established commercial uses and other services already located within the area.

- Urban Villages: Commercial Centers – While Commercial Center Urban Villages are less directly connected to transit, they contain large parcels which may have greater potential for redevelopment and are generally located in areas with a high degree of accessibility which is advantageous for intensified commercial development. Providing residential growth capacity in the Commercial Center Urban Villages is a potential catalyst for spurring the redevelopment and enhancement of existing commercial uses while also transforming them into Urban Village type environments. At the same time, their typically more suburban settings may create some challenge to such revitalization. The Commercial Center Urban Villages, with closer proximity to other Growth Areas and transit (e.g., North Bascom Avenue between West San Carlos and Southwest Expressway) or in proximity to established, more intense uses (e.g., De Anza Blvd.), may have greater near-term potential for transformation into Urban Village settings. A modest and balanced amount of new housing and job growth capacity is planned for the Commercial Center Urban Villages in order to support their intensification as both employment and housing centers, while also recognizing that transit-oriented sites should be given the greatest priority for locating new growth.

- Urban Villages: Neighborhood Urban Villages – To support the Envision General Plan goal of providing broad access to mixed-use Urban Villages for all areas of the City through the development of Neighborhood Urban Villages, while also accommodating the Envision General Plan's strong jobs orientation, a small amount of housing growth capacity and a modest amount of job growth capacity is planned for Neighborhood Urban Village areas. Without more housing growth, it will be difficult to significantly enhance existing retail and service uses in Neighborhood Urban Village areas. It also will likely be difficult to attract Driving Industry type jobs to these locations given their relatively small scale and separation from other employment areas.

LU-2.3 To support the intensification of identified Growth Areas, and to achieve the various goals related to their development throughout the City, restrict new development on properties in non-Growth Areas.

Action – Growth Areas

LU-2.4 To accomplish the planned intensification of employment and residential uses at the Berryessa BART station, reconsider existing entitlements to expand the area planned for employment uses and to increase the density of employment and residential areas within the BART Station Village area if the developer / property owner has not accomplished significant infrastructure improvements on the respective side of Berryessa Road within 5 years of the adoption of the Plan.

Goal LU-3 – Downtown

Strengthen Downtown as a regional job, entertainment, and cultural destination and as the symbolic heart of San José.

Policies – Downtown

LU-3.1 Provide maximum flexibility in mixing uses throughout the Downtown Area. Support intensive employment, entertainment, cultural, public/quasi-public, and residential uses in compact, intensive forms to maximize social interaction; to serve as a focal point for residents, businesses, and visitors; and to further the Vision of the Envision General Plan.

Goal LU-9 – High-Quality Living Environments

Provide high quality living environments for San José's residents.

Policies – High-Quality Living Environments

LU-9.1 Create a pedestrian-friendly environment by connecting new residential development with safe, convenient, accessible, and pleasant pedestrian facilities. Provide such connections between new development, its adjoining neighborhood, transit access points, schools, parks, and nearby commercial areas. Consistent with Transportation Policy TR-2.11, prohibit the development of new cul-de-sacs, unless it is the only feasible means of providing access to a property or properties, or gated communities, that do not provide through- and publicly-accessible bicycle and pedestrian connections.

LU-9.2 Facilitate the development of complete neighborhoods by allowing appropriate commercial uses within or adjacent to residential and mixed-use neighborhoods.

LU-9.3 Integrate housing development with our City's transportation system, including transit, roads, and bicycle and pedestrian facilities.

LU-9.4 Prohibit residential development in areas with identified hazards to human habitation unless these hazards are adequately mitigated.

LU-9.5 Require that new residential development be designed to protect residents from potential conflicts with adjacent land uses.

LU-9.6 Require residential developments to include adequate open spaces in either private or common areas to partially provide for residents' open space and recreation needs.

LU-9.7 Ensure that new residential development does not impact the viability of adjacent employment uses that are consistent with the Envision General Plan Land Use / Transportation Diagram.

LU-9.8 When changes in residential densities in established neighborhoods are proposed, the City shall consider such factors as neighborhood character and identity; historic preservation; compatibility of land uses and impacts on livability; impacts on services and facilities, including schools, to the extent permitted by law; accessibility to transit facilities; and impacts on traffic levels on both neighborhood streets and major thoroughfares.

LU-9.9 In areas designated for residential use, allow parking facilities to serve adjacent nonresidential uses if such parking facilities are integrated with the non-residential use, adequately landscaped, and buffered.

LU-9.10 Discourage substantial expansion of existing nonresidential uses (e.g., major structural improvements or expansions) that are incompatible with residential uses on properties designated for residential use.

LU-9.11 Design single-family and duplex residential development with limited vehicular access to arterial streets as follows:

- No direct vehicular access on six lane arterials or within 350 feet of the intersection of two arterials.
- No direct vehicular access on four lane arterials.
- The use of frontage roads, corner lots, or other street design solutions for vehicular access is encouraged.
- Exceptions may only be made when there are no other feasible alternatives for providing access to the residential development.

LU-9.12 Consider location of bed and breakfast inns on properties designated for residential land use, regardless of density, provided that impacts on the surrounding neighborhood can be satisfactorily mitigated.

LU-9.13 Equitably distribute residential social service programs (e.g., board and care facilities) throughout the City, especially in areas with access to transit, rather than concentrating them in a few areas. Encourage the County and other social service licensing agencies to recognize and implement this policy.

LU-9.14 Allow small residential care and service facilities, supportive housing, and transitional housing for up to six persons, in residential neighborhoods of any density. Encourage facilities for more than six persons to locate in areas with access to transit, retail, services, and other amenities.

LU-9.15 New single-family flag lots may be appropriate on hillside properties but are discouraged within other parts of the City. Flag lot development in non-hillside areas should have a clear and visible relationship to the neighborhood and the street and should be consistent with the applicable Zoning district which can assure that relationship. To strengthen neighborhood preservation policies and objectives of this plan, the City Council has adopted a policy establishing criteria for the use of flag lots.

LU-9.16 Do not locate freestanding communications structures such as towers, antennae and monopoles on sites designated for residential land use unless such sites are occupied by a PG&E substation or corridor for high-tension lines exceeding 200 KV.

LU-9.17 Limit residential development in established neighborhoods that are not identified growth areas to projects that conform to the site's Land Use / Transportation Diagram designation and meet Urban Design policies in this Plan.

LU-9.18 Consider Fiscal Sustainability; Historic Preservation; Urban Design; and Parks, Recreation, and Open Space Goals, Policies, and Implementation Actions in this Plan when reviewing new residential development.

Goal LU-10 – Efficient Use of Residential and Mixed-Use Lands

Meet the housing needs of existing and future residents by fully and efficiently utilizing lands planned for residential and mixed-use and by maximizing housing opportunities in locations within a half mile of transit, with good access to employment areas, neighborhood services, and public facilities.

Policies – Efficient Use of Residential and Mixed-Use Lands

LU-10.1 Develop land use plans and implementation tools that result in the construction of mixed-use development in appropriate places throughout the City as a means to establish walkable, complete communities.

LU-10.2 Distribute higher residential densities throughout our city in identified growth areas and facilitate the development of residences in mixed-use development within these growth areas.

LU-10.3 Develop residentially- and mixed-use-designated lands adjacent to major transit facilities at high densities to reduce motor vehicle travel by encouraging the use of public transit.

LU-10.4 Within identified growth areas, develop residential projects at densities sufficient to support neighborhood retail in walkable, main street type development.

LU-10.5 Facilitate the development of housing close to jobs to provide residents with the opportunity to live and work in the same community.

LU-10.6 In identified growth areas, do not approve decreases in residential density through zoning change or development entitlement applications or through General Plan amendments.

LU-10.7 Encourage consolidation of parcels to promote mixed-use and high density development at locations identified in the Land use / Transportation Diagram.

LU-10.8 Encourage the location of schools, private community gathering facilities, and other public / quasi-public uses within or adjacent to Urban Villages and other growth areas and encourage these uses to be developed in an urban form and in a mixed-use configuration.

Actions – Efficient Use of Residential and Mixed-Use Lands

LU-10.9 Model the federal Interagency Partnership for Sustainable Communities (HUDDOT-EPA) at the local level between Housing and other City Departments to facilitate the creation of smart growth communities.

LU-10.10 Achieve 75% of residents who can access 25% of their retail/service needs within a 20-minute walk and 50% of residents who can access 50% of their retail/service needs within a 20-minute walk.

Goal LU-11 – Residential Neighborhoods

Regulate the urban form, architectural quality and contextual compatibility of new construction and uses within the City's varied residential neighborhoods to promote a residential neighborhood environment conducive to a high quality of life for neighborhood residents and visitors.

Policies – Residential Neighborhoods

LU-11.1 Design all new single-family detached residences so that each home has a frontage on a public street or on a private street that appears and functions as a public street.

LU-11.2 Support subdivisions of residential lots if the new lots reflect the established pattern of development in the immediate area, including lot sizes and street frontages. Discourage residential developments, such as courthomes or flag lots, that increase residential densities for an area or disrupt an established neighborhood pattern. Allow new development of a parcel, including one to be subdivided, to match the existing number of units on that parcel; design such subdivisions to be compatible with and, to the degree feasible, consistent with the form of the surrounding neighborhood pattern. Consider allowing secondary units (granny or in-law units) in lieu of creating flag lots, substandard lots, or parcels that disrupt an established neighborhood pattern.

LU-11.3 Direct all significant new residential growth to identified Growth Areas to further the environmental, transit, healthy community, and other Envision General Plan objectives. Limit infill development within areas designated as Residential Neighborhood on the Land Use / Transportation Diagram to projects that maintain the prevailing neighborhood form and density as it exists on adjoining properties, with particular emphasis upon establishing and/or maintaining a consistent streetscape form between new and existing development.

LU-11.4 Locate new commercial uses in established residential neighborhoods on busier streets or at street intersections. Discourage new commercial uses on small existing residential streets unless it can be clearly demonstrated that the commercial use can integrate with the existing residential neighborhood without creating adverse impacts. Discourage primary access to large commercial parking lots and structures through residential neighborhoods.

LU-11.5 Integrate new and existing neighborhoods and facilitate movement throughout the City by connecting streets and particularly by providing pedestrian and bicycle cross-access connections. Integrate new infill development into the existing neighborhood pattern, continuing, and where applicable extending or completing, the existing street network.

LU-11.6 For new infill development, match the typical lot size and building form of any adjacent development, with particular emphasis given to maintaining consistency with other

development that fronts onto a public street to be shared by the proposed new project. As an exception, for parcels already developed with more than one dwelling unit, new development may include up to the same number of dwelling units as the existing condition. The form of such new development should be compatible with and, to the degree feasible, consistent with the form of the surrounding neighborhood pattern.

LU-11.7 Permit new development to establish a unique character as defined by density, lot size and shape only in cases where the new development is completely separated from existing neighborhoods by freeways, major expressways, or a riparian corridor or other similar barrier.

Action – Residential Neighborhoods

LU-11.8 Rezone Residential Neighborhood areas with existing non-conforming zoning designations to align with the Envision General Plan, taking existing uses into consideration. For areas where the Residential Neighborhood designation supports the development of duplexes or commercial uses, a corresponding residential zoning designation that supports duplexes and/or commercial uses is appropriate. For areas where the Residential Neighborhood designation supports the development of single-family residences, a corresponding residential zoning designation that supports single-family use is appropriate. Give priority for such rezoning actions to areas with an existing neighborhood or community plan that identifies rezoning as a community goal.

<u>Chapter 7: Implementation</u>

Goal IP-2 – General Plan Phasing / Planning Horizons / Major Review

Monitor progress toward General Plan Vision, goals and policies through a periodic Major Review. Evaluate the success of the Envision General Plan's implementation and consider refinement of the Land Use / Transportation Diagram and the Envision General Plan policies to ensure their achievement. Use General Plan Major Reviews to consider increases in available residential development capacity by opening an additional Horizon for development and to assign priority to growth areas within San José for new housing.

Policies – General Plan Phasing / Planning Horizons / Major Review

IP-2.1 Gradually implement the development of new Urban Village areas by dividing them into three Plan Horizons and allowing a specific portion of the Urban Village areas to be developed within each Horizon. Identify the locations of current Plan Horizon Urban Villages, presently available for residential development, on the Land Use / Transportation Diagram.

IP-2.2 Identify the Urban Villages to be made available for new housing in future Plan Horizons, and allow continued commercial and mixed use non-residential development in all Urban Villages.

IP-2.3 Prepare Urban Village Plans in advance of the redevelopment of an Urban Village to facilitate coordination of infrastructure, community facilities and parks planning with planned new residential growth, including use of the City's Capital Improvement Program.

IP-2.4 Conduct a Major Review of the Envision General Plan by the City Council every four years to evaluate the City's achievement of key economic development, fiscal and infrastructure/service goals, greenhouse gas emission reduction goals and targets, water conservation and recycling goals, availability and affordability of housing supply, Healthful Community goals, and to review changes and trends in land use and development. Based on this review, determine the City's readiness to begin the next Envision General Plan Horizon or to modify the number of "pool" residential units available for non-specific Urban Village areas within the current Plan Horizon. Amend the Land Use / Transportation Diagram and / or Envision General Plan goals, policies, and actions accordingly.

IP-2.5 During each Major Review of the Envision General Plan evaluate input provided by the reconvened Task Force and achievement of the following key General Plan goals to inform the City Council's decision, regarding needed changes, to begin the next General Plan Horizon, or to increase the number of residential units available for non-specific Urban Village areas:

1. Jobs/Housing Balance – Demonstrate improvement of the City's jobs to employed resident ratio (J/ER) consistent with achievement of 1.3 jobs per employed resident by the year 2040.
2. Fiscal Sustainability – Demonstrate sustainable improvement above 2010 levels in the level of service for City services provided to the San José community.
3. Housing Supply – Verify that the current Planning Horizon contains adequate capacity to meet San José's Regional Housing Need Allocation for the upcoming 4-year term.
4. Infrastructure – Confirm that adequate infrastructure and service facilities, especially transit, exist or that a secure plan for them is in place to support the planned jobs and housing capacity in the current and contemplated Horizon.

IP-2.6 Encourage employment uses in all Urban Village areas identified for potential housing growth available during any Horizon. Allow intensified residential mixed use in Urban Villages in those Horizons as determined by the City Council in the sequence shown in the Table, Planned Job Capacity and Housing Growth Areas by Horizon, in Appendix 5. Amend the Land Use / Transportation Diagram to identify new housing Growth Areas with each new Horizon.

IP-2.7 Allow development of residential units at the density and in the form approved in land use entitlements in place upon adoption of the Envision San José 2040 General Plan, including capacity specified in the adopted Downtown Strategy, North San José Area Development Policy, Evergreen-East Hills Development Policy, Specific Plans, and potential dwelling unit yield from residential properties identified on the City's Vacant Land Inventory. When the City Council commences the second Horizon of the Envision General Plan, new or revised proposals for development on sites with previously

approved residential entitlements should conform to the Land Use / Transportation Diagram.

IP-2.8 Focus new residential development into specified Growth Areas to foster the cohesive transformation of these areas into complete Urban Villages. Allow immediate development of all residential capacity planned for the Growth Areas included in the current Plan Horizons.

IP-2.9 Open Horizons for development in planned phases to give priority for new residential growth to occur in areas proximate to Downtown, with access to existing and planned transit facilities, and adequate infrastructure to support intensification, and proximate to other Growth Areas to contribute to the City's urban form.

IP-2.10 To facilitate the development of complete Urban Village areas, following construction of a Signature Project within a future Horizon Urban Village, move the subject Urban Village into the current Planning Horizon.

IP-2.11 Provide a "Pool" of residential unit capacity which may be allocated to allow entitlement of residential projects within Urban Village Areas not included within the current Plan Horizon. This pool is initially established as 5,000 units, and may be replenished as part of a General Plan Major Review. Projects receiving allocation must conform to the Land Use / Transportation Diagram. Preparation of an Urban Village Plan for the subject Urban Village is necessary prior to allocation of these units unless the project qualifies as a Signature Project.

IP-2.12 Reconvene the Envision San José 2040 Task Force during each Major Review of the Envision General Plan to provide community and stakeholder engagement in reviewing and evaluating success in the implementation of this General Plan and recommending any mid-course actions needed to achieve its goals.

Goal IP-5 – Urban Village Planning

Use new proposals for residential, mixed use, or employment development to help create walkable, bicycle-, and transit-friendly "Urban Villages" (also referred to as "Villages" within the Envision General Plan) at strategic locations throughout the City, and to enhance established neighborhoods. In new Village development, integrate a mix of uses including retail shops, services, employment opportunities, public facilities and services, housing, places of worship, and other cultural facilities, parks and public gathering places.

Policies – Urban Village Planning

IP-5.1 Prepare a comprehensive Urban Village Plan prior to the issuance of entitlements for residential development within any of the Urban Village areas identified on the Land Use / Transportation Diagram. Commercial projects, including those with ancillary residential uses, and "Signature Projects", as defined in Policy IP-5.10, may proceed in advance of the preparation of a Village Plan. Use the Village Plan to clearly address:

1. Job and Housing Growth Capacity: Identify suitable areas for retail and other employment uses, giving careful consideration to existing and future demand for retail space, the appropriate location and design of retail spaces, opportunities for large-scale and small-scale retail uses, and adequate and appropriate sites for other employment uses consistent with the total planned job capacity for the particular Growth Area. Identify suitable areas for residential development, capable of supporting the full amount of planned residential growth capacity. Apply corresponding Land Use / Transportation Diagram or zoning designations to support the proposed employment and residential density ranges.
2. Urban Village Boundaries and Land Uses: Identify potential adjustments to the identified Urban Village Boundaries and potential modifications to the Land Use / Transportation Diagram as necessary to best utilize existing land use growth capacity, address neighborhood context, and promote economic development through the identification of optimal sites for retail and other employment uses. Provide adequate job growth capacity for retail, office and other employment uses to accommodate both the existing levels of activity plus the planned amount of growth for each job type category. Identify and designate existing land uses within the Urban Village Area boundaries, if any, which should be retained rather than made available for redevelopment. Match the planned land uses for any areas within the Urban Village Area which have already been addressed through an overlapping Urban Village plan.
3. Building Heights and Densities: Identify for specific properties within the Village Planning area minimum and maximum thresholds for building heights and densities. These standards should fall within the broader ranges established in the Land Use / Transportation Diagram and be consistent with planned job and housing growth capacity for that Village area. Implement these standards through the Zoning process prior to development of new residential or mixed-use, residential projects.
4. Infrastructure: Identify locations for parks, plazas, public and quasi-public open spaces, and sites to potentially incorporate libraries, public safety facilities and other public uses, along with other infrastructure needs. A Village Plan should also consider the adequacy of public and private utilities to serve the planned growth capacity.
5. Urban Character: Include streetscape and building frontage design, pedestrian facility improvements and other urban design actions necessary to successfully implement the Village concept.
6. Greenhouse Gas Reduction: Identify locations of existing and planned transit and pedestrian and bicycle facilities and include design and implementation measures necessary to meet City goals for vehicle miles travelled (VMT) reduction and greenhouse gas (GHG) emission reductions.
7. Financing: Consider financing mechanisms which may be needed to deliver public improvements, amenities, and the like envisioned within the Urban Village Plan.
8. Implementation: Consider the establishment of phasing triggers or other implementation tools for specific land use changes within the context of the Urban Village Plan to support achievement of the Urban Village Plan goals consistent with other Envision General Plan goals and policies so that implementation of the Urban Village Plan over time will consistently provide

sufficient capacity for a number of jobs equal to planned new job growth capacity plus maintenance of existing job capacity.

IP-5.2 Develop and use an Urban Village Planning process so that each Urban Village Plan can be successfully completed within an approximately nine month planning period, followed by completion of environmental review as required for adoption of the Plan. Engage Urban Village area property owners to the fullest extent possible, along with representatives of adjacent neighborhood areas, potential developers and other stakeholders in the Urban Village Planning process.

IP-5.4 Prepare and implement Urban Village Plans carefully, with sensitivity to concerns of the surrounding community, and property owners and developers who propose redevelopment of properties within the Urban Village areas. Proceed generally in the order of the following timeline, although some steps may be taken concurrently:

1. City Council approves commencement of the Plan growth Horizon which includes the Urban Village Area during a Major General Plan Review. Completing Urban Village Plans for Urban Villages within the current Horizon is of greatest priority, but it is possible to prepare an Urban Village Plan for an Urban Village in an upcoming Horizon.
2. The City completes preparation of and Council reviews an Urban Village Plan.
3. The City or private property owners initiate rezoning for specific properties within the Urban Village as needed to implement the Urban Village Plan. Because most Urban Village sites initially have commercial zoning, rezoning will be necessary to provide for redevelopment and intensification with residential or residential mixed use projects on those sites.
4. Private property owners or developers propose individual site designs and building architecture to be reviewed and determined through a Development Permit application and review process.

IP-5.5 Employ the Urban Village Planning process to plan land uses that include adequate capacity for the full amount of planned job and housing growth, including identification of optimal sites for new retail development and careful consideration of appropriate minimum and maximum densities for residential and employment uses to insure that the Urban Village Area will provide sufficient capacity to support the full amount of planned job growth under this Envision Plan.

IP-5.6 Identify smaller, distinctive sub-areas within overall Urban Village boundaries to reflect the potential for incremental development of an Urban Village over many years. Identify a mix of land uses, accommodating proportional shares of both job and housing growth capacity, for each sub-area.

IP-5.7 Carefully consider the best land uses and urban design standards for properties located along an Urban Village periphery to minimize potential land use conflicts with adjacent properties. In particular, address interfaces with established single-family Residential Neighborhood areas.

IP-5.9 Upon completion of an Urban Village Plan, update the Land Use / Transportation Diagram for the Village area to depict major new land use features established within the Village Plan, such as parks, residential mixed-use, commercial mixed-use, and employment uses. Indicate on the Diagram that the Urban Village Plan process has been completed.

IP-5.10 Allow non-residential development to proceed within Urban Village areas in advance of the preparation of an Urban Village Plan. In addition, a residential, mixed-use "Signature" project may also proceed ahead of preparation of a Village Plan. A Signature project clearly advances and can serve as a catalyst for the full implementation of the Envision General Plan Urban Village strategy. A Signature project may be developed within an Urban Village designated as part of the current Plan Horizon, or in a future Horizon Urban Village area by making use of the residential Pool capacity. A residential, mixed-use Signature project may proceed within Urban Village areas in advance of the preparation of an Urban Village Plan if it fully meets the following requirements:

1. Conforms to the Land Use / Transportation Diagram. Within the Urban Village areas, Signature projects are appropriate on sites with an Urban Village, residential, or commercial Land Use / Transportation Diagram designation.
2. Incorporates job growth capacity above the average density of jobs/acre planned for the developable portions of the entire Village Planning area and, for portions of a Signature project that include housing, those portions incorporate housing density at or above the average density of dwelling units per acre planned for the entire Village Planning area.
3. Is located at a visible, prominent location within the Village so that it can be an example for, but not impose obstacles to, subsequent other development within the Village area.

Additionally, a proposed Signature project will be reviewed for substantial conformance with the following objectives:

4. Includes public parklands and/or privately maintained, publicly-accessible plazas or open space areas.
5. Achieves the pedestrian friendly design guideline objectives identified within this General Plan.
6. Is planned and designed through a process that provided a substantive opportunity for input by interested community members.
7. Demonstrates high-quality architectural, landscape and site design features.
8. Is consistent with the recommendations of the City's Architectural Review Committee or equivalent recommending body if the project is subject to review by such body.

IP-5.11 Allow new employment development with an incidental amount of residential use (e.g., 3 or fewer residential units) to proceed within an Urban Village area in advance of the preparation of an Urban Village Plan.

Action – Urban Village Planning

IP-5.12 Develop Urban Village Plans for Village areas identified for housing growth in the current Horizon proactively, ahead of developer demand to begin residential development there. Actively pursue outside funding opportunities for the Village planning process.

Appendix C: List of Affordable Homes At-Risk of Conversion

Project Name	Assisted Units	30% AMI	50% AMI	80% AMI	120% AMI	Senior Units	Owner/Sponsor	Owner Type	Funding Source	Additional Funding Source(s)	Earliest Expiration Date	City AR Expire Date
Guadalupe Apts.	23		12	11			First Community Housing	Nonprofit	TCAC	TCAC	4/26/2004	9/18/2019
Dent Avenue Commons	23			23			Housing for Independent People Inc.	Nonprofit	TCAC	TCAC	8/29/2004	3/6/2021
Timberwood Apartments	108			108			MidPen Housing	Nonprofit	TCAC	Bond	1/20/2005	1/20/2005
Capitol Manor	33			33			Capital Manor Inc.	Nonprofit	HUD-8	No	6/1/2011	6/1/2011
Homebase	12			12			Hombase Homes, Inc.	Nonprofit	Disabled	RDA	6/7/2011	9/28/2020
Town Park Towers	216				216		No. Calif. Presbyterian Homes and Services, Inc.	Nonprofit	HUD-8	No	1/1/2014	1/1/2014
The Grove	40		27	13			Community Housing Developers	Nonprofit	RDA	No	9/23/2014	9/23/2014
Mayfair Golden Manor	210			210			Mayfair Golden Manor, Inc.	Nonprofit	HUD-8	No	9/30/2014	10/1/2065
Emmanuel Terrace	18			18			Emmanuel Terrace LLC	Nonprofit	HUD-8	No	2/28/2015	3/1/2015
Casa De Los Amigos	24	24					Casa de Los Amigos, Inc.	Nonprofit	HUD-202-811	RDA	7/31/2015	8/1/2015
Chai House II	70	13		57		70	Chai House Inc.	Nonprofit	HUD-202-811	RDA	11/27/2015	3/4/2063
Chai House I	70	13		57		70	Chair House Inc.	Nonprofit	HUD-202-811	No	11/30/2015	
Fuji Towers	28			28			Fuji Towers	Nonprofit	HUD-236 RAP	No	2/1/2016	2/18/2016
Commercial Street Inn	55	55					Innvision of Santa Clara	Nonprofit	RDA	No	1/30/2019	1/30/2019
1713 Ross	4			4			Abode Services	Nonprofit	RDA	No	8/29/2020	8/29/2020
1726 Ross	4			4			Abode Services	Nonprofit	RDA	No	8/29/2020	8/29/2020
1731 Ross	4			4			Abode Services	Nonprofit	RDA	No	8/29/2020	8/29/2020
Calvin	1			1			Abode Services	Nonprofit	RDA	No	8/29/2020	8/29/2020
Curtner	1			1			Abode Services	Nonprofit	RDA	No	8/29/2020	8/29/2020
Donna	4			4			Abode Services	Nonprofit	RDA	No	8/29/2020	8/29/2020
Minnesota	1			1			Abode Services	Nonprofit	RDA	No	8/29/2020	8/29/2020
Barker	4			4			Abode Services	Nonprofit	RDA	No	8/29/2020	8/29/2020
Branham	2			2			Abode Services	Nonprofit	RDA	No	8/29/2020	8/29/2020
Homeport	15			15			Homeport, Inc.	Nonprofit	Disabled	RDA	9/28/2020	9/28/2020
Bridgeport(Bridgeport Court)	14			14			Community Housing Developers	Nonprofit	RDA	No	8/15/2021	8/15/2021
Cape Cod Court	28		8	20			Community Housing Developers	Nonprofit	RDA	No	8/15/2021	8/15/2021
Cambrian Center	150				150	150	Cambrian Inc.	Nonprofit	HUD-202-8	No	9/14/2021	9/15/2021
Paula Street	21		10	11			First Community Housing	Nonprofit	RDA	No	11/27/2021	11/27/2021
Hoffman - 5629	4		4				HIP	Nonprofit	RDA	No	10/28/2022	10/28/2022
Hoffman - 5668	4		4				HIP	Nonprofit	RDA	No	10/28/2022	10/28/2022
Hoffman - 5684	4		4				HIP	Nonprofit	RDA	No	10/28/2022	10/28/2022
Rincon De Los Esteros	246		135		111		First Community Housing	Nonprofit	TCAC	TCAC	7/26/2023	7/26/2023
Ywca Villa Nueva	62		62				Bridge Housing Corp.	Nonprofit	RDA	No	8/31/2023	8/31/2023
Lexington Apartments	32			32			KDF Communities - Lexington, LLC	Profit Motivated	TCAC	Bond	7/25/2006	7/25/2006
Almaden Garden Apartments	36			36			Chuck Davidson	Profit Motivated	HUD-8	No	9/1/2011	9/1/2011
San Jose Apartments	216			216			Chuck Davidson	Profit Motivated	HUD-8	No	9/12/2011	9/12/2011
Moreland Apartments	160				160		Chuck Davidson	Profit Motivated	HUD-8	No	1/31/2014	2/1/2014
Thornbridge Apartments (The Gardens)	115			115			FF Development L.P.	Profit Motivated	TCAC	Bond	5/12/2014	5/12/2014
Almaden Lake Village	50		50				Almaden Lake Village Associates, Ltd.	Profit Motivated	TCAC	Bond	3/29/2015	3/29/2015
Arbor Apts	122				122		Chuck Davidson	Profit Motivated	HUD-8	No	8/31/2015	9/1/2015
Vendome Apartments/San Pedro Square Apts.	32			7	25		The Farmers Union	Profit Motivated	INCL	No	8/5/2018	8/5/2018
Las Casitas	168				168		Chuck Davidson	Profit Motivated	HUD-8	No	2/28/2021	3/1/2021
Foxchase Drive Apartments	29		29				Unknown	Profit Motivated	Bond	No	2/26/2024	2/26/2024
Fairway Glen	29		29				Unknown	Profit Motivated	Bond	No	12/14/2024	12/14/2024
Kimberly Woods Apartments	42			42			Unknown	Profit Motivated	Bond	No	12/29/2024	12/29/2024
St. Claire	26		2		24		Lyles Diversified, Inc.	Profit Motivated	INCL	No	5/23/2025	5/23/2025
Villa Torino	85				85		Sobrato Development Company	Profit Motivated	INCL	No	9/1/2025	9/1/2025
Totals:	**2645**	**105**	**376**	**1103**	**1061**	**290**						

Appendix D: Implementation Work Plan

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
	1. Increase, Preserve, and Improve the Supply of Affordable Housing						
	Programs and Funding						
1	Monitor San Jose's jobs to housing fit. [ROCHA]		Develop a program to monitor the jobs to housing fit within the City of San Jose, where the jobs to housing fit is defined as the ratio of low-wage jobs to affordable units. [ROCHA]				
2	Continue Predevelopment Loan and Project Development Loan Programs.	H-2.1	Continue to provide predevelopment loans to assist nonprofit housing developers with funds necessary to explore feasibility of proposed affordable multifamily housing. Continue to provide land acquisition, construction, and permanent financing for the development of new affordable homes and the acquisition/rehabilitation of existing rental housing for affordable homes pending availability of funds.	Housing	Ongoing	HOME, program income, Other	H. State and federal government
3	Maximize revenues from the City's loan portfolio.	H-2.1	Maximize City revenues and residual receipts when senior loans mature or are refinanced/restructured.	Housing	Ongoing	All loan programs	H. State and federal government
4	Facilitate affordable housing deals that require no City subsidies.	H-2.1	•Facilitate mixed income deals. •Facilitate 9% and 4% tax credit/bond developments.	Housing	Ongoing	None	H. State and federal government
5	Continue to explore a Housing Impact Fee.	H-2.11	Complete the Nexus Study and bring to Council for consideration of a Housing Impact Fee by the end of 2014.[ROCHA] If approved, implement a citywide housing impact fee based on the impact that market rate housing has on the need for affordable housing in the city.	Housing	~~Ongoing.~~ 2014 [ROCHA]	If implemented, program will pay its own administrative costs	H. State and federal government

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
6	Prioritize land acquisition near transit for the development of low and moderate income housing.	H-2.12	•Explore the creation of a land bank to ensure the creation of affordable housing within Urban Villages. •Explore partnerships such as Community Land Trusts to facilitate acquisition of land.	Housing	Ongoing	HOME, Program Income, and other sources	L: Market forces
7	Advance Inclusionary Housing Programs.	H-2.12	•Continue to defend the Citywide inclusionary housing ordinance in court. •Continue to implement the City's existing inclusionary housing policy on for-sale projects in former redevelopment areas.	Housing	Ongoing	Inclusionary housing fees	H. State and federal government
8	Increase supply of permanent supportive housing for homeless individuals.	H-2.7	Explore all opportunities to create homeless apartments with supportive services within the City.	Housing, Santa Clara County, Housing Authority	Ongoing	HUD Section 8, Santa Clara County Rental Subsidies, and other Federal and State Sources	L: Market forces
9	Preserve existing deed-restricted multifamily rental homes.	H-2.13 H-2.14	Fund the extension of the affordability restrictions for existing multifamily affordable homes pending funding availability.	Housing	Ongoing	Tax Credit and various Federal, State, and local sources	K. Availability of Financing, L. Market Forces
10	Continue parkland fee reduction for new affordable housing development.	H-2.1	Continue to charge affordable housing developers a lower rate under the Parkland Dedication Ordinance (PDO) and Park Impact Fee (PIO) for new affordable housing developments.	Housing	Ongoing	Not applicable	H. State and federal government

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
11	Shape national, state, regional and local programs, policies and regulations to facilitate affordable housing development.	H-2.13 H-2.14 H-2.11	•Help shape the National Housing Trust Fund, GSE reform, tax reform and other Federal policies that create funding for affordable housing development. •Shape cap and trade implementation. •Shape permanent source to replace lost State bond funding that was depleted. •Support new tools that replace Redevelopment Agency Low/Moderate Income Housing Funds including Infrastructure Financing Districts.	Housing	Ongoing 2015-2016 2015-2016	Not applicable	H. State and federal government

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
	Coordination						
12	Advance regional solutions to address housing needs.	H-1.11 IE-3.3	•Work collaboratively with other City departments, local jurisdictions and working groups such as the Santa Clara CDBG Grants Management Group, Regional Housing Working Group, ABAG/MTC's One Bay Area Plan, Regional Prosperity Plan, Santa Clara Association of Planning Officials, and other initiatives.	Housing	Ongoing	N/A	G. Regional coordination
	Potential Actions						
13	Advance regional solutions to address housing needs.	H-1.11 IE-3.3	•Explore creation of regional body or formal collaboration to make more efficient use of limited resources, maximize the delivery of affordable housing, or respond to homelessness. •Explore strategies to facilitate a more balanced regional distribution of affordable housing production.	Housing	Ongoing	Not applicable	G. Regional coordination
14	Coordinate and implement housing policies and goals contained in the City's housing plans.	H-2.8	Develop a Housing Element, Consolidated Plan and 5-Year Investment Plan with goals and measurable actions that are consistent with each other.	Housing, PBCE	2014	Not applicable	A. General Plan Policies

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
15	Coordinate with Valley Transportation Authority on transit- oriented development activities.	H-1.11 IE-3.3	Explore ways to facilitate transit-oriented affordable housing development near BART, Light Rail, and Bus Rapid Transit (BRT) stations, including identification of opportunities to develop parcels owned by either agency with affordable housing. [ROCHA]	Housing, PBCE	Ongoing	Not applicable	G. Regional coordination
	Housing Planning Tools.						
16	Use the General Plan Major Review as an opportunity to assess and fine-tune the Urban Village strategy. [ROCHA]		• Review the distribution of village plan areas between the different horizons to determine whether it may be desirable to rearrange the horizons such that the villages with the readiest development markets are in the first horizon while villages that may not be market-ready are in later horizons. • Review the distribution of growth capacity between villages to determine whether jobs or housing units should be moved from one village to another to better align village plans with market realities and increase the likelihood that villages will be implemented effectively. • Consider allowing affordable housing projects to move forward on a limited basis within urban village areas that are not in Horizon 1 or do not yet have approved village plans. [ROCHA]				
17	Establish a Citywide General Plan goal for production of affordable housing. [ROCHA]		Amend the General Plan to establish a goal that at least 15% of new housing should be affordable housing. [ROCHA]				

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
18	Implement Urban Village Plans.	IP-5.1	•Explore various funding mechanisms and programs to help finance infrastructure and amenities for Urban Villages. •Create implementation tools for Horizon 1 Urban Villages and other potential future horizons that respond to the unique conditions of each Urban Village. • Explore strategies to encourage production of affordable housing in urban villages. Strategies may include the creation of incentives for affordable projects and the implementation of affordable housing overlay zones in select locations. [ROCHA] •Implement Diridon Station Area Plan policy to achieve a minimum of 15% affordable housing within the plan area. •As needed, continue to convene Urban Village Technical Advisory Committee to drive implementation forward.	PBCE Housing OED PW DOT DOF CMO PRNS	Ongoing	City staff time funded by Developer Fees and other sources	L. Market Forces
19	Maximize the City's competitiveness for external infrastructure funding to create complete, high quality living environments.	LU-9	•Continue to explore new funding sources for parks, transportation, and other types of infrastructure that favor cities with a demonstrated commitment to building affordable housing. Such programs include OBAG, Cap and Trade and other regional, state, and Federal programs.	Housing PRNS PW DOT OED	Ongoing	Not applicable	K. Availability of financing

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
20	•Work with the private sector to help facilitate the development of affordable homes.	H-2.1 H-2.2	•Adopt City-wide density bonus ordinance in compliance with updated State law offering specific incentives and concessions to encourage the construction of affordable homes while remaining sufficiently flexible to respond to market conditions across the City. •Continue to negotiate developer agreements in exchange for "extraordinary benefits" including affordable housing.	PBCE, Housing	Ongoing	City staff time funded by Developer Fees or General Fund	B. Zoning Regulations, L: Market forces,
21	~~Balance the~~ Protection ~~of~~ mobile home parks as a source of naturally affordable housing ~~with the development opportunities in identified growth areas~~. [LICCARDO]	H-2	•Explore the efficacy of the existing mobile home conversion requirements and potential updates/responses in order to protect an appropriate supply of mobile homes.	PBCE, Housing	Ongoing	To Be Determined	L: Market forces
22	Facilitate the increase of the supply of legal secondary units.	H-2.9	•Consider amending the existing Secondary Unit ordinance to facilitate a larger supply of compact "naturally affordable" homes. •Develop and provide informational materials to inform homeowners of the development standards and the process for secondary unit approval and construction.	PBCE, Housing	2014-2015	General Fund	B. Zoning Regulations

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
23	Continue to ensure that existing redevelopment-assisted housing remains in compliance with long-term restrictions on rents and tenant incomes.	H-1.7	Continue to monitor redevelopment assisted units for compliance with restrictions and other regulations.	Housing	Ongoing	Housing Department Program Income	L: Market forces
24	Continue to update the City's Zoning Code to facilitate housing at urban densities.	H-2.1	•Consider changing Zoning Code to reduce parking ratios for Emergency Shelters from 1 space for every 4 residents to 1 space for every 10 residents.	PBCE	Ongoing	City staff time funded by Developer Fees or General Fund	I. Price of land
25	Assess development application and review process. Consider improvements as needed.	FS-1.5 H-2.1	•Conduct an annual Customer Satisfaction Survey Study to measure satisfaction and to provide insight into how services can be improved.	PBCE	Annually Ongoing	City staff time funded by Developer Fees or General Fund	E. Application Review Procedures/Processing Time, F. Fees, Taxes, and Other Exactions

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
	Potential Actions						
26	Facilitate the development of Single Room Occupancy (SRO) buildings.	H-1.2	Modernize development standards for Single Room Occupancy (SRO) housing.	PBCE, Housing	2014-2015	City staff time funded by Developer Fees or General Fund	B. Zoning Regulations
27	Minimize the impacts of condo-conversions on households.	H-3.6	•Assess the rate of apartment to condominium conversions and impacts on the rental housing stock to determine if displacement is an issue. •If displacement is identified as an issue, explore policies and programs to mitigate the potential impact on renters in the event of a condo-conversion.	Housing	Ongoing	City staff time funded by Developer Fees or General Fund	L: Market forces
	2. Invest In Activities To End Homelessness.						
28	Reduce instances of homelessness and overcrowding by stabilizing at-risk tenants. [ROCHA]		Analyze funding opportunities to increase programming to stabilize renters at-risk of eviction and homelessness such as deposit and rental assistance as well as financial education. [ROCHA]				
29	Design, fund, and evaluate outreach, rapid rehousing, and supportive service programs for homeless individuals and families.	H-1.2	Continue to fund various nonprofit agencies that provide services to people who are homeless or at risk of becoming homeless. Funding includes but is not limited to programs geared toward preventing and ending homelessness, programs that permanently house homeless households with case management, one-time purchase of capital needs and equipment.	Housing, Santa Clara County, Housing Authority, Destination: Home	Ongoing	Federal TBRA, ESG, and CDBG funds and the General Fund	L: Market forces

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
30	Implement master-lease program to provide interim housing for homeless people in existing under-occupied hotels.	H-1.2	•Revise Zoning Code to allow Hotel Supportive Housing as an incidental use to commercial hotels in non-residential zoning districts. •Seek funding to begin implementation.	PBCE, Housing	2014	To Be Determined	B. Zoning Regulations
31	Engage in regional homeless coordination, planning efforts, and other initiatives with external partner agencies.	H-2.7	In cooperation with the County Destination: Home, and other community partners prepare and implement the new Community Plan to End Homelessness in Santa Clara County that focuses both on chronic homelessness as well as family and youth homelessness. Continue work with the County - as the COC applicant - to develop and implement new community-wide standards to ensure compliance for funding associated with the Federal HEARTH Act.	Housing, PBCE, Santa Clara County, Destination: Home	Ongoing	Federal TBRA, ESG, and CDBG funds and the General Fund	G: Regional coordination
32	Provide an encampment response to abate, prevent, or deter significant encampments that impact the health and safety of the community and homeless individuals.	H-2.7	Partner with the Water District and other interested parties to implement a plan to consistently clean up encampments, prevent re-encampments, and responsibly address with the housing needs and belongings of homeless residents.	Housing, PRNS, Santa Clara Valley Water District	Ongoing	Federal TBRA, ESG, and CDBG funds and the General Fund	N/A
33	Research and explore potential alternative homeless housing and services options.	H-2.7	Examine an array of alternative housing options, including: hotel/motel master leasing and conversion, tiny homes, safe parking programs, and other best practice or new housing models.	Housing	Ongoing	Federal TBRA, ESG, and CDBG funds and the General Fund	I: Price of land J: Cost of construction L: Market forces
34	Inform and engage the community around the issue of homelessness and how it impacts the City and its residents.		Develop ongoing community outreach through social and print media to provide comprehensive and consistent messaging on current services, outcomes, challenges, and long-term goals.	Housing	Ongoing	Federal TBRA, ESG, and CDBG funds and the General Fund	N/A

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
	3. Promote Equitable Development.						
35	Facilitate equal access to housing.	H-1.7 H-1.12	• Update the Assessment of Impediments to Fair Housing. •Continue to partner with nonprofit organizations to affirmatively further Fair Housing throughout the City.	Housing	Ongoing	CDBG and other Federal sources	L: Market forces
36	Update the City's dispersion policy to align with the Envision 2040 General Plan.	H-2.10	Update the City's existing dispersion policy: 1) to align the location of future affordable housing with residential growth areas identified in the Envision 2040 General Plan; 2) to maximize the access of transit, retail, services, and amenities to affordable housing developments; and 3) to facilitate the development of diverse and complete communities.	Housing	Ongoing	Not applicable	L: Market forces
37	Protect the affordability of rental homes.	H-2 H-.1.7	•Assess the efficacy of the existing rent control ordinance as a tool for preserving the affordability of rental homes and the feasibility of strengthening the program under the parameters set by State law. [ROCHA] •Conduct a review Rental Rights and Referral Program, which includes interviews and outreach to stakeholders, such as fair housing advocates and landlords, to determine opportunities for improvement. [ROCHA] •Secure voluntary agreements for at least 75% of petitions within ordinance-required 30 day period.	Housing	Ongoing	Rental Rights and Referral Program (RRP fees).	L: Market forces

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
	Potential Actions						
38	Consider proposed policies or ordinances to protect low and moderate income residents in market-rate and deed-restricted affordable housing from displacement.	H-1.2	•Explore policy requiring tenant relocation benefits so displaced low and moderate income tenants in market-rate housing can find comparable and affordable housing in San Jose. • Explore the feasibility of creating a Local Source of Income Ordinance, including Section 8 and additional voucher income as a protected source of income that cannot be discriminated against. [ROCHA]	Housing	Ongoing	Not applicable	L: Market forces
	4. Create Healthy, Sustainable, Communities and Neighborhoods						
39	Increase the health and resilience of communities	VN-1.14 VN-2.1	•Develop partnerships, policies, and programs to increase access to healthy foods and health care resources, especially for lower-income and at-risk communities. •Explore strategies to increase economic opportunities, self-sufficiency, and asset-building for households and communities.	Housing	Ongoing	Grants and other sources	Not applicable
40	Enhance San Jose's place-based neighborhood strategies.	H-2.3	Community Improvement Program: this program provides enhanced inspection services to multi-family rental properties to meet Federal requirements for Community Development Block Grant (CDBG) funding. The program's purpose is to arrest the decline and deterioration of aging housing stock and reduce blighted conditions within lower income neighborhoods within CDBG areas.	PBCE Housing	Ongoing	CDBG	Not applicable
41	Educate rental property owners on ways to better manage tenants and prevent crime.	H-2.3	City staff will organize classes for property owners and managers over a four-week period, with instruction provided by a professional property manager, crime prevention specialist, attorney, mediator, and other related experts.	PBCE	Ongoing	Residential Occupancy Permit Fees	Not applicable

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
42	Continue robust code enforcement.	H-2.3	•Multiple Housing Inspection Program: this program issues permits of occupancy for all apartments, hotels/motels, guesthouses, residential care facilities, and fraternity/sorority houses. Code Enforcement Inspectors investigate complaints about substandard housing and conduct inspections. •Vacant Neglected Building Program: this program monitors all identified vacant or neglected buildings so that they remain safe and secure until such time as they are rehabilitated and reoccupied. This proactive program reduces the risk of loitering, illegal occupancy, and fire hazards.	PBCE	Ongoing	CDBG Residential Occupancy Fees	Not applicable
43	Continue to partner with the Responsible Landlord Engagement Initiative (RLEI).		•Continue to support the collaboration of landlords, tenants, community leaders, elected officials, service providers and social justice advocates to identify solutions for longstanding issues with crime, safety, nuisance, gang activities, graffiti, abandoned cars, trash and more at residential properties. •Staff from Rental Rights and Referrals Program will continue to attend RLEI meetings.	NHSSV United Neighborhoods PD PBCE Housing	Ongoing	This program is managed and funded by a nongovernmental entity	Not applicable

	Goal	GP Policy	Action/Programs	Entity	Time-frame	Funding Source	Constraint Addressed (Chapter IV)
44	Facilitate residential development that minimizes environmental impacts and operating costs.	H-4.1 H-4.2 H-4.3	•Monitor availability of funding sources for energy and water efficiency measures. •Explore alternate bulk energy procurement mechanisms.	Housing	Ongoing	Cap and Trade and other State and Federal programs	M. Environmental Hazards and Limitations
45	Maintain the stock of existing owner-occupied homes.	H-2.3	•Continue to work with nonprofit partners to provide low cost loans for emergency home repairs. •Continue to provide minor grants and low cost loans for urgent repair needs as funds remain available.	Housing	Ongoing	CDBG	K. Availability of financing
46	Continue to support financial literacy programs for potential homebuyers as funds remain available.	H-1.6	Continue to work with nonprofit organizations to educate homebuyers.	Housing	Ongoing	Program Income	K. Availability of financing
47	Continue to assist low- and moderate-income first-time homebuyers as funds remain available.	H-1.6 H-1.13	•Originate 5 BEGIN second mortgages per year pending funding availability.	Housing	Ongoing	State BEGIN program	L: Market forces
	Potential Actions						
48	Explore providing design guidance for convenient site accessibility for residents, workers, and visitors.	ERS-3.10	•Explore utilization of existing accessible units. •Explore partnership with organizations that provide outreach to disabled persons. •Explore ways to encourage site accessibility design in residential development	Housing PBCE	Ongoing	CDBG, General Fund	L: Market forces

Appendix E: Evaluation of Prior Housing Element Work Program

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 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. However, because of limited funding, fewer loans will be funded; funding limitations also require a higher concentration of loans to be targeted within the City's SNI areas.	Due to ongoing funding challenges including the elimination of the State's Redevelopment agencies and continued reductions in federal funding, the City has shifted its funding priorities over the last three years. Between July 2009 and June 2014 a total of 167 loans for $5,472,000 were approved. 63 out of the 167 loans were approved in the SNI areas for a total of $1,900,000 or 36% of funds approved overall. From July 2009 to June 2014 146 loan projects were completed.
Housing Rehabilitation Program – Single-Family Homeowner Grant Program: 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 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	Goal is to spend 50% of rehabilitation funds in SNI neighborhoods and to serve lower-income residents.	On Hold	Due to ongoing funding challenges including the elimination of the State's Redevelopment agencies and the continued reductions in federal funds the City suspended the homeowner grant as of January 2013. Between July 2009 and June 2014, 202 grants

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.			were approved. 63 grant were approved to unduplicated households A total of $1.6M of grants were approved, with just over $1M or 62% approved in SNI areas. Between July 2009 and June 2014, 228 grant projects were completed to assist 104 unduplicated households.
Minor Grants for Minor and Urgent Repair Needs Partially funded though the City's Housing Department Rebuilding Together Silicone Valley provides both direct and contracted services for minor and urgent repairs to household earning below 80% of the Area's 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.	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	The program, once administered by the City, is currently administered through the non-profit Rebuilding Together Silicon Valley. Between July 2009 and June 2014, 177 Minor repairs were approved. 203 minor repair grants were completed.
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 kept to within 25% of Rehabilitation budget.	On Hold	Due to ongoing funding challenges including the elimination of the State's Redevelopment agencies and the continued reductions in federal funds the City suspended the Mobilehome loan Program in January 2013. Between July

			2009 and June 2014, 266 mobilehome loans and grants were approved and 356 mobilehome projects were completed.
Mobilehome Seismic Repair Program: 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.	Completion of 650 mobilehome seismic retrofits prior to October 2013.	Ongoing Program	After demonstrating ongoing success of the program and cost savings over the first three years, FEMA granted the City an extension of the expenditure timeline to allow the City to retrofit an additional 200 mobilehomes. The new program goal is to retrofit 850 mobilehomes by October 2014. Since implementing the Program in October 2010 the program completed 730 mobilehome retrofits.

HOMEBUYER PROGRAMS			
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	From 2009-14, the County assisted an average of 31 first-time homebuyers with MCCs annually. The County will continue to administer the MCC program on behalf of the City.
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.	Assist low- and moderate-Income first-time homebuyers	Ongoing Program	From 2009-14, the City has originated 128 BEGIN loans for $8.5 million. Currently, 2 projects, Pepper Lane and Westmount Square have BEGIN loans available.
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.	Assist lower-income homebuyers	Ongoing program	From 2009-14, 137 loans for $4.1 million were provided through CalHOME, HOMEand WelcomeHOME funds CalHOME reuse funds will be used to continue funding this project
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.	Discontinued	From 2009-14, 48 THP loans totaling $2.1 million were provided to qualifying teachers in San José. 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, including the BEGIN and NSP2 programs, subject to the depletion of these funds.
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	Discontinued due to loss of funding from the dissolution of the Redevelopment Agency	From 2009-14, 101 loans totaling $5.4 million were provided through this program. This program concluded on June 30, 2011.
The Home Venture Fund (Formerly Vernal Fund): 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.	Assist low- and moderate-Income homebuyers	Ongoing Program	No new loans were provided through this funding source in calendar year 2013
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.	Assist low-Income first-time homebuyers	Discontinued	The City did not receive any federal allocation of ADDI funds during the 2009-14 Housing Element review period. 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 ADDI allocations are highly unlikely.

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 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.	Discontinued, when San José State University decided to terminate the program	From 2009-14, 7 loans for $357,000 were provided through this program. This program concluded June 30, 2010
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 homes affordable.	Assist low- and moderate-Income homebuyers	Ongoing Program	The City's Inclusionary Housing Policy is in effect for ownership projects and requires 20% affordable housing in newly constructed for-sale housing projects with more than 10 units or the payment of an in-lieu fee. The inclusionary housing requirements for rental housing have been suspended until such time as the limitation in the *Palmer* decision is overturned or modified by the court or by the legislature. Additionally, the program has also provided a source of funding for affordable housing through in-lieu fees collected when developers opt out of the providing affordable units by paying fees. From 2009-14, developers have opted to pay approximately $7.6 million in in-lieu fees. A total of

			95 affordable inclusionary units and 425 negotiated affordable units have also been created through this program.
Citywide Inclusionary Housing Program In 2010, the City of San Jose approved a Citywide Inclusionary Housing Ordinance that required affordable housing obligations on all new for-sale developments of 20 or more units. The ordinance was originally expected to go into effect on January 1, 2013, and would have required that 15% of the homes built citywide be affordable.	Assist low- and moderate-Income homebuyers	On Hold	As of 2014, the Citywide Ordinance is still being litigated and its implementation has been stayed by the Court. Should the ordinance be successfully defended by the City, the ordinance will go into effect after a six-month noticing period. Projects will be grandfathered, based on criteria to be determined when the implementation plan is approved.

** There may be some double counting of outcomes as a single homebuyer may layer loans from multiple programs to help fund the purchase of his home.

HOMELESS SERVICES PROGRAMS			
Emergency Solutions Grant Program (ESG): ESG is a federally funded program designed to support programs aimed at 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. The program also supports the Homeless Management Information System (HMIS) that monitors outcomes and performance measures for all the homeless services agencies funded by the City.	Assist homeless individuals, families and victims of domestic violence in meeting their immediate emergency needs with the ultimate goal of becoming permanently housed.	Ongoing Program	Continue to implement program. Over 44,000 individuals have been sheltered or obtained services through service centers. 74% of the clients engaged in intensive case management have obtained permanent housing.
Community Development Block Grant (CDBG): CDBG is a federally funded program designed to implement services that benefit low- and moderate-income persons, resolve slum and blight concerns, or address community development needs. The City funds various nonprofit agencies and other city departments to administer the CDBG program. CDBG funds several programs aimed at ending homelessness; services include homeless outreach and engagement, employment development, case management and temporary rental subsidies.	Assist homeless individuals, families and victims of domestic violence in meeting their immediate emergency needs with the ultimate goal of becoming permanently housed.	Ongoing Program	Continue to implement program. Over 34,000 individuals received supportive services. 89% of clients involved in case management met 2 or more of their goals.
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, 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. 175 individuals received rental assistance and supportive services. An additional 55 individuals received supportive services. On average 95% of households were able to maintain housing and continued accessing medical treatment .
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 that support	Assist nonprofit homeless service providers to provide homeless persons with the support needed to become permanently housed.	Ongoing Program. Starting in FY 2012, HTF	Continue to use funds towards the City's goal of ending homelessness 131 clients were served

the City's goal of ending homelessness, including personnel support, outreach and engagement services, and case management support. HTF supports the County-wide campaign to end chronic homelessness and continues to fund studies and plans that are used to implement strategies and innovative programs.		funds were used for outreach, case management and housing financial assistance in the Downtown Core.	under the Destination:Home program, 7,560 homeless were contacted through Downtown Outreach and 259 individuals were provided with housing.
Homeless Encampment Program: 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.	Mitigate community, environmental, and health impacts of homeless encampments, while seeking alternative housing solutions for the homeless.	Ongoing	Continue to implement program. A balanced approach of enforcement and outreach has been adopted. Over 1,100 tons of garbage has been collected from the encampments.
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 chronically homeless persons with financial assistance in the form of first month's rent, security deposit, and one-way greyhound tickets.	Assist chronically homeless persons to attain and maintain permanent housing.	Discontinued	Program extended through 2014 but with no additional funding. The Housing Services Partnership served 378 chronically homeless clients obtain and maintain housing.
Homelessness Prevention and Rapid Re-Housing Program (HPRP): 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.	Discontinued (October 2009 - October 2012)	Program ended in July 2012 with the conclusion of the ARRA funding period. The program assisted 1,303 households with Homeless Prevention case management and financial assistance;

			additionally, 381 households that experienced homelessness also received case management and financial assistance.
Tenant-Based Rental Assistance Program (TBRA): The City administers three TBRA programs utilizing its federal HOME program funds as described below. The program provides participants with housing search, placement, security deposit and rental assistance. The City funds a local nonprofit to provide the day to day administration of the programs. 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. 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. 3. TBRA III is a program targeting households residing in selected San Jose homeless encampments. The City is partnering with several nonprofit homeless service agencies to provide case management to program clients.	Assist homeless persons to attain and maintain housing.	October 2009 - June 2015	Continue to implement and oversee programs. TBRA 1 served 85 clients with severe mental illness, out of which 62% transitioned to permanent housing. TBRA 2 served 15 households, all of whom are still being housed. TBRA 3 served 15 chronically homeless households, 11 of whom are still obtaining services from the program

NEIGHBORHOOD IMPROVEMENT PROJECTS			
Strong Neighborhood Initiative (SNI): The City's Strong Neighborhoods Initiative is no longer in operation. However, San José recognizes the importance of a coordinated effort to strengthen neighborhoods and as established a place-based strategy to concentrate public investment and resources in three neighborhoods where there is a demonstrated need, opportunity to make substantial changes and strong community partnerships to sustain that progress. These neighborhoods include: 1. Santee/McKinley in partnership with Franklin McKinley Children's initiative 2. Mayfair in partnership with Somos Mayfair 3. Five Wounds / Brookwood Terrace in partnership with CommUniverCity (with the potential for expansion as CommUniverCity expands to other Downtown neighborhoods)	The primary focus of the new Place-Based Strategy is to address the needs of the selected neighborhoods by creating a coordinated effort to provide services that create clean, safe, and engaged communities. All aspects of neighborhood condition are explored, including crime, blight, and infrastructure.	With the elimination of the State's redevelopment agencies, the City discontinued implementation of the Strong Neighborhood Initiative in 2012. However, the priority of neighborhood revitalization continues in the form of the City's place-based Initiative.	In an effort to continue support of neighborhood efforts, the City shifted the funding priorities of its annual allocation of federal Community Development Block Grant funds. In December 2011 the San Jose City Council authorized the City's Department of Housing to fund and implement a Place-Based Neighborhood Initiative. The Initiative targets a portion of the City's annual CDBG funds to three neighborhoods. (What is cumulative outcome from 2009-14? Know we have questions about measures of success. What would be reasonable to report on without a current measurement framework?)
Strong Neighborhoods Initiative (SNI) Project Alliance – (formerly known as Multi-Family Demonstration Projects): Project Alliance/Special projects is a subset of the City's Strong Neighborhood Initiative program directed toward the revitalization of specific multi-family neighborhoods. Although SNI has been discontinued as indicated above, Project Alliance continued. Four neighborhoods were selected for improvement through Project Alliance: Jeanne/Forestdale (Five Wounds / Brookwood Terrace), Virginia/King (Mayfair and Gateway East), Roundtable Drive Apartments	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.	Discontinued. Funding is no longer available to continue the program	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,

(Edenvale/Great Oaks), and Underwood Apartments (Blackford).			electrical, plumbing, NG (natural gas?) safety and re-pipe, and the replacement of security lighting with LED lighting.
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 program also provides funding for rental affordable housing developments.	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.	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)	After meeting the Program's statutory expenditure deadlines, the NSP consortium continued to implement the NSP2 grant primarily utilizing Program Income generated from the sale of NSP funded homes. The Consortium re-evaluated the original implementation and program goals and realigned strategies. The new program projections include: ▪ PAL (what is PAL?) - 51 units ▪ Dream Home 41 Units ▪ 25% set aside 175 units Between 2009 and 2014 the NSP2 program provided a cumulative outcome of: ▪ Assisted 51 homebuyer in the purchase of formerly foreclosed homes Through

			the PAL program ▪ 41 homes purchased and rehabilitated through the San Jose Dream Home Program ▪ 39 Homes sold to income eligible homebuyers through the San Jose Dream Home Program ▪ 58 units acquired and rehabilitated and rented to households earning 50% or less of the Area Median Income ▪ 19 units funded and built to house individuals with special needs earning 50% or less of the Area Median Income 75 units funded to house families earning 50% or less of the Area Median Income

HOUSING DEVELOPERS / INVESTMENT PROPERTY OWNERS			
Predevelopment Loan Program: The Predevelopment Loan Program is designed to assist nonprofit housing developers with funds necessary to explore the feasibility of a proposed housing project. Under this program, developers may use the money for land costs, preliminary studies, or plans and specifications development. Interest is typically below rates available in the private market. Principal and interest repayment is typically due at the close of escrow on construction loans or within three 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 may provide limited predevelopment funds if available. From 2009-14, the City has provided approximately $1,765,000 to assist developers with their predevelopment costs
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 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 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. Affordable housing may also be financed by bonds that are either directly issued by the city, or facilitated through the holding of a TEFRA hearing (Tax Equity and Fiscal Responsibility Act).	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.	Ongoing Program	The City awarded a cumulative amount of $132,227,069 for the period of 2009-2014. $322,595,000 in bonds were either issued or facilitated by the City. Given the State's elimination of 20% Redevelopment funds at the end of 2011, 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":	Continue to seek opportunity sites for	Ongoing	From.

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	affordable housing with a focus on rental special needs units	Program	2009-14 the City purchased one site from the General Fund for the development of 75 affordable rentals for seniors.

Table VII-2, PBCE Work Program

1. Envision San Jose 2040 General Plan The City of San Jose had not performed a comprehensive update of its General Plan since 1994. An update was needed to address future housing needs and appropriately balance these needs with goals for job growth and improved fiscal sustainability.	Prepare a comprehensive update of the General Plan.	Completed/On going	On November 1, 2011, the City Council adopted the Envision Plan, and the City's efforts to implement the Plan are ongoing.
2. Zoning Code Amendments Title 20 of the San Jose Municipal Code, otherwise known as the Zoning Ordinance or Zoning Code, is continually reviewed to identify opportunities to reduce constraints and streamline processes without diminishing the City's ability to achieve its overall land use goals.	Reduce constraints on housing development.	Ongoing	Since State certification of the City's Housing Element in 2009, numerous housing-related ordinances have been adopted per this work program item.
3. Secondary Units In 2005, the City Council initiated a Secondary Unit Pilot Program to temporarily test and evaluate a set of secondary unit development standards for a period of one year. Then, in 2008, an ordinance was adopted which permanently allowed secondary units that conform to modified Zoning Code requirements.	Facilitate the production of secondary units.	Ongoing	Per the Envision San Jose 2040 General Plan, the City continues to explore options to improve the effectiveness of the secondary unit provision (see Envision Policy H-2.5 and Action H-2.9).
4. California Building Standards Code The State Building Standards Commission (BSC) publishes triennial editions of the California Code of Regulations (CCR), Title 24, also known as the California Building Standards Code. Most recently, on July 1, 2013, the BSC published the 2013 edition of the standards, which apply to any building or structure for which application for a building permit is made on or after January 1, 2014.	Protect the health, welfare, and safety of residents.	Ongoing	On November 5, 2013, the City Council approved an ordinance amending Title 24 of the San Jose Municipal Code and adopting the 2013 code editions, with local amendments.
5. Public Outreach Policy A consistent public outreach policy was needed to improve communications, alleviate concerns, and clarify misunderstandings or	Involve interested parties in the development review process through early notification and	Completed	In 2005, the City Council adopted the Public Outreach Policy, which includes requirements for public

points of contention that typically arise at a public hearing occurring late in the development review process.	accessibility of information.		notice signage and, for larger development proposals, a community meeting.
6. Enhanced High-Rise Design Review Process A process was needed to allow staff and decision makers to apply relevant sections of the Downtown Design Guidelines, be advised by the City's Architectural Review Committee (ARC), and receive public input on proposed high-rise development during both the Preliminary Review and entitlement phases.	Support intensification of the Downtown and other major transit corridors and employment areas.	Completed	In 2007, the Enhanced High-Rise Design Review process was introduced, and is applicable to buildings 100 feet or more in height.
7. Transit-Oriented Development (TOD) and Mid-Rise/High-Rise Residential Design Guidelines Design guidelines were needed for TOD and mid-rise/high-rise development providing specific parameters and a common understanding of the minimum design standards necessary to conduct the review process in an efficient manner.	Streamline the development review process, promote compact urban development, and facilitate quality design.	Completed	In 2007, the City adopted design guidelines applicable to TOD and mid-rise/high-rise residential projects.

Table VII-2, PBCE Work Program

8. Development Permit Reactivation/Extension As a result of the economic downturn, additional incentives and flexibility were needed to help applicants overcome various challenges in their desire to pursue the completion of entitled development projects.	Provide incentive for the implementation of projects impacted by the economic downturn.	Completed	In 2009, an ordinance was adopted to allow reactivation and/or extension of certain Development Permits for a limited time period. In 2012, an ordinance was adopted authorizing the Planning Director to extend Development Permits for small residential projects through a Permit Adjustment.
9. Discretionary Alternate Use Policy Flexibility In 2007, the City Council approved a General Plan text amendment allowing Discretionary Alternate Use (DAU) policies to be applied via issuance of a Use Permit. Prior to approval of this measure, the use of DAU policies often required the filing of a Planned Development rezoning.	Streamline the entitlement process by avoiding need for the filing of a Planned Development (PD) rezoning.	Completed / Superceded	With City Council approval of the Envision Plan, DAU policies were effectively superseded. Instead, new land use designations were developed to provide sufficient flexibility to allow urban, mixed use development types.
10. High Density Housing/Mixed Use in Conventional Zoning Greater flexibility was needed to respond to the growing trend towards construction of high density housing/mixed use in San Jose. In particular, the City wished to avoid need for applicants to file a Planned Development rezoning, and instead allow such projects to occur in a conventional zoning district with more flexible development standards.	Streamline the entitlement process by avoiding need for the filing of a Planned Development (PD) rezoning.	Completed	In 2012, a Zoning Code change increased densities within the conventional R-M zoning district, thereby allowing high density housing / mixed use via issuance of a Development Permit.

Table VII-2, PBCE Work Program

11. General Plan Designation for Commercial near Transit In 2008, the City Council approved amendments to the former General Plan 2020 that created a Transit Corridor Commercial (TCC) land use designation. The TCC designation was intended for areas with convenient transit access, including the Downtown, transit corridors, and proposed BART station areas.	Create new consumer markets in densely developed areas within a reasonable walking distance of major public transit facilities.	Completed	With City Council approval of the Envision Plan, a new Urban Village land use designations was developed to replace the TCC designation.
12. Main Street Districts Ordinance The Main Street Districts ordinance established new zoning districts for mixed residential-commercial development. The ordinance provided significant parking reductions, and allowed further parking reductions based on shared parking facilities, car share programs or unbundled parking.	Streamline the entitlement process for mixed commercial-residential projects along neighborhood "Main Street" areas throughout the City.	Completed	On December 14, 2010, the City Council approved the Main Street Districts ordinance.
13. Alum Rock Corridor Policy Direction In 2009, the City Council applied the TCC general plan land use designation to over 55 acres of land along Alum Rock. Also, a policy document was approved to guide staff in creating a form-based zoning for the Alum Rock corridor.	Facilitate mixed commercial-residential projects on select properties along Alum Rock Avenue.	Completed	On October 22, 2013, the new Main Street districts were first applied in a Director-initiated rezoning of the Alum Rock corridor.
14. Zoning District for Urban Villages To encourage a full range of uses within Urban Villages, the Commercial Pedestrian (CP) zoning district was modified to add land uses applicable to Urban Villages, and development standards were modified for sites within Urban Villages.	Facilitate urban, transit-oriented development within Urban Village areas.	Completed	On January 14, 2014, the City Council approved the ordinance to modify the CP zoning district.

Table VII-2, PBCE Work Program

15. Integrated Development Services Introduce a fully functional Development Services Center, with an integrated, "one-stop" first-floor location where business related to development applications can be conducted. Development Services partners should include the Planning Division, Building Division, Public Works Department, and Fire Department, among others.	Locate staff in close proximity for improved coordination and customer convenience, avoiding customer visits to departments located on various floors of the 18-story City Hall tower.	Completed	A "one-stop" service approach was tested at Old City Hall. However, not until the organization's move to New City Hall in 2005 was a fully functional Development Center realized.
16. Application Submittal Process Evaluate opportunities to improve the process for submittal of applications at the Development Services Center without requiring an appointment.	Provide customers with expedited service and additional options for application submittal.	Completed	In 2013, key staff was relocated to the point of customer reception such that application submittals were further prioritized.
17. Online Customer Service Improve customer service by extending the reach of Development Services Center functions in making various services and resources available online. This includes scheduling appointments and inspections, obtaining general information and publications, and applying for simple permits (e.g., water heater replacement).	Provide customers with "self-help" opportunities to serve needs at their own convenience, without need to travel to City Hall.	Completed	In 2012, the City's website was migrated to a new technology platform that is better organized, contains self-subscribe notifications, and an application appointment scheduling system.
18. Transitional and Supportive Housing In 2007, the State of California passed legislation (SB 2) requiring local agencies to plan for and identify areas most appropriate for emergency shelters. This bill added provisions to require identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit.	Comply with Senate Bill 2 (SB 2).	Completed	In 2010, the City Council approved a Zoning Code change defining "Transitional Housing" and "Supportive Housing," and clarifying associated regulations.

Table VII-2, PBCE Work Program

19. Green Building Policy In October 2007, the City Council adopted the Green Vision, a 15-year plan with ten ambitious goals for economic growth, environmental sustainability, and an enhanced quality of life for San Jose's residents and businesses. Among these goals was Goal 4: Build or retrofit 50 million square feet of green buildings.	Facilitate achievement of Green Vision Goal 4, and comply with State law as it relates to energy conservation in residential development.	Completed	In 2008, the City Council approved the "Private Sector Green Building Policy for New Construction." More recently, on November 5, 2013, the City Council approved an ordinance adopting the 2013 edition of the State CALGreen Code.
20. Renewable Energy Use In October 2007, the City Council adopted the Green Vision, a 15-year plan with ten ambitious goals for economic growth, environmental sustainability, and an enhanced quality of life for San Jose's residents and businesses. Among these goals was Goal 2: Reduce per capita energy use by 50%.	Facilitate achievement of Green Vision Goal 2, and comply with State law as it relates to energy conservation in residential development.	Completed	In 2008, a Zoning Code amendment allowed additional height for renewable energy resources. In a more recent example, on January 14, 2014, the City Council approved addition of a new "Fuel Cell" Zoning Code land use category.
21. Residential Reuse of Historic Structures The "Historic Reuse" ordinance is designed to allow non-residential historic City Landmark structure to be converted to residential use with issuance of either a Conditional or Special Use Permit.	Facilitate conversion and reuse of historic structures for residential purposes.	Completed	In 2010, the City Council approved the Historic Reuse ordinance.

Table VII-2, PBCE Work Program

Appendix F: Public, Commission and Council Input

COUNCIL AGENDA: 9-30-14
ITEM: 10.7

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Councilmember Donald Rocha

SUBJECT: **HOUSING ELEMENT**

DATE: September 26, 2014

Approved Don Rocha Date 9/26/14

RECOMMENDATION

That the Council make the following additions to the Appendix D of the Housing Element (please note that underlining indicates that text is being added.)

1. Add the following item under Appendix D, Section 1:

Goal	Action/Programs
Monitor San Jose's jobs to housing fit	Develop a program to monitor the jobs to housing fit within the City of San Jose, where the jobs to housing fit is defined as the ratio of low-wage jobs to affordable units.

2. Make the following addition to an existing item on page 4 of Appendix D:

Goal	Action/Programs
Coordinate with Valley Transportation Authority on transit-oriented development activities.	• Explore ways to facilitate transit-oriented affordable housing development near BART, Light Rail, and Bus Rapid Transit (BRT) stations. • Identify opportunities to develop parcels owned either by the City of San Jose or the Valley Transportation Authority as transit-oriented affordable housing, particularly workforce housing that may generate significant transit ridership.

3. Make the following addition to an existing item on page 5 of Appendix D:

Goal	Action/Programs
Implement Urban Village Plans.	• Explore various funding mechanisms and programs to help finance infrastructure and amenities for Urban Villages.

	• Create implementation tools for Horizon 1 urban Villages and other potential future horizons that respond to the unique conditions of each Urban Village. • Explore the full range of planning tools that could potentially be used to encourage production of affordable housing in urban villages, including the creation of incentives for affordable projects, the implementation of affordable housing overlay zones in select locations, or public benefits conferred through rezonings. • Implement Diridon Station Area Plan policy to achieve a minimum of 15% affordable housing within the plan area. • As needed, continue to convene Urban Village Technical Advisory Committee to drive implementation forward.

4. Add the following item under Appendix D, Section 1, Housing Planning Tools:

Goal	Action/Programs
Use the General Plan Major Review as an opportunity to asses and fine-tune the Urban Village strategy.	• Review the distribution of village plan areas between the different horizons to determine whether it may be desirable to rearrange the horizons such that the villages with the readiest development markets are in the first horizon while villages that may not be market-ready are in later horizons. • Review the distribution of growth capacity between villages to determine whether jobs or housing units should be moved from one village to another to better align village plans with market realities and increase the likelihood that villages will be implemented effectively. • Consider allowing affordable housing projects to move forward on a limited basis within urban village areas that are not in Horizon 1 or do not yet have approved village plans.

5. Add the following item under Appendix D, Section 1:

Goal	Action/Programs
Establish a citywide General Plan goal for production of affordable housing.	Bring forward for Council consideration a General Plan amendment to establish a goal that at least 15% of new housing should be affordable housing.

6. Make the following addition to an existing item on page 1 of Appendix D:

Goal	Action/Program	Time-frame
Continue to explore a Housing Impact Fee	Complete the Nexus Study and bring to Council for consideration of a Housing Impact Fee by the end of 2014. If approved, implement a citywide housing impact fee based on the impact that market rate housing has on the need for affordable housing in the city.	~~Ongoing~~ 2014

7. Add the following item under Appendix D, Section 2:

Goal	Action/Program
Reduce instances of homelessness and overcrowding by stabilizing at-risk tenants.	Analyze funding opportunities to increase programming to stabilize renters at-risk of eviction and homelessness such as deposit and rental assistance as well as financial education.

8. Make the following addition to an existing item on page 13 of Appendix D:

Goal	Action/Program
Protect the affordability of rental homes	• Assess the efficacy of the existing rent control ordinance as a tool for preserving the affordability of rental homes and the feasibility of strengthening the program under the parameters set by State law. • Conduct a review of the Rental Rights and Referral Program which includes interviews and outreach to stakeholders, such as fair housing advocates and landlords, to determine opportunities for improvement.

9. Make the following addition to an existing item on page 14 of Appendix D:

Goal	Action/Program
Consider proposed policies or ordinances to protect low and moderate income residents in market-rate and deed-restricted affordable housing from displacement	• Explore policy requiring tenant relocation benefits so displaced low and moderate income tenants in market-rate housing can find comparable and affordable housing in San Jose. • Explore the feasibility of creating a local Source of Income Ordinance which would prohibit discrimination against renters during tenant selection based on whether they pay for rent with a rental assistance voucher, such as a Section 8 voucher or Veterans Administration voucher.

ANALYSIS

We see the effects of our affordable housing shortage everywhere. Some of its effects are obvious—people sleeping out on the street—but some are less so. We may not realize that people we encounter during the course of the day, people who are holding down jobs and may not fit the stereotype of a homeless person, have no place to go after they leave work, or go home to an overcrowded apartment with multiple families living in a small space. As leaders in this community we have a responsibility to act. The work plan included in Appendix D of the Housing Element is an opportunity to show what work we will do to help our residents suffering from high housing prices. In an effort to take full advantage of this opportunity, I put forward the above recommended additions to Appendix D.

Recommendation 1: Jobs to Housing Fit

This recommendation would establish a program to monitor San Jose's jobs to housing fit, which is a measurement of the ratio of low wage jobs to affordable housing units. This ratio is a means of measuring affordable housing need in our community and tracking that need over time. Good policymaking almost always requires good data; just as we use the jobs to employed residents ratio to track our progress at increasing employment in San Jose, we should use the jobs to housing fit to track our progress at meeting the need for affordable housing.

Recommendation 2: Coordination with Valley Transportation Authority

Given the multiple benefits of locating affordable housing near transit, both to meeting the housing need and increasing transit ridership, it makes sense to coordinate our land use strategy near transit stations with the Valley Transportation Authority (VTA.) One of the obstacles to locating housing near transit, however, is the price of land. Developing housing on land already owned by public agencies would be one way to overcome this obstacle. Thus, I recommend adding language indicating that we will work with VTA to identify affordable housing opportunity sites on land owned by either agency.

Recommendation 3: Urban Village Affordable Housing Tools

The Diridon Station Area Plan adopted by Council on June 17th included a list of policy tools that could be used to build affordable housing within the plan area (see page 2-159 of the plan.) I believe many of the tools listed may be applicable in other urban villages beyond just the Diridon area. Thus, I recommend that we include three of them under the Appendix D item on village implementation.

The first tool, incentives for affordable housing projects, may be similar to the density bonus ordinance contemplated on page 6 of Appendix D. I believe it's worthwhile to mention incentives again under the urban village item, however, out of recognition that we may want to develop incentive programs tailored to the specific characteristics of individual village areas. The second and third tools are housing overlay zones and public

benefits conferred through rezonings. Both of these tools contemplate using the City's zoning power to facilitate production of affordable housing. I don't yet know whether these are tools we will want to use, or if we do want to use them, how widely they should be applied, but I do believe they are worth at least considering as we implement the urban village concept.

Recommendation 4: General Plan Major Review

Sometimes the world looks different to land use regulators sitting inside City Hall than it does to developers who exist in the market. It's not our job as regulators to give developers whatever they want, but it is smart for us to take market forces into account when we make decisions. It's difficult to craft land use policies that will achieve our ends if we act in a vacuum, without reference to market realities. It's this observation that guides my recommendation to asses and fine-tune our urban village strategy through the General Plan Major Review that will occur a little over a year from now.

There are three specific urban village issues I believe we should analyze. First, we should consider whether we want to switch villages between horizons or revamp the horizon system to make it more flexible. The development market for both jobs and housing varies considerably between village areas—some are ready to develop jobs and housing now, and some may need more time to become viable redevelopment sites. We should analyze whether it may be desirable to arrange the horizons such that villages with stronger markets go first and those with weaker markets come later. Phasing stronger development opportunities first would maximize our chances of developing successful villages that will serve as a model for later horizons.

Second, I recommend that we analyze whether it may be a good idea to redistribute jobs and housing numbers between villages. I realize that the citywide jobs and housing numbers are guided by a desire to achieve a certain jobs to housing ratio, but whether or not that growth capacity is actually built depends on whether development is viable from village to village and from parcel to parcel. Just because we set growth capacity for villages at a certain level doesn't mean that the market will necessarily build out that capacity. We should analyze whether we may want to redistribute growth capacity between villages, to make growth capacity more consistent with market demand and increase the likelihood that plans will be built out successfully.

Finally, I recommend we consider allowing affordable housing to move ahead, on a limited basis, in village areas that are not in Horizon 1 or do not yet have a village plan. Currently, a Signature Project can move forward in advance of a village plan if it meets a number of criteria. We may want to consider establishing similar criteria for affordable housing projects that would allow them to move ahead on a faster timeframe. I am sensitive to concerns this proposal may raise, including concerns that it may concentrate affordable housing in certain areas, but I believe these concerns can be addressed by establishing a framework that allows projects to move forward in a limited and judicious way.

Recommendation 5: 15% Affordable Housing Goal

During consideration of the Diridon Plan last June, the Council established a goal that 15% of the housing units built under the plan should be affordable. It makes sense that the Council would be given the opportunity to consider establishing a citywide goal of at least 15% after approving the goal in Diridon; I recommend we add it as an item under Appendix D.

Recommendation 6: Housing Impact Fee

The Council was told last week that staff was targeting the November 18th Council date to bring the Housing Impact Fee forward. Both in the interest of communicating an accurate timeline to HCD, but also to ensure that the Council that initiated this work has a chance to hear the item, we should explicitly establish that the Council will consider the impact fee before the close of 2014.

Recommendation 7: Renter Stabilization Programming

One of the best ways to end homelessness is to prevent it. The same is true for involuntary or severe overcrowding; conceivably, if people can afford to stay in their homes they won't seek shelter elsewhere. Short term unemployment and other life events can lead to eviction for many of our residents living paycheck-to-paycheck. The City already operates a Tenant-Based Rental Assistance (TBRA) program funded through federal HOME dollars which addresses stabilization needs. Staff should work to find additional opportunities to leverage existing funds available for these programs, including working with the County of Santa Clara for possible redevelopment boomerang funds or joint grant making opportunities.

Recommendation 8: Rental Affordability

It is time for us to re-evaluate our rent control ordinances and Rental Rights and Referral Program to ensure that both are meeting their objectives: to maintain affordability of rental homes and protect renters from unfair practices. With such a large affordability problem to address, we need to ensure that these reviews will be thorough and that we will consider all tools available to us under state law. We also need to be clear that all stakeholders will have a place at the table.

Recommendation 9: Protection of Low and Moderate Income Residents

Staff should add an analysis of the feasibility of creating a local Source of Income Ordinance to the Housing Element work plan. Seen as a best practice in fair housing policies, this type of ordinance has been adopted by large metropolitan areas such as Chicago and Philadelphia. The purpose of the ordinance is to include a person's source of income as a protected class to prohibit housing discrimination. In a market where landlords have a high demand for available units it is important for all of our residents to have a fair shot at securing housing regardless of whether their rent is partially paid for by a Section 8, Veterans Affairs Supportive Housing (VASH) voucher, or a family member.

COUNCIL AGENDA: 9/23/14
ITEM: 10.2

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: **SEE BELOW**

DATE: September 12, 2014

SUBJECT: GPT14-001: CITY-INITIATED GENERAL PLAN TEXT AMENDMENT REQUEST TO REVISE THE ENVISION SAN JOSÉ 2040 GENERAL PLAN TEXT TO INCORPORATE THE HOUSING ELEMENT FOR 2014-2023

RECOMMENDATION

The Planning Commission voted 6-0-1 (O'Halloran absent) to recommend that the City Council approve submittal of the Draft Housing Element of the Envision San José 2040 (General Plan) to the State Department of Housing and Community Development (HCD) for review, comment, or approval within sixty days of receipt.

OUTCOME

Upon submittal, HCD has up to sixty days to review the Draft Housing Element document and provide a written response or certify it.

BACKGROUND

On August 27, 2014 and continued to September 10, 2014, the Planning Commission conducted a public hearing on the proposed General Plan Text Amendment. See the attached Staff Report to the Planning Commission for the full analysis, description of public outreach, and coordination conducted on the proposed amendment.

ANALYSIS

On August 27, 2014 staff presented an overview of the Housing Element process to the Planning Commission that covered the legal requirements and purpose of the Housing Element, the analytical and content requirements, the context of housing needs, a review of the update process to date, and next steps. The presentation was followed by Planning Commission discussion and public comment, which addressed the State requirements for the City's Housing Element, and

the number of units by income category, that are assigned to the City through the Regional Housing Needs Allocation (RHNA) process. The Commissioners and one public speaker focused their comments on the percentage of affordable housing units assigned to the City, noting the large number of units allocated for Extremely Low Income (ELI) and Very Low Income (VLI) households. The Planning Commission then voted to continue the discussion of the Housing Element item to the next Planning Commission hearing held September 10, 2014.

On September 10, 2014, staff summarized public input, the Draft Housing Element's Implementation Work Plan as a response to identified needs, and the Adequate Sites Inventory. Diane Castillo, representing the Law Foundation of Silicon Valley, recommended strategies to include in the Housing Element including those to support the preservation of existing affordable housing, to facilitate new affordable housing, and to protect renters in the City.

Chair Kamkar asked clarifying questions on rent control provisions in the City. Staff summarized the City's two sets of rent control regulations: one for apartments built through 1979; and one for mobilehome parks. The Chair then suggested that the City work with the Silicon Valley Leadership Group to incentivize Silicon Valley's high technology companies to provide funding to address the Valley's affordable housing needs.

Commissioner Abelite read his comments on the Draft Housing Element into the record (see attachment). He concluded that affordable housing fees will not meet their intended purpose and will have an opposite effect, noting that housing prices should be based on supply and demand [Planning staff notes that the Housing Element is not dependent and does not impose affordable housing fees. They are merely mentioned briefly as one of the tools that the Council may consider].

Commissioner Yob stated that the Housing Element should not penalize one segment of the community for problems that affect the whole. In particular, she mentioned concerns that some items in the Implementation Plan would be "involuntary" measures, such as a proposed housing impact fee, as well as possible revisions to the mobilehome park conversion and condominium conversion regulations, which could burden owners and developers. She expressed a preference for "voluntary" measures such as motel conversions and secondary units.

Commissioner Bit Badal observed that if there had not been a Redevelopment Agency previously, that there would be no affordable housing in the City, and she stated that she supports fees to subsidize affordable units. She said the best communities are the most diverse and that technology jobs need to be supported by service jobs. She cited the Diridon Station Area Plan as a good example of a plan that supports affordable housing, and said the City should plan housing for senior citizens because they are the fastest growing population.

Commissioner Kline cautioned that laws that "feel good" such as inclusionary zoning need to be crafted to not do any harm. He stated support for the Housing Element, but noted that the City's inclusionary zoning law still needs work, and that the best solutions are affordable by design.

EVALUATION AND FOLLOW-UP

Following the 60-day review period by State HCD, City staff will release a final draft based on HCD and public comments, which City staff anticipates to submit to Council for adoption by December of this year. Staff will then submit the adopted Housing Element to HCD for certification. Certification by HCD maintains the City's eligibility for State funds that support existing housing programs and infrastructure projects. HCD certification also creates a rebuttable presumption of validity of the Housing Element in any action to challenge the validity of the Housing Element (Government Code section 65589.3).

POLICY ALTERNATIVES

Alternative #1: Do not approve submittal of the Draft Housing Element to State HCD.
Pros: None.
Cons: Not approving submittal of the Draft Housing Element to State HCD jeopardizes certification of the Housing Element by the State on time.

Reason for not recommending: State certification is required for the reasons stated above. A number of cities and counties have lost law suits because of the inadequacy of their Housing Elements. One of the types of actions that the courts have taken in these cases is to impose a moratorium on the issuance of building permits for all development (not just residential) until the jurisdiction complies with the requirements of the court's decision, such as designating specific minimum quantities of land for affordable housing, producing a specific minimum amount of affordable housing units, and obtaining certification of a Housing Element. Land use decisions based upon an inadequate General Plan or Housing Element have also resulted in invalidation of the approval of specific projects. As mentioned above, certification by HCD maintains the City's eligibility for State funds that support existing housing programs, transportation and other infrastructure projects.

PUBLIC OUTREACH

The City created a website URL (www.sanjoseca.gov/housingelementupdate) and customized project e-mail address (housingelementupdate@sanjoseca.gov) to share information and invite public feedback about the process. On January 15, 2014, an introductory "e-blast" was sent to a list of more than 3,000 persons and organizations with a demonstrated interest in the topic. The wide distribution of this e-blast was then further extended by subsequent communication from individual City Council District offices to their respective constituents and forwarding by the City Manager's Office to a list of more than 200 community groups.

From the fall of 2013 through January 2014, City staff facilitated numerous community meetings. Stakeholder groups included the County of Santa Clara administrative staff; the City's HCDC, Youth Commission, Fair Housing Consortium; San José Silicon Valley Chamber of Commerce, San Francisco Planning and Urban Research Association (SPUR), Senior Citizens Commission, Downtown Planning Area Neighborhoods, Edenvale Planning Area Neighborhoods, Alum Rock Planning Area Neighborhoods, Willow Glen Planning Area Neighborhoods, Santa Clara County Housing Action Coalition, Santa Clara County Association of Realtors, Berryessa Planning Area Neighborhoods, and West Valley Planning Area Neighborhoods. Language translation services were requested and provided to several meeting attendees.

The Draft Housing Element was posted on the website on August 29, 2014, and staff sent an e-mail blast to subscribers, including the general public, Council District offices, and other interested parties, to provide the public an opportunity to submit comments on the draft.

Community meetings were subsequently held on September 3 and 6, 2014, to provide opportunities for public input on the draft document. The majority of comments at these meetings focused on how to address the demand for affordable housing and protect existing affordable units – in particular naturally affordable units in existing mobilehome parks in the City.

Staff received written correspondence during preparation of the Draft Housing Element. This correspondence received as of the writing of this memorandum is attached. To the extent feasible, the comments have been addressed in the Draft Housing Element.

COORDINATION

This report and the proposed Housing Element were coordinated with the City Attorney's Office, the Housing Department, the Housing and Community Development Commission, and the Santa Clara County Airport Land Use Commission, which is scheduled to consider the item at its public meeting on September 24, 2014.

CEQA

Envision San José 2040 General Plan Environmental Impact Report (EIR), Resolution No. 76041, and Addenda thereto; Downtown Strategy 2000 EIR, Resolution No. 72767, and Addenda thereto; North San José Development Policies EIR, Resolution No. 72768, and Addenda thereto; and Diridon Station Area Plan EIR, Resolution No. 77096 and Addenda thereto (collectively, the "Final Program EIRs"). Pursuant to Section 15168 of the CEQA

Guidelines, the City of San José has determined that this activity is within the scope of the earlier approved programs and the Final Program EIRs adequately describe the activity for purposes of CEQA. The project does not involve new significant effects beyond those analyzed in the Final Program EIRs.

/s/
HARRY FREITAS, SECRETARY
Planning Commission

For questions please contact Interim Planning Official, Steve Piasecki, at 408-535-7893.

Attachments: Staff Report and Supplemental
Commissioner Abelite's Statement
PowerPoint Slides Presented at Planning Commission
Public Correspondence

P.C. Agenda: 08/27/14
Item No.: 7.a.

STAFF REPORT
PLANNING COMMISSION

FILE NO.: GPT14-001
(Housing Element Update
2014-2022 Projection Period /
2015-2023 Planning Period)

Submitted: Director initiated 02/28/14

LOCATION: Citywide

TEXT REFERENCE: Envision San José 2040 General Plan, Chapter 7 "Implementation"; proposed new Appendix entitled "Appendix 11: Housing Element for 2014-2022 Projection Period / 2015-2023 Planning Period"; and San José 2020 General Plan Appendix C: Housing

Existing Zoning	N/A
Proposed Zoning	N/A
General Plan	Text Amendment
Council District	Citywide
Annexation Date	N/A
Historic Resource	N/A
CEQA	Final Program EIRs and Addenda thereto for Envision San José 2040 General Plan, Downtown Strategy 2000, North San José Development Policies, and Diridon Station Area Plan

PROJECT DESCRIPTION

City-initiated request to amend the Envision San José 2040 General Plan (General Plan) Text to incorporate the Housing Element for 2014-2023 (Draft Housing Element), including the following text amendments among other changes:

- Revisions to Chapter 7 "Implementation;"
- Addition of new Appendices including Appendix 11 "Housing Element for 2014-2023" to update demographic and housing data, goals, policies, and implementation actions, and to make other minor technical, clarifying and clerical revisions, as necessary, to comply with State Housing Element Law (Government Code sections 65580-65589.8); and
- Revision and deletion of references to the previous housing element (Appendix C "Housing Element Update 2007-2014" of the San José 2020 General Plan) as appropriate.

RECOMMENDATION

Initiate the Housing Element Update with an overview of the Housing Element Update process followed by Commission and public questions and input. Then continue the discussion of the Housing Element item to the Planning Commission hearing scheduled for September 10, 2014.

BACKGROUND

The Housing Element is a State-required component of local general plans. Typically updated every four to eight years, the Element quantifies a city's housing needs, specifies policies and programs to assist in the provision of housing across income categories, and identifies strategies for a city to meet its share of the Regional Housing Needs Allocation (RHNA). For the City of San José, as well as all cities and counties in the Bay Area under the purview of the Association of Bay Area Governments (ABAG), the Housing Element must be approved by the respective local jurisdiction and submitted to the State Department of Housing and Community Development (HCD) by January 31, 2015 for certification by HCD. Once certified, the Draft Housing Element planning period is in effect through January 31, 2023. A certified Housing Element maintains the City's eligibility for funding from the State for various programs and establishes a rebuttable presumption of validity in any litigation challenging the validity of the Housing Element.

The Housing Element process begins when HCD calculates Statewide housing needs based on population projections from California's Department of Finance. HCD then allocates the Statewide housing needs to Councils of Governments (COG) throughout California, who in turn distribute their share to the cities and counties in the region for which each COG is responsible. This last stage of allocation – from COGs to cities and counties – is the Regional Housing Needs Allocation, or RHNA, and includes allocation of housing needs across income categories. The Association of Bay Area Governments (ABAG) is the Bay Area's COG, and is responsible for assigning the "fair share" RHNA goals to all jurisdictions in the Bay Area (nine counties and 101 cities). The City of San José's total RHNA fair share for the Draft Housing Element period is 35,080 units distributed through the income groups as shown in Table 1:

Table 1

RHNA Goals for 2014-2022 (Area Median Income based on household of four):

ELI	(0-30% AMI)	$0-$31,850	4,616 units	(13%)
VLI	(31-50% AMI)	$31,851-$53,050	4,617 units	(13%)
LI	(51-80% AMI)	$53,051-84,900	5,428 units	(15%)
MOD	(81-120% AMI)	$84,901-126,600	6,188 units	(18%)
Above MOD	(120%+ AMI)	$126,601	14,231 units	(41%)
		Total:	35,080 units	(100%)

This allocation represents substantial increases in the Extremely Low Income (ELI), Very Low Income (VLI), and Low Income (LI) categories compared to the Housing Element for the 2007-2014 period as indicated in the following Table 2:

Table 2. Change in RHNA Goals

	2007-2014	2014-2022	% Increase
Above Mod	15,450	14,231	-8%
MOD	6,198	6,188	0%
LI	5,322	5,428	+2%
VLI	3,875	4,617	+19% (ELI + VLI)
ELI	3,876	4,616	
TOTAL	**34,721**	**35,080**	**+1%**

Challenges to meeting the 2014-2022 RHNA goals include: the high costs of land and construction locally; difficulties in obtaining financing; and the need for more funding sources to meet affordable housing goals ─ particularly in light of the demise of the City's Redevelopment Agency as a result of State legislation that eliminated all redevelopment agencies throughout California. Some of these challenges may be met with housing programs and process improvements, which are part of the draft Implementation Workplan for the Housing Element that is in the process of being prepared by City staff. The Implementation Workplan will also include specific actions intended to comply with State law.

City staff has undertaken extensive outreach (discussed in more detail in the Public Outreach section of this memorandum and in the Draft Housing Element document) to solicit public comments on the issues the City should consider in the adoption process of the Draft Housing Element. Based on these public comments and staff analysis, City staff submitted a preliminary draft of the update of the Housing Element in April of this year to HCD staff for informal review. City staff received verbal feedback from HCD staff in the past two months, which City staff is attempting to respond to in preparing the current Draft Housing Element.

This current Draft will be posted on the City's website for public review and comment prior to Council consideration of the Draft for formal submittal to the State HCD for certification or a written response identifying additional items needed for certification. The Council's public hearing for this item is scheduled for the evening of September 23, 2014.

City staff is also engaging in a second round of outreach to solicit public comments on the Draft Housing Element. Once Council considers the Draft and approves submittal of it to the State HCD, and the State HCD receives the Draft, HCD will have up to sixty (60) days to review the Draft Element document. Following this 60-day period, City staff will release a final draft based on State HCD and public comments, which City staff anticipates to submit for Council approval by December of this year.

ANALYSIS

Staff is in the process of completing the Draft Housing Element with analysis. In the meantime, to better familiarize the concept of the Housing Element with the Planning Commission, as well as with interested members of the public, staff proposes to present an overview of the Housing Element to the Commission during the August 27, 2014 Planning Commission hearing, and requests that the Planning Commission then consider continuing discussion of this item to the September 10, 2014 Planning Commission hearing to allow staff additional time to complete the analysis of the Draft Housing Element and bring more detailed information back to the Commission for consideration.

ENVIRONMENTAL REVIEW

Envision San José 2040 General Plan Environmental Impact Report (EIR), Resolution No. 76041, and Addenda thereto; Downtown Strategy 2000 EIR, Resolution No. 72767, and Addenda thereto; North San José Development Policies EIR, Resolution No. 72768, and Addenda thereto; and Diridon Station Area Plan EIR, Resolution No. 77096 and Addenda thereto (collectively, the "Final Program EIRs"). Pursuant to Section 15168 of the CEQA Guidelines, the City of San José has determined that this activity is within the scope of the earlier approved programs and the Final Program EIRs adequately describe the activity for purposes of CEQA. The project does not involve new significant effects beyond those analyzed in the Final Program EIRs.

PUBLIC OUTREACH/INTEREST

Housing Element law requires local governments to make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element. As part of this Housing Element update, the City has pursued an extensive public outreach process that includes general community meetings, a focus group, developer roundtable discussions, and public hearings with City Planning and Housing Commissions and the Council. More detail on the public outreach for the Draft Housing Element will be provided in the document.

A website dedicated to the Housing Element update was also created to provide information. Visitors to the website can subscribe to the Housing Element update e-mailing list to receive announcements pertaining to the Housing Element update. The Draft Housing Element will be posted on the website to provide the public an opportunity to submit their comments on the draft.

Airport Land Use Commission

The proposal was referred to the Santa Clara County Airport Land Use Commission (ALUC) on August 5, 2014 and the item is being reviewed by the ALUC staff. As of the writing of this staff report, the ALUC has not provided comments on the Draft Housing Element or scheduled it for hearing by the ALUC.

Project Manager: Jenny Nusbaum **Approved by:** _____ **Date:** 8-18-14

P.C. Agenda: 09/10/14
Item No.: 7.b.
Continued from 8/27/14

SUPPLEMENTAL STAFF REPORT
PLANNING COMMISSION

FILE NO.: GPT14-001
(Housing Element Update
2014-2022 Projection Period /
2015-2023 Planning Period)

Submitted: Director initiated, 02/28/14

LOCATION: Citywide

TEXT REFERENCE: Envision San José 2040 General Plan, Chapter 7 "Implementation"; proposed new Appendix entitled "Appendix 11: Housing Element for 2014-2022 Projection Period / 2015-2023 Planning Period"; and San José 2020 General Plan Appendix C: Housing

Existing Zoning	N/A
Proposed Zoning	N/A
General Plan	Text Amendment
Council District	Citywide
Annexation Date	N/A
Historic Resource	N/A
CEQA	Final Program EIRs and Addenda thereto for Envision San José 2040 General Plan, Downtown Strategy 2000, North San José Development Policies, and Diridon Station Area Plan

PROJECT DESCRIPTION

Director-initiated request to amend the Envision San José 2040 General Plan (General Plan) Text to incorporate the Housing Element for the 2014-2022 Projection Period / 2015-2023 Planning Period (Draft Housing Element), including the following text amendments among other changes:

- Revisions to Chapter 7 "Implementation;"
- Addition of new Appendices including Appendix 11 "Housing Element for 2014-2023" to update demographic and housing data, goals, policies, and implementation actions, and to make other minor technical, clarifying and clerical revisions, as necessary, to comply with State Housing Element Law (Government Code sections 65580-65589.8); and
- Revision and deletion of references to the previous housing element (Appendix C "Housing Element Update 2007-2014" of the San José 2020 General Plan) as appropriate.

RECOMMENDATION

Recommend that the City Council approve submittal of the Draft Housing Element of the General Plan to the State Department of Housing and Community Development (HCD) for review, comment, or approval within sixty (60) days of receipt for the following reasons:

1. The Housing Element is a mandatory element of the General Plan with periodic updates required by State law (Government Code sections 65580-65589.8);
2. The Draft Housing Element aligns with the existing Major Strategies in the General Plan regarding the future growth and development of the City;

3. The Draft Housing Element strengthens the existing goals and policies related to meeting the housing needs of all economic segments of the community, including persons with special needs;
4. The Draft Housing Element establishes a comprehensive strategy that include goals, policies, and programs that encourage and facilitate development of housing to achieve the City's Regional Housing Needs Allocation (RHNA) fair share for the 2015-2023 planning period; and
5. Adoption of the Draft Housing Element by the City is required in order to receive certification by HCD, which maintains the City's eligibility for State funds that support existing housing programs and infrastructure projects. HCD certification also creates a rebuttable presumption of validity of the Housing Element in any action to challenge the validity of the Housing Element (Government Code section 65589.3).

BACKGROUND

On August 27, 2014 staff presented an overview of the Housing Element process to the Planning Commission at a public hearing that covered the legal requirements and purpose of the Housing Element, the analytical and content requirements, the context of housing needs, a review of the update process to-date, and next steps. The presentation was followed by Planning Commission discussion and public comment, which addressed the State requirements for the City's Housing Element, and the number of units by income category that are assigned to the City through the RHNA process. The Commissioners and one public speaker focused their comments on the percentage of affordable housing units assigned to the City, noting the large number of units allocated for Extremely Low Income (ELI) and Very Low Income (VLI) households. The Planning Commission then voted to continue the discussion of the Housing Element item to the Planning Commission hearing scheduled for September 10, 2014. On August 29, 2014 staff released a Draft Housing Element document for public review and comment, and has scheduled community meetings for September 3 and September 6, 2014 at City Hall.

The staff presentation scheduled for Planning Commission on September 10th is intended to focus on the Draft Housing Element's Implementation Work Plan as a response to identified needs, and the Adequate Sites Inventory. After the Planning Commission considers the Draft Housing Element at the September public hearing, the City's Housing and Community Development Commission (HCDC) is scheduled to consider the item at a hearing on September 11, 2014.

The Council's first public hearing for this item is scheduled for the evening of September 23, 2014. Once Council considers the Draft and approves submittal of it to the State HCD, and the State HCD receives the Draft, HCD has up to sixty (60) days to review the Draft Element document and provide a written response or certify it. Following this 60-day period, City staff will release a final draft based on State HCD and public comments, which City staff anticipates to submit for Council to consider adoption by December of this year. Staff will then submit the adopted Housing Element to HCD for certification.

ANALYSIS

The Envision San José 2040 General Plan currently contains the Housing Element for 2007-2014 as Appendix C, which references the San José 2020 General Plan. The Envision San José 2040 General Plan also contains a summary of how the Housing Element is implemented in Chapter 7, "Implementation". The proposed General Plan text amendment would replace the Housing Element for 2007-2014 with the Draft Housing Element for 2014-2023, by deleting references to Appendix C in the

Envision San José 2040 General Plan (see Attachment 1) and adding a new Appendix 11 to the General Plan that contains the Draft Housing Element for 2014-2023. Chapter 7 text would also be updated to reference current housing trends and summarize the implementation of the Housing Element for 2014-2023 (see Attachment 2).

To explain how the City will plan for its RHNA goals, the Draft Housing Element (Appendix 11) includes: a summary of public input; discussion of demographics of the City; an assessment of housing needs; constraints and resources affecting housing production; an Adequate Sites Inventory listed by Assessor's Parcel Number; policies, programs, and actions to preserve housing; an Implementation Work Plan; and evaluation of the prior housing element.

Public Input

The demographics analysis and needs assessment contained in the Draft Housing Element informed the City's public outreach strategy that included a multi-phase effort to obtain feedback from a broad spectrum of stakeholders representing different City neighborhoods, various age and race/ethnic group categories, and special interests including neighborhood leaders, the business community, developers, realtors, and housing advocates.

From the fall of 2013 through January 2014, City staff facilitated numerous community meetings. Stakeholder groups included the County of Santa Clara administrative staff; the City's HCDC, Youth Commission, Fair Housing Consortium; San José Silicon Valley Chamber of Commerce, San Francisco Planning and Urban Research Association (SPUR), Senior Citizens Commission, Downtown Planning Area Neighborhoods, Edenvale Planning Area Neighborhoods, Alum Rock Planning Area Neighborhoods, Willow Glen Planning Area Neighborhoods, Santa Clara County Housing Action Coalition, Santa Clara County Association of Realtors, Berryessa Planning Area Neighborhoods, and West Valley Planning Area Neighborhoods. Language translation services were requested and provided to several meeting attendees. Stakeholder comments generally related to the following themes:

- Affordable Housing for Low Income Households including the Homeless − Targeting resources to Extremely-Low-Income and homeless people makes sense when resources are scarce because these groups are the neediest, but funds go further when subsidies are shallower for developments targeting 50-60% AMI. Developments of 100 or more units achieve economies of scale, and can be less costly than seeking tax credit funding for smaller scattered site developments. Look into using California Tax Credit Allocation Committee (TCAC) provisions to submit a single application for several scattered sites within a certain radius. For micro-units, State TCAC unit size minimums may need to be changed because all bathrooms must be built to larger ADA specifications adding to the cost of the development. State TCAC requires that 30% of assisted units be three bedrooms for large families. Developers noted that demand for such units is less in urban areas, and developers have trouble renting large units in San José although they are required to build them. For mixed use Urban Villages, participants noted that ground floor retail is a burden for affordable housing developers. One possible solution is to master lease the ground-floor space to the City at 50% of market rate for municipal offices, libraries, or community centers. This allows the developer to underwrite the space and places the responsibility for leasing on the City.

  Address increased homelessness. Include community members from the surrounding neighborhood when developing a response. Address ineffective periodic creek clean-ups, which merely temporarily displace homeless encampments that are quickly reestablished. San José Public

Library/San José State University visitor guidelines on allowable personal belongings at the Martin Luther King, Jr. and other library facilities have potential to worsen the Downtown homelessness situation. In essence, to promote safe access for all library patrons, large or oversize items (e.g., bedrolls, duffle bags, large suitcases, etc.) are generally not allowed. Focus resources on housing for the extremely low income segment of the population; local caseworkers are routinely asked to assist in finding interim or replacement housing for low-income clients. Address the gradual loss of transitional housing opportunities and the potential for increased use of Single Room Occupancy (SRO) facilities and secondary units. Encourage "micro" units to enhance affordability. The insufficient supply of affordable housing is evidenced by extensive wait lists/times for Section 8 voucher recipients to find subsidized housing. There is a need for a City policy to incorporate affordable housing into Urban Village plans. The Alameda is an example of where the housing supply includes a good mix of incomes. The region is at risk of being competitively "priced out" due to high housing costs. These costs are detrimental to residents' quality of life and the ability for multiple generations to maintain close ties in establishing separate, affordable living arrangements in the area.

- Jobs/Housing Ratio − Analyze the impact on housing of the General Plan's "jobs first" policy. Focus on the balance between jobs and housing, and the challenges and opportunities in creation of Urban Villages. The City's dual efforts to both improve housing affordability and improve the jobs-housing ratio (by prioritizing employment) are in fundamental conflict with one another. The affordable housing gap has grown in recent years, as Silicon Valley has been an engine for job growth but without a commensurate increase in housing. There is a concern that major employers are not participating in a solution to the local housing shortage.

- Quality of Life − Focus on "quality of life" issues (e.g., neighborhood vitality, crime, schools, etc.) to help attract additional investment.

- Density and Intensification − ABAG's Priority Development Areas (PDAs) would result in "systematic gentrification" of neighborhoods by funneling growth and resources into these relatively small geographic areas. International housing markets (e.g., Asia, Europe, etc.) can provide guidance on ways to improve our local housing supply and to effectively plan Urban Villages, including higher densities, smaller living spaces ("micro" units), and shared housekeeping facilities. Higher densities require costly steel construction. Developers must be incentivized to build at densities of eight stories or more to help overcome cost hurdles. Concerns were expressed about density increases in the Spartan Keyes neighborhood. Concerns were also expressed about congestion resulting from land use intensification and multi-modal roadway improvements, citing the area around Valley Fair/Santana Row as an example.

- Transportation − The existing transit system was criticized for being ineffective in serving people's needs. Conduct studies on transit ridership by residents in the vicinity of new, higher density development. The City has an approach to considering an intersection "built out" and no longer requiring mitigation, but mitigation measures are in fact still necessary. Housing growth should be coupled with transportation improvements; the Evergreen area is an example where the infrastructure is insufficient to accommodate what growth has occurred in recent decades. The Berryessa BART station area is poorly served by transit, and traffic impacts resulting from people using cars to get to and from the station could be a problem.

- Community Services − San José needs adequate parks, police, and other services. Provide schools, libraries, community centers, and employment centers in close proximity to planned new housing in the City. There is a disconnect between planning for housing and schools, as school overcrowding is a growing concern in areas of population growth.

- Special Needs and the Disabled − Plan for housing the disabled, who are an identified "special housing needs group" in State law. Some money "should be allocated to programs that do repairs and modifications to help keep the elderly and disabled in their homes."

- Housing Needs of Senior Citizens − Greater diversity of housing types is needed to prepare for anticipated future demographic shifts (especially growth in the senior and young adult populations). Evaluate household income and housing affordability issues among seniors. Concerns of seniors include displacement, gentrification, and preservation of low income supply; additional protection of mobile home parks as a source of affordable/senior housing; and financial impact of rapid rent increases on senior citizens living on fixed income. Many longtime residents are "housing rich, income poor" such that mobility is oftentimes limited due to cost implications. Ability to "age in place" will require home retrofits and repairs, such as wheelchair ramps/lifts, grab bars, stair replacement, and proper lighting, along with maintenance and repair of heating, electrical, and plumbing systems, hot water heaters, roofing, etc. Representatives from the Winchester Orchard Neighborhood Association sought to ensure they have a voice in future decisions about revitalization efforts, expressing concern about the potential loss of affordable housing at the Winchester Mobile Home Park. Revise the Urban Village boundary/plan for Santana Row/Valley Fair and Vicinity to exclude the Winchester Ranch Mobile Home Park. Incorporate specific design features, such as benches, small green spaces, and shade elements, to ensure that walkability meets the unique needs of the senior population. There is a concern about the walkability and connectivity of the Hitachi/iStar area, and desire for construction of a pedestrian overcrossing and reopening of the old IBM tunnel under Highway 85 to provide a connection to various public amenities (e.g., hospital, library, farmers market, etc.) in the adjacent neighborhood to the south.

- Housing for the Young − Recognize that homeless teens are a growing concern. Lack of affordability is a factor resulting in more frequent moves by families, which disrupt the schooling of children. Address the ongoing housing needs of youth that have "aged out" of foster care and transitional housing programs. Live/work arrangements have potential to meet the needs of some younger persons.

- Housing for the Workforce − Promote housing types attractive to single, driving industry workers.

- Renting and Owning − Sentiments that "homeownership is not a right, but a privilege," and that the only viable solution to improved housing affordability is increased supply. There is a concern about the trend towards rental housing construction, and the lack of upkeep that can be associated with rental properties. Boost the supply of owner-occupied housing to improve affordability and help contain the recent rise in rental costs. A community comprised of longer-term owners is likely to have greater stability. The City's rent stabilization ordinance has not been effective in containing a steady rise in costs. Create various governmental incentives to moderate rent increases among housing units otherwise exempted from the City's Rent Stabilization Ordinance. Expand rent control to enhance affordability.

- Preservation of Housing Stock − Preserve the existing housing stock, including but not limited to mobile homes. Declare a moratorium on mobile home park conversions. Create opportunities for a neighborhood stabilization program to provide retrofit/repair services for properties that have been subject to foreclosure. Structures that are aging and/or subject to neglect are more prone to fire ("we respond to an average of three single-family house or apartment fires per week").

- Re-use of Public Lands − There is a need for innovative, "out of the box" thinking to address the housing issue, including the potential use of idle public lands for housing and soliciting interest from non-profit organizations (e.g., churches) for more intense development of these land holdings. Consider using the former Agnews Development Center for dormitories.

- Fees − Housing development should not have fees waived; everyone needs to pay for services. Consider imposing a housing impact fee to help construct and rehabilitate affordable housing units. Given the strength in the housing market, is it now an opportune time to ask developers to pay impact fees, or are impact fees not the solution to affordable housing, because these fees would simply be passed on to consumers and result in even higher costs? The City "should not tax what it wants to build."

- City Ordinances − Evaluate the process and effectiveness of housing-related City ordinances. Streamline review processing time. Bring greater flexibility to the City's secondary unit Zoning Code provisions.

- Funding Sources − Dissolution of redevelopment agencies and a lack of State housing funds prevent more aggressive solutions to affordable housing. This is a problem that is shared throughout the South Bay. Funding for affordable housing should not come from sales taxes because of their regressive nature. Identify funding sources to help pay infrastructure costs associated with implementation of the City's Urban Village plans.

- Regional Coordination − cities in Santa Clara County could potentially work together to pool affordable housing resources. Inter-agency coordination is important in achieving intended goals. Address the housing issue from a broader regional perspective, thereby spreading the costs in imposition of any affordable housing fees/taxes/bonds over a larger area with smaller expense to individual households/businesses. Actively educate a wide variety of constituents, including State legislators, school boards, and parent-teacher associations.

Demographics

With approximately one million residents, the City of San José is the 10th largest city in the nation, the 3rd largest in California, and the largest in the San Francisco Bay Area region. San José is the most transit-connected city in the South Bay Area, with significant investments planned for additional transit infrastructure. As a city that has regionally important employment centers in the South Bay, San José is composed of many high tech, manufacturing, and service jobs. However, San José remains the bedroom community for the region, providing a disproportionate supply of housing opportunities for a workforce that is employed in smaller and wealthier neighboring cities.

Additionally, San José is one of the most socioeconomically and ethnically diverse cities of any size in the country, with Whites, Hispanics, and Asians each comprising approximately one third of the City's total population. Like most cities in the United States, San José's population is aging, with the largest

population growth in the elderly/senior age group (persons age 65+ years), increasing the need for senior housing solutions. At the same time, "young adults" (persons age 20-35 years) will comprise the age group with the second largest projected growth in San José over the next 25 years, and they seek vibrant, walkable, urban places to live, work, and play.

This trend towards urban, amenities-rich areas is increasingly driving the location preferences of employees and employers, as well as families and households. The Draft Housing Element seeks to account for these diverse needs for a broader array of housing choices in its Implementation Work Plan. These housing choices may include secondary dwelling units, new urban housing types such as "micro" units of approximately 200-400 square feet) as well as the adaptation of the existing housing stock to meet changed circumstances such as allowing seniors to "age in place".

Needs Assessment

The Draft Housing Element provides an assessment of the existing and projected housing needs in San José. Regional housing needs are determined by Statewide and regional population projections. The housing needs analysis draws on data from multiple sources to compare income levels with housing costs to derive measures of affordability for various households, special needs, and housing types. This analysis provides the basis for understanding the attributes and extent of San José's housing needs and issues, and, taken together with the demographics analysis, is used to inform the Housing Element's Implementation Work Plan.

San José has long been one of the costliest places in the nation for living. Although about one-third of Santa Clara County's workforce command high salaries in the range of approximately $86,000 to $144,000 per year, nearly half of all jobs pay low-income wages between $19,000 and $52,000 annually. Projections from the State show that more than half of the new jobs created in the County over the next few years will pay $11.00 per hour or less. These working-class wages are not enough to pay for housing costs without creating a housing burden, defined as housing costs that exceed 30% of income. The market has not produced housing that is naturally affordable to low-income households, and public resources for affordable housing have been significantly diminished in recent years. Consequently, both the existing and future need for affordable housing in San José is considerable and far exceeds available supply. To the extent that this trend of income disparity continues, affordable housing needs can likewise be expected to remain high or even rise.

Constraints and Resources

As required by State law, the Housing Element must identify both governmental and non-governmental constraints to housing. Governmental constraints are government policies that may impede housing production in pursuit of other important public goals, while non-governmental constraints are those impediments created through market forces. "Constraints" is not used in the Housing Element as a pejorative, but rather as a neutral term to describe factors that may potentially make it more difficult or costly to develop housing. For example, a policy that requires housing to be developed in areas with existing City services is necessary for more sustainable development although, depending on circumstances, it may also make housing more costly to build due to higher land costs. However, the purpose of identifying specific policies and regulations as potential constraints is not necessarily to eliminate them, but to develop and implement other programs to mitigate housing costs while simultaneously balancing all City goals and policies.

Governmental Constraints

Governmental constraints refer to government regulations and policies that can limit development by adding regulatory constraints including development permit requirements, processing time, and/or development costs. These can potentially include constraints such as:

1. Zoning Regulations – The City's Zoning Ordinance includes conventional zoning districts established for residential uses. Alternatively, the Planned Development zoning process can establish a unique zoning district for a site, including use and development standards, which may otherwise not be found in a conventional zoning district. For example, the absence of a conventional zoning district that allows residential development at a minimum density of 30 dwelling units per acre as a permitted use could be described as a constraint because of the requirement of an application for PD zoning and PD permit for the City to consider approval of that density.
2. Processing Time – Processing times for zonings and development permits can increase the carrying costs of a property under consideration for development. Processing time is dependent on a number of factors, including the enforcement of State laws and City ordinances, the ability of the applicant to coordinate with City staff and community members to address project issues, and the need to ensure that the general public is fully informed through required notices, meetings and hearings.
3. Fees and Taxes – The fees and taxes applicable to a development project include application/entitlement fees, construction fees, impact/capacity fees, and development taxes. Application/entitlement fees include fees for consideration of the application for a land use approval and environmental clearance. Construction fees include the various building permit, plan check, and public improvement fees related to the construction process. Impact/capacity fees are charged to mitigate the costs that new development places on community infrastructure or other required improvements. Development taxes are tax assessments on development projects commonly based on project valuation.
4. Onsite and Offsite Improvements – New residential development is responsible for both public and private improvements directly associated with the development. The City has established both public and private infrastructure standards so that developers can factor in those costs during the development design stage.
5. Level of Service (LOS) Policies – The General Plan includes LOS policies for transportation, sanitary sewers, storm drainage, flood control, police, fire, and parks. Development proposals are also reviewed to ensure that the Water Pollution Control Plant (WPCP) capacity is not exceeded.
6. Building Code Requirements – The City of San José uses the California Building Code (CBC) as the standard for all new construction. San José also encourages the use of the State Historic Building Code for designated historical properties to facilitate the rehabilitation and reuse of important historic resources. The City has also adopted local amendments regarding certain structural design requirements, compliance with FEMA regulations, fire sprinkler regulations, and other building and plumbing requirements.

The General Plan is a "jobs first" plan to increase the jobs per employed resident ratio from below 1 to above 1 so that the City is no longer housing rich and jobs poor. So that this approach does not create a constraint to housing, the General Plan contains key Policies for sufficient flexibility to meet State housing requirements, including the following:

IP-2.5 During each Major Review of the General Plan evaluate input provided by the reconvened Task Force and achievement of the following key General Plan goals to inform the City Council's decision, regarding needed changes, to begin the next General Plan Horizon, or to increase the number of residential units available for non-specific Urban Village areas, verify that the current Planning Horizon contains adequate capacity to meet San José's Regional Housing Needs Allocation for the remaining 7 ½ year portion of the current 8 year term; and

Confirm that adequate infrastructure and service facilities, especially transit, exist or that a secure plan for them is in place to support the planned jobs and housing capacity in the current and contemplated Horizon.

IP-2.11 Provide a "Pool" of residential unit capacity which may be allocated to allow entitlement of residential projects within Urban Village Areas not included within the current Plan Horizon. This pool is initially established as 5,000 units, and may be replenished as part of a General Plan Major Review. Projects receiving allocation must conform to the Land Use / Transportation Diagram. Preparation of an Urban Village Plan for the subject Urban Village is necessary prior to allocation of these units unless the project qualifies as a Signature Project.

Non-governmental Constraints

Non-governmental constraints refer to the impediments to housing production that result from market factors. The primary non-governmental constraints identified in the Draft Housing Element are:

1. Production Costs – The cost of housing production is a significant non-governmental constraint. This is especially true for projects that seek deeper affordability requirements (for example, including more ELI units rather than VLI- or LI units) because a greater amount of subsidy is required to ensure that the project is financially feasible. The major components of production costs include construction, labor, and land. The cost of basic construction materials has increased significantly over the past several years. Additionally, land in San José continues to be expensive relative to other regions in the State and compared with many areas in the rest of the United States.
2. Financing – The ability to produce housing depends on the ability of developers to borrow money in order finance construction. For both market-rate and not-for profit developers, this depends largely on the willingness of banks to provide loans for such development. For affordable housing, this also generally depends on the availability of local, state, and federal subsidies that non-profit housing developers can access to make their projects financially feasible. In the current economy, financing for affordable projects is difficult to obtain from any of these sources. Additionally, the State has eliminated many funding sources for affordable housing including the City's Redevelopment Agency, resulting in the loss of a major primary source of funding for affordable housing in the City. These factors have profoundly impacted the City's ability to provided assistance to affordable housing developers.
3. Environmental – Environmental constraints to residential development within the City typically relate to the presence of one or more of the following physical factors that affect the development of housing including sites located in areas subject to severe flooding, riparian corridors, and geological hazards. The types of constraints vary in different areas of the City.
4. Public Opposition – Existing residents may be against new affordable residential development. Opposition can lead to a protracted planning process to solicit and respond to public opinion, which adds to the time and cost of development.

Adequate Sites Inventory

State law requires an Adequate Sites Inventory as part of a jurisdiction's Housing Element. The Inventory must demonstrate that the housing potential on land suitable for residential development is adequate to accommodate the City's RHNA of 35,080 total dwelling units available for development between 2014 and 2022. The City must assess the land capacity available within its jurisdiction to meet its RHNA and perform a parcel-by-parcel site inventory identifying where housing can be located and how many units each parcel may yield.

As of April 2014, the City has identified an Adequate Sites Inventory designated for approximately 35,117 new dwelling units based on a conservative estimate at the lower end of the density range of dwelling units allowed under the existing applicable land use designations for the subject sites on the General Plan Land Use/Transportation Diagram. This Inventory assumes at least 2,666 units in Urban Villages in Horizon 1 and allocation of 500 units from the pool of 5,000 units for Urban Villages in future Horizons. All of the units that are counted in the Inventory in Urban Villages must be part of Urban Village Plans that are approved by January 2015.

This figure represents the General Plan residential holding capacity and approved residential projects minus the residential development anticipated in future phases of the North San José Area Development Policy beyond 2014. For purposes of calculating the Adequate Sites Inventory, future phases of residential development in North San José are not assumed to occur prior to 2023. To further describe the residential capacity for the Draft Housing Element, the inventory divides the residential capacity in the following categories:

1. Sites Already with Planning Entitlements[1];
2. Planned Downtown Residential Development;
3. Residential capacity in Planned Communities;
4. Residential capacity in Urban Villages that are anticipated to have approved Urban Village Plans by January 2015;
5. Vacant sites that are designated for residential development in the General Plan;
6. Sites entitled for residential development in the North San José Development Policy Area;
7. Allocation from a pool of 5,000 units available for Urban Villages beyond the current Horizon (Horizon I); and
8. Underutilized Redevelopable Parcels with residential land use designations.

[1] Units with a Planned Development (PD) zoning, PD permit, or other development permit that have not been issued building permits.

Table 1. Existing Residential Capacity
DISTRIBUTION OF HOUSING UNITS
PLANNED DURING THE RHNA PERIOD (2014-2022)

Location/Status Category	Planned Housing Units	Percent of Total
Already Entitled[1]	11,474	32.7%
Downtown	9,701	27.6%
Planned Communities	7,547	21.5%
Urban Villages[2]	2,666	7.6%
Vacant Land[3]	2,125	6.1%
North San Jose[4]	N/A	N/A
"Pool" Allocation[5]	500	1.4%
Underutilized Redevelopable Parcels	1,104	3.1%
Totals	**35,117**	**100.0%**
RHNA Allocation (2014-2022)	35,080	

Source: City of San Jose

Notes:
[1]Includes unbuilt units in Phase 1 of the North San Jose Area Development Policy (NSJADP) and in the Hitachi mixed use village project, but otherwise excludes projects in other identified categories.
[2]Horizon 1 only of the Envision San Jose 2040 General Plan.
[3]To avoid double-counting, excludes vacant lands in other identified categories.
[4]Phases 2-4 of the NSJADP, allowing an additional 24,000 units, are not anticipated during the RHNA period.
[5]Allocation of units per Policy IP-2.11 of the Envision San Jose 2040 General Plan.

Based on existing General Plan Goals and Policies and the escalating depletion of vacant lands in San José, future development will consist primarily of higher density housing in strategic infill locations, including Downtown and other identified Growth Areas in the General Plan in urban locations predominantly close to transit. Most of the sites are already developed, but are underutilized, so the majority of sites in the inventory will need to be redeveloped or have their existing development intensified with additional buildings. Vacant lands represent just a small fraction of the yield from residentially zoned lands, because these are generally small or lower density sites at the edges of the City's Urban Service Area.

The Adequate Sites Inventory's holding capacity for approximately 35,117 new dwelling units is currently available for development during the 2015-2023 RHNA planning period. This means the City of San José is able to accommodate potential development of approximately 35,117 additional dwelling units without needing to amend the General Plan Land Use/Transportation Diagram to designate additional sites for residential use. Therefore, no changes to land use designations on the sites identified in the Adequate Sites Inventory are currently proposed in the Draft Housing Element.

Preservation

In the past, San José facilitated its affordable housing supply primarily through the production of new deed-restricted multifamily housing. In addition, a portion of San José's market-rate and mobile homes are considered "naturally affordable" because of their location, condition, and physical characteristics (although the exact number of naturally affordable homes is unknown).

Because affordable homes may be lost over time due to expiring deed-restrictions or be redeveloped (if naturally affordable), it is important for the City to include policies and programs that seek to preserve the existing affordable housing stock. Chapter 7 of the Draft Housing Element analyzes the deed-restricted housing stock that is at risk of conversion to market-rate housing and compares the costs of replacement versus preservation.

Implementation Work Plan

Challenges to meeting the 2014-2022 RHNA goals include: the reduction in funding from government sources particularly as a result of the dissolution of redevelopment agencies, the high costs of land and construction locally; difficulties in obtaining financing; and the need for more funding sources to meet affordable housing goals. Some of these challenges may be met with process improvements and housing programs, which are part of the Implementation Work Plan in the Draft Housing Element. The Draft Housing Element Work Plan includes existing as well as proposed or potential new policies, programs, and partnerships to meet San José's changing housing needs. The Work Plan also includes specific actions intended to comply with State law, as well as "Potential Actions" that the City has identified as important but may not currently have the staffing or resources to explore for implementation. City staff will monitor these potential actions and will explore or undertake these items pending sufficient resources and if these items escalate in importance. The Implementation Work Plan is organized around four primary components:

1. Increase, preserve, and improve the supply of safe, livable, and affordable housing for low and moderate income residents.
    a. Programs and Funding
    b. Coordination
    c. Housing Planning Tools
2. Invest in activities to end homelessness.
3. Promote equitable development.
4. Support healthy, sustainable communities and neighborhoods.

Specific descriptions and timeframes for proposed policies and programs can be found in the Implementation Work Plan located in Appendix D of the Draft Housing Element.

CONSISTENCY WITH THE GENERAL PLAN

The twelve Major Strategies of the General Plan provide guiding principles for its goals and policies. These strategies include: Community Based Planning; a Form Based Plan; Focused Growth; Innovation/Regional Employment Center; Urban Villages; Streetscapes for People; Measurable Sustainability / Environmental Stewardship; Fiscally Strong City; Destination Downtown; Life Amidst Abundant Natural Resources; Design for a Healthful Community; and Plan Horizons and Periodic Major Review.

The Draft Housing Element is consistent with all of these Major Strategies. By promoting housing opportunities for all economic segments of the community, the Housing Element is consistent with the Design for a Healthful Community and Innovation/Regional Employment Center Major Strategies by facilitating development of workforce housing to support driving industries. The Focused Growth and Fiscally Strong City Major Strategies address the need to balance the urban facilities and services demands of new development with the need to balance the City's budget. Infill development within urbanized areas is identified as an important means of controlling service costs through increased efficiency, and the Draft Housing Element identifies housing opportunities located primarily on urban infill sites, near jobs centers, transit, and areas with existing neighborhood services. These sites support the Destination Downtown Major Strategy as well as the Urban Villages Major Strategy, which underscores the importance of enhancing San José's neighborhoods by promoting Downtown development and critical density in mixed-use development in identified Growth Areas. All these sites are located within the Greenline/Urban Growth Boundary, which is consistent with the Focused Growth, Sustainability / Environmental Stewardship, and Life Amidst Abundant Natural Resources Major Strategies in preserving the scenic backdrop of the hillsides surrounding San José, preserving habitat, agricultural resources, and recreational opportunities. By promoting the efficient use of land and infrastructure resources through higher density development in urbanized areas and strategic locations, the Draft Housing Element is consistent with all the General Plan Major Strategies in maintaining San José's ability to meet its future service needs while preserving a healthy living environment.

ENVIRONMENTAL REVIEW

Envision San José 2040 General Plan Environmental Impact Report (EIR), Resolution No. 76041, and Addenda thereto; Downtown Strategy 2000 EIR, Resolution No. 72767, and Addenda thereto; North San José Development Policies EIR, Resolution No. 72768, and Addenda thereto; and Diridon Station Area Plan EIR, Resolution No. 77096 and Addenda thereto (collectively, the "Final Program EIRs"). Pursuant to Section 15168 of the CEQA Guidelines, the City of San José has determined that this activity is within the scope of the earlier approved programs and the Final Program EIRs adequately describe the activity for purposes of CEQA. The project does not involve new significant effects beyond those analyzed in the Final Program EIRs.

PUBLIC OUTREACH/INTEREST

The City created a website URL (www.sanjoseca.gov/housingelementupdate) and customized project e-mail address (housingelementupdate@sanjoseca.gov) to share information and invite public feedback about the process. On January 15, 2014 an introductory "e-blast" was sent to a list of more than 3,000 persons and organizations with a demonstrated interest in the topic. The wide distribution of this e-blast was then further extended by subsequent communication from individual City Council District offices to their respective constituents and forwarding by the City Manager's Office to a list of more than 200 community groups. The Draft Housing Element was posted on the website on August 29, 2014, and staff sent an e-mail blast to subscribers, including the general public, Council District offices, and other interested parties, to provide the public an opportunity to submit comments on the draft.

In addition to the comments mentioned above, staff also received written correspondence during preparation of the Draft Housing Element. This correspondence received as of the writing of this staff report is attached. To the extent feasible, the comments have been addressed in the Draft Housing Element including the proposed Implementation Work Plan.

Project Manager: Jenny Nusbaum **Approved by:** Michael Nelt **Date:** 9/03/14

Owner/Applicant:	Attachments:
City of San José	1. Proposed Text changes to the Envision San José 2040 General Plan, Chapter 7 "Implementation" 2. Draft proposed new Appendix entitled "Appendix 11: Housing Element for 2014-2022 Projection Period / 2015-2023 Planning Period"; to replace Appendix C of the San José 2040 General Plan 3. Public correspondence

GPT14-001 DRAFT TEXT AMENDMENT

ENVISION SAN JOSE 2040 GENERAL PLAN

CHAPTER 7 "Implementation"

Section on Housing Element

Housing Development
The Land Use / Transportation Diagram and the Housing goals and policies contained in the Envision General Plan, in concert with its other Goals, Policies and Implementation Actions, are intended to address several concerns related to the supply of housing within San José and the region. These concerns are closely related, so that one strategy may address multiple objectives. At the same time, housing supply is a regional issue for Santa Clara County and the Bay Area. Without a cooperative regional approach, San José will not be able to fully meet its housing, economic development, and fiscal sustainability goals. By providing adequate housing growth capacity at strategic locations, San José will do its part to address the concerns of housing affordability, reducing commute demand by providing housing supply in close proximity to employment and service uses, and creating high quality, complete urban neighborhoods by focusing new housing growth into higher-density, compact areas around transit facilities.

San José has traditionally provided the bulk of housing in Santa Clara County with a large range in price and the largest number of affordable units. Much of this housing is in the form of low-density neighborhoods. A shortage of commercial and industrial activity and relatively low residential property values have negatively impacted the City's revenue while the inefficient form of its housing supply has raised service costs. This has resulted in fiscal challenges for the City as it attempts to provide services to its resident population. In order to provide and maintain high-quality residential areas, the City must pursue opportunities to improve its fiscal health through the implementation of its policies related to housing.

Goal IP-19 – Housing Development
Implement the *Envision General Plan* Land Use / Transportation Diagram and *Envision General Plan* Goals, Policies and Implementation Actions related to housing development (Housing Program) to meet San José's housing needs and to address State and regional housing production requirements.

Policies – Housing Development

IP-19.1 Through a Major General Plan Review or, as needed, through the Annual General Plan review process, evaluate the Plan's consistency with housing

development goals as determined by the State and regional agencies and take actions as necessary to address their requirements.

IP-19.2 In determining an appropriate Housing Program, maximize City resources towards the area of greatest need and to utilize available State and Federal programs.

Housing Element[1]

The City's Housing Element aligns with the General Plan goals and the City's federal and local housing plan goals to include a range of affordable housing opportunities for low- and moderate-income households, an effective response to homelessness, equitable and complete communities, and sustainable, transit-oriented communities. ~~San José's~~ Local Housing Elements ~~2007-2014 was adopted in June 2009 and was subsequently~~ are periodically required to be certified ~~that year~~ by the State Department of Housing and Community Development (HCD). State certification creates a legal presumption that the Housing Element complies with State law. Housing Element certification maintains San José's eligibility for key infrastructure and housing funds from Federal, State, and regional sources.

State law requires cities to update their Housing Element generally every ~~five~~four to ~~seven~~eight years. The current Housing Element is the result of community input and the analysis of demographic data, housing needs, constraints, and resources for housing development, planned housing supply, and housing preservation needs. The Housing Element ~~addresses housing needs for the period between January 1, 2007 and June 30, 2014. It serves as a starting point for developing~~ includes strategies and actions for implementing the housing ~~goals and~~ policies ~~fo~~f~~r~~ the *Envision San José 2040 General Plan*.

San José has been a leader in providing housing for a growing regional population. ~~The *San José 2020 General Plan* had capacity for approximately 60,000 new housing units. As currently proposed, the *Envision San José 2040 General Plan* will provide capacity for approximately 48,000 new housing units through the conclusion of Horizon 1.~~ For ~~2007-2014~~, the 2014-2022 San José's Regional Housing Needs Allocation (RHNA) projection period, the City's share of housing for the Bay Area Region is ~~34,721~~ 35,080 new housing units~~. O~~ of ~~those 34,721 new housing units~~, which~~13,073~~9233 units should serve ~~low-, very-low, and~~ extremely-low and very-low income households, 5,428 units should serve low-income households, ~~and~~ 6,1~~9~~88 units should serve moderate-income households, and 14,231 units should serve above moderate-income households. Although the City will have adequate capacity to meet the overall RHNA number of housing units, production of the affordable homes will be very challenging because of the loss of affordable housing funding from the City's former Redevelopment Agency, the depletion of State housing resources, reduced federal housing and community development funding, legal challenges to inclusionary housing programs, and the lack of other tools. The Housing Element ~~for 2007-2014~~ addresses how the City can facilitate development of adequate ~~these new~~ housing for each income group ~~homes consistent with affordability requirements~~while also~~planning~~ providing for neighborhoods with parks, schools, and access to transportation, jobs, shopping, and other services.

Housing Element Implementation Program

In the development of the Land Use/ Transportation Diagram, the maps of which are available on the City's web site, those residential and housing goals and policies having spatial or locational dimensions were considered and are, to a large extent, implemented by land use designations and through the process of reviewing development proposals. Other housing goals and policies cannot be effectuated through land use decisions and require program responses as outlined in ~~the following sections~~Appendix 11.

Quantified objectives for housing programs are for the ~~revised~~planning time frame of the Housing Element (January 31, 20~~07~~15 through ~~June 30~~January 31, 20~~14~~23)~~rather than the 1994-2020 time frame of the *San José 2020 General Plan*~~.

~~The following discussion is integrally linked with the goals and policies stated in this Plan.~~ The implementation of ~~the~~ housing ~~and other~~ related goals and policies occurs, in part, through the development review process, as described earlier in this chapter. ~~Technical~~Detailed information regarding housing issues in San José is provided in Appendix ~~5~~11, which also includes a detailed description of the housing programs~~listed below~~ , policies, and actions to implement during the Housing Element planning period in order to address the needs and constraints identified in Appendix 11.

The Housing Element implementation work plan carries over some of the programs from the prior RHNA cycle and also includes new initiatives to address new needs and constraints, to build new partnerships, and to identify new funding opportunities. It also includes potential actions to explore by the City, pending the availability of staff capacity and resources. The implementation work plan is organized according to the following Housing Element goals:

1. Increase, preserve, and improve the supply of affordable housing.
2. Invest in activities to end homelessness.
3. Promote equitable development.
4. Support healthy, sustainable communities and neighborhoods.

This work plan includes items that are already in progress as well as potential new policies and programs to explore as funding becomes available. Funding sources have been noted when plausible, but the ongoing scarcity of housing subsidies, recent legal challenges to inclusionary housing programs, and the uncertainty of timing on new sources make it difficult to project through January 2023.

~~1 Legislation recently enacted (ABX1 26 and 27, Blumenfeld 2011) could significantly impact the viability of redevelopment throughout the state which, in turn, may affect public funding of affordable housing. The current Housing Element, including Appendix C (Housing) is scheduled to be updated in 2014 and should reflect resolution of legilation and litigation relating to redevelopment agencies and funding.~~

~~Summary of Housing Needs Analysis~~

~~In support of the 2007-2014 update of the Housing Element, the City applied available data to build on previous updates. The conclusions of the update indicate a continuation of the trends identified five years earlier. Housing costs remain high in San José and the County as a whole, relative to the State. According to the Santa Clara County Association of Realtors, the median value of a single family home in San José was $560,000 and $350,000 for condominium and townhomes as of August 2008. Clearly such high prices, coupled with high financing costs, can severely constrain the ability of even moderate income families and households to purchase a home. Because of spatial correlations between housing cost and employment centers, the spiraling of prices has also caused an even longer commute time for many households searching for cheaper housing both inside and outside of the region. Such commutes impact the transportation network and degrade the environment.~~

~~San José's population grew from 894,943 in 2000 to 989,496 in 2008- an increase of 94,553 residents. The City of San José includes over half of the county's population, and has grown slightly faster than the county as a whole over the past decade, and accounts for two-thirds of the residential growth in the county. During the last decade the City's population increased 18% while the county's increased by 17%. This growth is expected to continue into the next decade but at a much slower rate.~~

~~Average household size in San José has experienced ups and downs over the last thirty years, but has exhibited relative stability in recent years. According to the 2006 American Community Survey, the average household size in San José is 3.12 persons, compared to 2.92 in the State and 2.6 nationwide. This figure represents a decrease from the average household size in 2000 and a slight increase over the 1990 figure of 3.08 persons per household. The average household size in San José is relatively higher compared to the State and nationwide average. This is partially due to the increase in the number of larger families as well as rising housing costs. According to the 2006 American Community Survey, approximately eight percent of all occupied dwelling units (23,530 units) could be classified as overcrowded with a higher percentage of renters living in overcrowded conditions than owners. As greater numbers of families and households are unable to enter the ownership housing market, they turn to the rental market. The tight housing market has caused vacancy rates to range between 1.0% and 3.6% over the past several years. As further detailed in Appendix C, 53,205 renter households and 81,699 home owner households in San José spent more than 30% of their gross incomes on housing in 2006. Of these households, 18,714 were extremely low-income renter households (incomes less than 30% of the area median income); 14,877 were very low-income renter households (incomes between 30% and 60% of area median); and 10,579 were low-income renter households (incomes between 60% and 80% of area median). These numbers do not include those families who are living doubled-up or who are forced to live in outlying areas and commute to jobs in San José.~~

~~Under State law, the Association of Bay Area Governments (ABAG) determines the fair share allocation of housing need for all Bay Area communities. For San José, the housing need is 34,721 dwelling units between January 2007 and June 2014. Of this~~

~~number, 3,876 are needed for extremely-low income households, 3,875 for very low income households, 5,322 for low income households, 6,198 for moderate income households and 15,450 for above moderate income households. This fair share allocation is limited to the projection of future housing need; it does not take into account households living "doubled-up" or who have been forced to live in outlying areas due to the lack of affordable housing in San José due to limitations of official data sources. However, the City's housing programs are intended to address needs of lower-income households. The City's housing programs also seek to create affordable housing opportunities at the deepest affordability. In addition, the City's Housing Department, under its current Notice of Funding Availability (NOFA) for project developments has a requirement that affordable housing financed by the City must incorporate a minimum of 25% ELI units. Moreover, in accordance with the adopted Five- Year Housing Investment Plan, the Housing Departments must target 30% of its Low and Moderate Income Housing Funds (20% funds) to ELI households.~~

~~Determining an Appropriate Program Response~~
~~The City of San José has traditionally provided the bulk of housing in Santa Clara County with a large range in price variation including the largest number of affordable units. The needs analysis contained in the Housing Appendix, however, clearly indicates a large and complex housing need which exceeds the resources of the City to meet.~~

~~In determining an appropriate program response, the City seeks to maximize its resources towards the area of greatest need and to utilize available State and Federal programs. Recently, however, Federal and State resources which address housing needs have diminished, while needs have increased, particularly for low income rental apartments.~~

~~In order to implement the City's housing programs more effectively, the City Council consolidated the Housing and Neighborhood Development Division of the Department of Neighborhood Preservation with the Housing Development section of the Redevelopment Agency in the fall of 1987 and created the Housing Department. A Mayor's Task Force on Housing was created to develop housing policies to guide the City in addressing affordable housing needs. A comprehensive Housing Needs Assessment was prepared by a consultant and reviewed by the Task Force; together with input from the community, the Housing Needs Assessment formed the basis for the five- year Housing Program. The Mayor's Final Report outlines the following City housing policy goals:~~

- ~~**Goal 1:** Increase the supply of affordable housing, preserve the housing stock and reduce the cost of developing affordable housing.~~
- ~~**Goal 2:** Utilize available resources to address priority needs for housing.~~
- ~~**Goal 3:** Increase the funds available for the preservation and development of affordable housing.~~
- ~~**Goal 4:** Disperse low income housing throughout the City to avoid concentrations of low income households and to encourage racial and economic integration.~~

~~**Goal 5:** Encourage greater involvement of public and private sectors to increase and preserve the stock of affordable housing in San José.~~

~~Based on these policy goals, a series of recommendations was made relating to land use planning, site acquisition, residential development tax exemptions, Single Room Occupancy housing, the conversion of assisted units to market rate rentals, long- term affordability requirements, targeting of funds by income level and need for new or rehabilitated housing, development policies for rental and ownership housing, last resort housing and other issues.~~

~~The City has systematically addressed these issues and has implemented the individual recommendations outlined in the Final Report. These goals continue to shape the program directions implemented as a part of the City's Consolidated Plan.~~

~~The Housing Assistance Program objectives outlined below include the City's funding resources (numerically identified in the text) as well as available Federal and State monies. Because of uncertainties in dollar projections and recent legislative action at the Federal level, these objectives can only be considered as numerical representations of what the City anticipates can be achieved for low and moderate income housing.~~

~~The housing program objectives set forth below represent the results of a number of analyses. The construction activity projections are based on the City's annual construction activity forecasts used in the development of the Capital Improvement Program.~~

~~The other program objectives are based on: 1) the City's experience with affordable housing programs which will be monitored annually and updated in conjunction with the Consolidated Plan goal setting process; 2) the rates of success in implementing the Housing Element program goals incorporated into the General Plan in 1978, 1981, 1983, 1984, 1988, 1989, 1994, and 2003; and, 3) State and Federal Government funding resources available to the City. The objectives for the "Additional Programs" listed on the following pages are based on the need to promote additional housing opportunities and to expand existing programs.~~

~~Housing Assistance Program Objectives~~
~~**Construction Activity Projections.** The City of San José has projected a total dwelling unit production of approximately 24,700 units for the January 2007- June 2014 time frame of the Housing Element. These figures assume an average of 3,800 new building permits approved each year, reflecting the recent trend of housing construction in San José. The City projects approximately 7,300 units of affordable housing production for the fiscal year 2000/ 01 - 2005/06 time frame. Between January 1999 and June 2006, approximately 8,900 affordable housing units were produced.~~

~~**Local Assisted Housing Programs Objectives.** The City of San José's extremely-low, very low, low and moderate income housing goals for the 2005-2010 Consolidated Plan are summarized in Table HE-1 and 2 (see following pages). In addition to the five-year housing production goals shown in Talbe HE-1, the City has goals for the conservation of existing affordable housing units. For example, there are 10,585 mobilehome units in~~

~~San José as of 2006 and all but about 200 of these units are located on sites zoned RM-H Park District) or are under a Planned Development zoning which allows only mobilehome parks as a permitted use. These zoning districts are designed to encourage the preservation of mobilehome parks and give them some continued protection from speculative conversion to other units during the 2007-2014 planning period because of the increased stability provided for mobilehome parks through these zoning districts.~~

~~Table HE-1 indicates that the goals for new construction of assisted housing units includes the acquisition/rehabilitation of "at- risk" units (federally assisted rental units that could be converted to market rate rents). The City's Housing Department will use a variety of programs identified in the Housing Appendix to conserve these units. Over the time period of the Housing Element from July 1, 2009 to June 30, 2014, the City anticipates funding commitments for 2,750 units with an emphasis on Extremely Low- and Very Low-income households. The City does not anticipate allocating funding in order to preserve its at-risk housing units, as this housing stock is primarily owned and managed by non-profit organizations that are committed to preserving the affordability restrictions. Table HE-2 breaks down the production goals according to income levels for identified priority groups.~~

~~In 2009, the City Council adopted an updated Inclusionary Housing Policy that requires that 15% of the residential units built city-wide be affordable. The ordinance will go into effect when the City issues 2,500 residential permits in a rolling 12-month period or in 2013, whichever comes first.~~

~~Table HE-1: Proposed Five-Year Production Goals 2009-2014~~

~~TARGETING~~	~~NEW CONSTRUCTION~~	~~ACQUISITION/ REHABILITATION~~	~~PRESERVATION~~	~~5-YEAR TOTAL~~
~~ELI~~	~~563~~	~~125~~	~~0~~	~~688~~
~~VLI~~	~~1,462~~	~~325~~	~~0~~	~~1,787~~
~~LI~~	~~225~~	~~50~~	~~0~~	~~275~~
~~Mod~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Market~~	~~0~~	~~0~~	~~0~~	~~0~~
~~TOTAL~~	**~~2,250~~**	**~~500~~**	**~~0~~**	**~~2,750~~**

~~Source: City of San José Housing Department, 2008~~

~~Table HE-2: Affordable Housing Production Priority~~

~~Existing and New Programs~~

~~The following actions will be taken in implementing the goals of the City of San José's Five- Year Housing Strategy:~~

~~The Use of the City's 20% Redevelopment Housing Fund~~

~~Under the requirements of California Community Redevelopment Law, as provided in Section 33334.2 of the Health and Safety Code, 20% of the tax increment funds from merged, amended, or newly created redevelopment areas utilizing tax increment financing must be set aside for housing purposes for low and moderate income households. These funds may be used for a variety of purposes such as land or building acquisition, construction financing, subsidies, land improvements, development of plans and paying the principal or interest on bonds and loans. Given the economic downturn, the Housing Department anticipates that its 20% funds will stay even with its FY 2008-09 amount of $37,000,000, and does not expect an increase. The 20% funds are used to finance all aspects of the Housing~~

~~PRIORITY HOUSING NEEDS - HOUSEHOLDS~~	~~INCOME LEVELS # OF HOUSEHOLDS~~	~~PRIORITY NEED LEVEL - HIGH, MEDIUM, AND LOW~~	~~UNMET NEED BASED ON COST BURDEN~~	~~GOALS~~
~~Small Related Renters (0-80%) - 20,974~~	~~0-30%MFI (7,470)~~	~~H~~	~~6,125~~	~~316~~
	~~31-50% MFI (7,365)~~	~~H~~	~~5,523~~	~~700~~
	~~51-80% MFI (6,139)~~	~~M~~	~~2,701~~	~~440~~
~~Large Related Renters (0-80%) - 12,968~~	~~0-30%MFI (4,600)~~	~~H~~	~~3,956~~	~~200~~
	~~31-50% MFI (4,715)~~	~~H~~	~~2,923~~	~~600~~
	~~51-80% MFI (3,653)~~	~~M~~	~~876~~	~~330~~
~~Elderly Renters~~	~~0-30%MFI~~	~~H~~	~~3,723~~	~~200~~

~~(0-80%) - 8,182~~	~~(5,659)~~				
	~~31-50% MFI (1,685)~~	~~H~~	~~1,078~~	~~249~~	
	~~51-80% MFI (838)~~	~~M~~	~~444~~	~~150~~	
~~Other Renter Households (12,533)~~	~~0-30%MFI (4,955)~~	~~H~~	~~3,518~~	~~59~~	
	~~31-50% MFI (3,454)~~	~~H~~	~~2,798~~	~~500~~	
	~~51-80% MFI (4,124)~~	~~M~~	~~2,557~~	~~90~~	
~~Total Owner Households (0-80%) (19,123)~~	~~0-30%MFI (10,755)~~	~~H~~	~~7,528~~	~~591~~	
	~~31-50% MFI (4,715)~~	~~H~~	~~7,118~~	~~620~~	
	~~51-80% MFI (3,653)~~	~~M~~	~~8,190~~	~~719~~	
~~**TOTAL**~~			~~**59,058**~~	~~**5,764**~~	

~~Source: City of San José Department of Housing Consolidated Plan, 2005-2010~~
~~Small Households = Four persons or fewer~~
~~Large Households = Five persons or more~~

- ~~Transit-Oriented Development/Mid- and High-Rise Residential Design Guidelines~~
- ~~Enhanced High-Rise Design Review Process~~
- ~~2007 California Standards Code Outreach and Training~~
- ~~Live Telephone Customer Service~~
- ~~Preliminary Review Application Process~~
- ~~Housing Department Notice of Funding Availability (NOFA) Process and Underwriting Guidelines~~
- ~~Improvements in the Building Division to facilitate streamlining of the permitting process~~
- ~~Elimination of the Planned Development Zoning process requirement for certain Mixed-Use Development projects~~
- ~~Option to Use Discretionary Alternate Use Policies through a Use Permit~~
- ~~2008 Zoning Ordinance Streamlining Amendments~~

~~In addition, implementation of the 2007-2014 Housing Element will require the City to update existing land use policies in the General Plan as well as adopt new ordinances and revisions to the Zoning Ordinance in order to comply with State law. These actions include adopting a Density Bonus Ordinance, establishing a higher-density multi-family residential zoning district, and revising several General Plan land use designations to establish a minimum density of 30 dwelling units per acre. Descriptions of these programs and the relevant General Plan policies that guide their implementation are listed in Figure 23 of the 2007-2014 Housing Element.~~

~~Equal Housing Opportunities~~
~~The City of San José is committed to providing equal housing opportunities for all persons wishing to reside in San José. City policy is to distribute housing units affordable to various income levels throughout the City to create economically diverse neighborhoods. The City has a variety of programs to avoid discrimination and to resolve discrimination complaints.~~

~~The City of San José encourages equal housing opportunities through its rent relief/stabilization program. Apartment tenants and mobilehome residents seeking relief from rent increases may request a public hearing.~~

~~The City funds the Legal Aid Society of Santa Clara County's Housing Project with CDBG monies for the provision of fair housing services to landlords and tenants. Legal Aid provides help with evictions, rental repairs, deposits, rental agreements, leases, rental disputes, mortgage delinquency, home purchase counseling, housing discrimination and other housing related issues. Legal Aid staff is responsible for fair housing counseling, conciliation, fair housing education, referrals, investigations and audits. These responsibilities may extend to monitoring of HUD subsidized complexes on a request basis.~~

P.C. AGENDA: 9-10-14
ITEM: 7.b.
Continued from 8/27/14

Attachment B, Draft 2014-2023 Housing Element, is available on the web:

http://www.sanjoseca.gov/DocumentCenter/View/34553

2014-23 Housing Element Update - Questions (Affordable Housing)

James Reyner <jdreyner@yahoo.com>

Fri 8/29/2014 2:34 PM

Inbox

To:Nusbaum, Jenny <Jenny.Nusbaum@sanjoseca.gov>;

Cc:Chen, Wayne <wayne.chen@sanjoseca.gov>; Marcus, Adam <adam.marcus@sanjoseca.gov>; Emily Holton <emholton@att.net>;

Planning Folks,

Thanks for your presentation on Wednesday evening. As I listened to the discussion, I left with six questions that I would really like you to answer. I know you have a busy schedule on this update, but - if possible - I would appreciate a response by September 8th so that I can take the news to my neighborhood association board of directors' meeting that evening.

1. There are 58 mobile home parks in the city, many offering affordable housing for seniors. What is Planning's position with respect to placing a moratorium on their conversion?
2. An Urban Village should include affordable housing for the working poor (e.g., cooks, janitors, retail sales, tellers)? How is the Housing Element plan linked to the Urban Village planning efforts?
3. We are lagging in trying to meet ABAG affordable housing goals. Does Planning track the number of affordable housing units lost during a year? If the answer is yes, is this number added to next year's allocation?
4. We were told on 8/27/ 2014 that, because of the "bifurcated wage situation," there is a need to counterbalance market forces, if affordable housing is to survive in the city. What actions are in the works to counterbalance these market forces?
5. The public seems to support the idea of improving city senior housing opportunities. What are some of the ways that neighborhood associations can partner with the city to work toward this goal?
6. The Housing Element plan should be updated "as frequently as appropriate". Given that the current revision is to be submitted to HCD by

January 31, 2015, what is the target date for the next update?

Emily Holton, District 1
3361 Olsen Drive
95117

Pilar Lorenzana-Campo <pilar@nonprofithousing.org>

Fwd: San Jose Housing Element - 2015

1 message

Ron Johnson <ronjjj@comcast.net> Thu, May 15, 2014 at 3:56 PM

The following was sent today at 3:30PM. Wayne replied, confirming that he received it.

Ron

Begin forwarded message:

From: Ron Johnson <ronjjj@comcast.net>
Date: May 15, 2014 3:30:30 PM PDT
To: Wayne.chen@sanjoseca.gov, Jenny.Nusbaum@sanjoseca.gov
Cc: Paul.McDougall@hcd.ca.gov
Subject: San Jose Housing Element - 2015

Dear Wayne and Jenny,

This email is being sent on behalf of an ad-hoc committee that will be reviewing and submitting comments on San Jose's 2015 Housing Element. This committee is comprised of affordable housing advocates, legal service providers, and developers. Committee members include: Chad Bojorquez, Craig Castellanet, Diana Castillo, James Charles, Lauren DiMartini, Ron Johnson, Stephanie Little, Pilar Lorenzana-Campo, Melissa Morris, and Fred Yoshida.

In our preliminary discussions we have developed some ideas for programs that we will likely ask the City to include in the housing element as they will further the City's obligation to produce additional affordable housing units, preserve the existing inventory of affordable housing units, and promote fair housing. We are sending these ideas now in the hope that they are useful as you finalize the administrative draft of the housing element.

Our preliminary program suggestions are:

To increase funding for low-income housing:

1. The adoption by the city council of a housing impact fee to provide funds for low-income housing.

2. A nexus study and feasibility study of a commercial impact fee to provide funds for low-income housing.

3. A feasibility study of a land value recapture ordinance, targeted at urban village and other economic development sites.

To remove constraints on the construction of low-income housing:

4. Study policies and programs that will help non-profit developers win tax-credit financing and other competitive low-income housing financing.

5. Adopt affordable housing overlay zones.

To protect elderly, handicapped, and other low-income renters:

6. Revise the city's rent control ordinance to cover as many rental units as the law allows and to include just-cause eviction protection.

7. Adopt an ordinance making discrimination against Section 8 voucher holders illegal.

8. Revise the city's mobile home park conversion ordinance to prevent the closure of parks which provide unsubsidized affordable housing for elderly and/or low- income tenants.

9. Adopt an anti-displacement ordinance, especially for people affected by urban village and other economic developments.

To protect the homeless:

10. Develop programs to provide food and secure temporary shelter, sanitary facilities, trash removal, and transit passes for the homeless.

Sincerely,

Ron Johnson

HOW SANTA CLARA COUNTY'S HOUSING MARKET IS FAILING TO MEET THE NEEDS OF LOW-INCOME FAMILIES

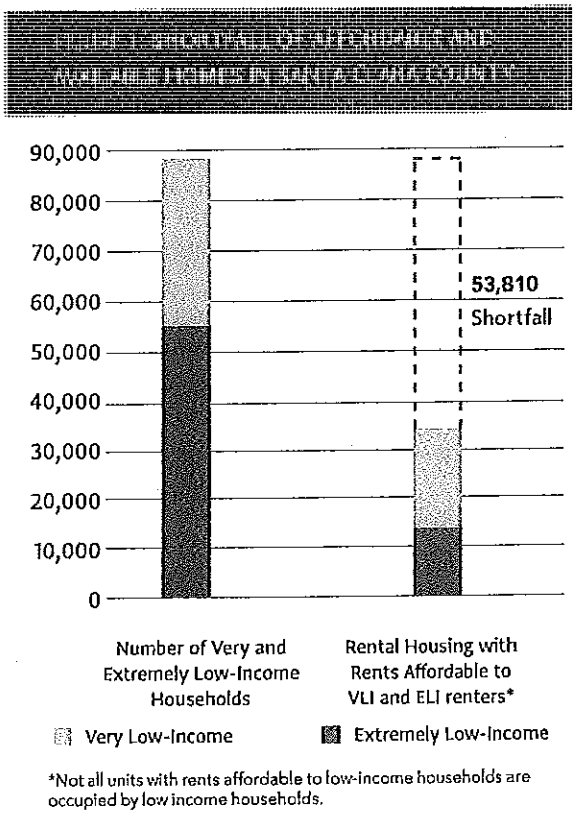
Santa Clara County has the fifth largest shortfall of homes affordable to low-income families in California. Many of those families live in unhealty or unsafe conditions, crowd multiple people into each room, and still pay more than 50 percent of their income in rent. The following report describes the magnitude of the shortfall, highlights those who are affected by cuts to housing programs, and recommends local policy solutions to help mitigate the impact of Santa Clara County's affordable housing crisis.

KEY ELEMENTS OF SANTA CLARA COUNTY'S AFFORDABLE HOUSING MARKET FAILURE:

- There is a **shortfall of 53,810 homes** affordable to Santa Clara County's very low-income (VLI) and extremely low-income (ELI) households.
- **Median rents in Santa Clara County increased by 10% between 2005 and 2012**, while the median income increased by only 1%, driving up the percentage of income that households must spend on rent.
- **Nearly 60%** of very low-income households **pay more than 50% of their income in rent.**

85% of Santa Clara County's very low-income renter households pay more than 30% of income in rent.

SOURCE: NLIHC Analysis of 2012 PUMS data



*Not all units with rents affordable to low-income households are occupied by low income households.

SOURCE: NLIHC Analysis of 2006-2010 CHAS data

MAY 2014

THE HOUSING MARKET HAS FAILED TO MEET THE NEEDS OF AN ENTIRE SEGMENT OF SANTA CLARA COUNTY'S POPULATION

Rent is considered affordable when it consumes no more than 30 percent of household income. In Santa Clara County there are homes with affordable rents for fewer than three out of ten extremely low-income (ELI) renter households—those earning 30 percent or less of the metro area's median income. There are 53,020 ELI households in the county.[1] Very low-income (VLI) households, those who earn up to half of their area's median income, fair only slightly better: there are homes with affordable rents for fewer than four out of every ten VLI households in the county.

More than 50 percent of ELI households are elderly or disabled, while VLI households are more likely to include low-wage workers.[2] In fact, there are 200,950 workers in Santa Clara County earning less than half the county's median income. TABLE 1 provides examples of working VLI adults in Santa Clara County who earn far less than the income required to afford the fair market rent on a two-bedroom apartment.

San Jose recently raised the city's minimum wage. This increase along with proposals to increase the minimum wage in other jurisdictions in the county and at the state level will boost lower-wage workers' incomes. However, the affordable housing shortfall can not be offset by increases in wages of a few dollars.

TABLE 1 WHOLE JOBS DO NOT COST OUT IN THE SANTA CLARA HOUSING MARKET

HUD 50% of Area Median Income (AMI) in Santa Clara Co. for a three person household: $47,250
Total workers earning < 50% AMI: 200,950

Salary needed to afford Fair Market Rent: $65,960

JOB CATEGORY	MEDIAN INCOME IN SANTA CLARA COUNTY
Substitute Teachers	$11,910
Medical Assistants	$27,540
Security Guards	$30,970
Childcare Workers	$28,350
Retail Salespersons	$27,330
Waiters/Waitresses	$19,040

SOURCES: See Endnote 3

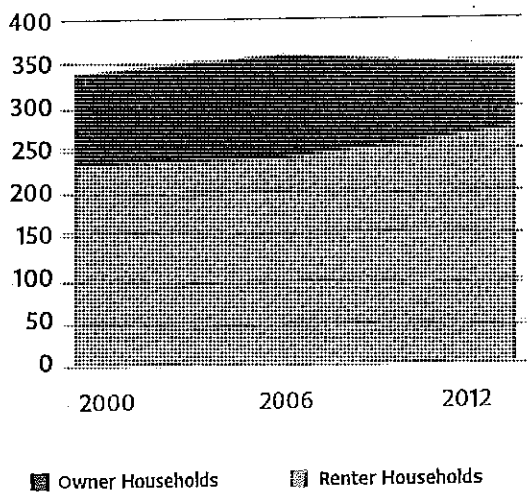
RENTS ARE HIGH AND RISING, ESPECIALLY IN RELATION TO STAGNANT INCOMES

According to a 2014 report by the National Low Income Housing Coalition, Santa Clara County is the country's fifth most expensive metro rental market. Census data shows that inflation-adjusted median household income in Santa Clara County in 2012 was only one percent higher than in 2005. However, inflation-adjusted median rent was ten percent higher. FIGURE 3 shows the imbalance between growth in median rents and median income since 2005.

Together, stagnant wages and steeply increasing housing costs have pushed many low-income households' budgets to the breaking point. According to the California Poverty Measure, the poverty rate in Santa Clara County is 19 percent.[4]

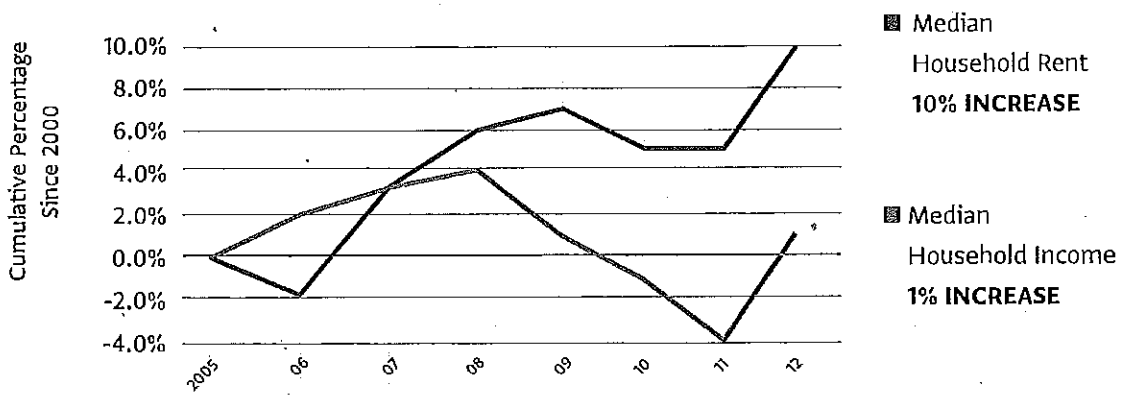
Rents increase in response to demand. More than 38,000 new renter households have entered the Santa Clara market since 2006,[5] many because of displacement during the foreclosure crisis.

FIGURE 3 CHANGE IN OWNER AND RENTER HOUSEHOLDS (in thousands)



SOURCES: 2000 Census, 2006 1-year ACS, 2012 1-year ACS

[illegible]



SOURCE: American Community Survey 2005-2012.

LOCAL, STATE, AND FEDERAL DISINVESTMENT IN AFFORDABLE HOUSING HAS EXACERBATED THE HOUSING MARKET'S FAILURE TO PROVIDE FOR LOW-INCOME FAMILIES

Even as Santa Clara County's shortfall of affordable homes has become more acute, the state has reduced its direct funding for affordable housing dramatically. State Housing Bonds funded by Propositions 1C and 46 are exhausted, meaning the elimination of tens of millions of dollars in investment to provide homes to low- and moderate-income households in Santa Clara. The elimination of Redevelopment funds led to a loss of nearly $57 million annually in local investment in the production and preservation of affordable homes in Santa Clara County.

Exacerbating the state cuts is the simultaneous disinvestment in affordable housing by the federal government. Cuts to HOME and Community Development Block Grants (CDBG) have resulted in the loss of another $8.7 million in funding. TABLE 2 highlights the loss of state and federal funding for affordable homes in Santa Clara County since 2008.

82% DECREASE
in state and federal funding for affordable homes in Santa Clara County since 2008.

[illegible]

FUNDING SOURCES	FY 2007/2008	FY 2012/2013	% CHANGE
State Housing Bonds Prop. 46 and Prop. 1C*	[illegible]	$3,000,000	-88%
Redevelopment Funds for Affordable Housing	[illegible]	$0	-100%
Federal CDBG Funds	[illegible]	$12,929,468	-29%
Federal HOME Funds	[illegible]	$3,747,548	-48%
Total	$107,726,199	$19,677,016	-82%

SOURCES: CHPC tabulations of HCD's Redevelopment Housing Activities Report and HUD's CPD program formula allocations by fiscal year.

**Prop. 46 and Prop. 1C spending for FY 2007/2008 and 2012/2013 provided by HCD.*

RECOMMENDATIONS to the leaders ofthe State of California, Santa Clara County, and local jurisdictions

If California is to rebuild a strong and diverse economy that includes low- and moderate-income households, our state must reinvest in affordable homes and develop responsive policy. Simply allowing a broken housing market to run its course is impoverishing and driving away our low-wage workforce, undermining our GHG-reduction goals, and forcing seniors, veterans, and people with disabilities into our shelters and emergency rooms, costing local governments five to ten times more in service costs.

STATEWIDE Policy Recommendations

1. Replace the exhausted state housing bonds (Propositions 46 and 1C) by:
   - Passing legislation to create a permanent source of funding at the state level for the production and preservation of affordable homes.
   - Making a general fund investment in existing state rental housing production programs.
2. Give local governments tools to replace lost funding and meet obligations to create and preserve affordable homes by:
   - Lowering the voter threshold for local funding of basic infrastructure including transportation, housing, and parks from two-thirds to 55 percent, the same as it is for school bonds.
   - Authorizing a new local Tax Increment Financing (TIF) program to fund investment in basic infrastructure including transportation, housing, and parks.
3. Help California meet its GHG reduction targets by investing a significant portion of Cap-and-Trade auction revenues in the California Department of Housing and Community Development's Transit Oriented Development (TOD) Housing Program[6] and similar programs appropriate for rural areas.

LOCAL Policy Recommendations

1. Increase land available for affordable homes by:
   - Ensuring that Housing Element updates identify an adequate supply of affordable housing development sites competitive for Low Income Housing Tax Credits.
   - Adopting affordable housing requirements for publicly owned surplus land.
2. Fund development of affordable homes by:
   - Setting aside one-time AND recurring residual Tax Increment funds (Boomerang funds) for affordable housing. The State Dept. of Finance estimates these one-time funds in Santa Clara County at $19 million.
   - Creating new or updating existing Housing Impact and Commercial Linkage fees.
   - Using Public Benefits Zoning for affordable housing.
   - Implementing a 1% real estate transfer tax on luxury homes (above $1.5 million in cost).
3. Allow affordable housing development by right for example in affordable housing overlay zones.

For More Information on Affordable Housing in Santa Clara County:

Housing Trust Silicon Valley can be reached at (408) 436-3450 and housingtrustsv.org

Housing Trust Silicon Valley

NPH can be reached at (415) 989-8160 x35 and nonprofithousing.org.

1 National Low Income Housing Coalition analysis of *2006-2010 CHAS data.*
2 National Low Income Housing Coalition. "America's Affordable Housing Shortage and How to End it." Housing Spotlight 3, no. 2, (2013) http://nlihc.org/sites/default/files/HS_3-1.pdf
3 TABLE 1 Sources: CHPC Analysis of U.S. Department of Housing and Urban Development Section 8 Income Limits for 2012 and Bureau of Labor Statistics 2012 Occupational Employment Statistics from Los Angeles-Long Beach-Glendale MSA; National Low Income Housing Coalition. "Out of Reach," 2014.
4 The California Poverty Measure is an alternative to the conventional measure of poverty developed by the Public Policy Institute of California and Stanford that takes into account the social safety net and cost of living. http://www.ppic.org/content/pubs/report/R_10135BR.pdf
5 CHPC Analysis of 2006 1-year ACS and 2012 1-year ACS
6 CHPC has authored and co-authored several reports on the environmental and social benefits of locating affordable homes near transit. A list of reports can be found at http://www.chpc.net/GREEN/Publications.html.

FAIR HOUSING LAW PROJECT

Law Foundation of Silicon Valley
152 North Third Street, 3rd Floor
San Jose, California 95112
Fax (408) 293-0106 • Telephone (408) 280-2435 • TDD (408) 294-5667

To: City of San José
From: Diana Castillo, Senior Attorney
Re: Mobilehome Park Conversion Policies
Date: July 31, 2014

MEMORANDUM REGARDING MOBILEHOME PARK CONVERSION POLICIES

I. INTRODUCTION

San José, and the region as a whole, is in the throes of a severe affordable housing crisis. We face one of the most expensive rental markets in the country[1] and an increasing need for affordable housing to support job growth[2] and prevent homelessness.[3] As the City states in its most recent quarterly housing market report:

- Due to high housing costs, San José is 87 percent more expensive than any other place in the country;
- Average rents are up 10 percent year-over-year, with two-bedroom apartments averaging over $2,300 per month;
- Moderate-income working people—from retail workers to firefighters—cannot afford a two-bedroom apartment; and
- Less than one-third of San José's families can afford a median-priced home.[4]

Faced with this crisis, San José cannot afford to lose any of its existing affordable housing. Mobilehomes are an important component of the existing affordable housing stock, with 10,778 mobilehomes in 58 parks throughout the City.[5] These parks and mobilehomes provide a vital source of unsubsidized and affordable housing to San José's residents. In a city that largely seeks to meet its affordable housing needs through subsidized housing, San José's mobilehome parks provide residents, who tend to have modest and/or fixed incomes, with homeownership opportunities[6] and modest regulated rents[7] relative to most apartments in San José. It is estimated that up to 73% of mobilehome owners have low- to extremely-low-income, which means that mobilehomes provide housing for nearly 8,000 of San José's low- to extremely-low income households.[8]

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[1] San José Five Year Housing Investment Plan 2007-2012, p. 24, available at http://www.sanjoseca.gov/DocumentCenter/View/1381.
[2] *Id.* at 16.
[3] *Id.* at 20.
[4] San José Housing Market Update: Q1 2014, pp. 2-8, available at http://www.sanjoseca.gov/DocumentCenter/View/31354.
[5] Memorandum from Leslye Corsigliaon Mobilehome Park Conversions to the Rules and Open Government Committee, Apr. 30, 2014, p. 1, available at http://sanjoseca.gov/DocumentCenter/View/30282.
[6] *Id.* at 1.
[7] Mobilehome Rent Ordinance Summary, Department of Housing, City of San José, January 29, 2014, p.3, available at http://www.sanjoseca.gov/DocumentCenter/View/32825.
[8] Memorandum from Leslye Corsiglia, at 3.

Mobilehome parks are under increasing threat of closure, or have closed, in Santa Clara County. For example, the owner of the Winchester Ranch Mobilehome Park in San José is under contract to sell and seeks to close the Park; Buena Vista Mobilehome Park in Palo Alto is currently facing closure and the adequacy of the owner's relocation benefits proposal is being considered by an administrative hearing officer.[9] Since 1991, five mobilehome parks have closed in the City of Sunnyvale.[10]

City councilmembers expressed concerns at the San José Rules and Open Government Committee Meetings on April 9[11] and May 7, 2014[12] that San José's mobilehome conversion ordinance no longer adequately protects the interests of the City or the residents of San José's mobilehome parks. At the May 7 meeting, the Committee unanimously directed staff to analyze the ordinance and propose General Plan changes for the City Council to discuss regarding a citywide anti-conversion policy and include these proposed changes in the Housing Element.[13] The changes to the ordinance are to be part of City Council's August priority-setting session. Mayor Reed asked the critical question at this meeting: "What can we change in our ordinance? Can we prohibit conversions?"[14]

The answer to these questions is "yes." San José has a duty to conserve and improve the condition of its existing affordable housing stock, which includes addressing ways to mitigate the loss of homes demolished by public or private action.[15] Maintaining San José's existing affordable housing is the most efficient way to fulfill the City's duty to conserve and improve the existing affordable housing stock.

Not only can the City prohibit conversions, it should do so immediately. Conversions can be prevented through a combination of protective actions. San José should incorporate a policy into San José's Housing Element that clarifies and demonstrates the City's commitment to preserving San José's 58 mobilehome parks, including all the acreage therein, so that they may remain a source of affordable housing. This statement of policy should include three programs:

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[9] "New Details: Buena Vista Mobile Home Closure," City of Palo Alto, available at http://www.cityofpaloalto.org/news/displaynews/asp?NewsID=2235&targetid=319.

[10] "Possible Revisions to the Mobile Home Park Conversion Process and Requirements," Council Report Outreach Meeting, City of Sunnyvale, p.4., available at http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CDD/Housing/HUD%20Programs/MOBILE%20HOME%20PARK%20PPT%20presentation.pdf,

[11] Transcript of Rules and Open Government Committee Meeting, April 9, 2014, available at http://sanjose.granicus.com/DocumentViewer.php?file=sanjose_97931164ac2fe29a6d07846bb8df7757.pdf&view=1

[12] Transcript of Rules and Open Government Committee Meeting, May 7, 2014, available at http://sanjose.granicus.com/DocumentViewer.php?file=sanjose_65066a09d95da541139f288d1970dc52.pdf&view=1.

[13] *Id.*

[14] Transcript of Rules and Open Government Committee Meeting, May 7, 2014. The Mayor also indicated a lack of interest in making minor adjustments to the conversion ordinance, giving examples of changing the length of time periods as unsatisfactory. We agree that a substantial overhaul of the ordinance—as well as other policies—is needed.

[15] Cal. Gov't. Code §65583(c)(4).

one to adopt a General Plan designation for exclusive mobilehome park use, another to rezone mobilehome parks to a consistent zoning designation of R-MH, and a final program to amend the conversion ordinance.

II. AMEND THE HOUSING ELEMENT AND ADOPT MOBILEHOME PARK PRESERVATION PROGRAMS

It is in San José's interest to amend the Housing Element to reflect the City's policy of preserving mobilehome parks in order to fulfill the City's duty to conserve the existing affordable housing stock. Specifically, the Housing Element should include the following among the City's goals, policies, and quantified objectives:

1. The City recognizes mobilehome parks as an important source of affordable housing for San José residents at a variety of income levels; and
2. The City adopts a policy against the closure and conversion of mobilehome park lands to other uses in order to preserve mobilehome parks as a valuable housing resource for the community.

To effectuate these policy goals, the City should incorporate three programs, detailed below, in its Housing Element:

1. Adopt a **General Plan designation** exclusively for mobilehome park use and amend the General Plan to apply this designation to all mobilehome parks;
2. **Rezone mobilehome parks** to a consistent zoning designation of R-MH and apply this designation to all mobilehome parks; and
3. **Amend the mobilehome conversion ordinance** to be consistent with the City's policy of mobilehome park preservation.

We recommend that the City **use San José's existing industrial lands policy** as a context and example for an effective anti-conversion policy relating to mobilehome parks. This policy enables the City to preserve its valuable employment lands in order to promote economic growth. The vehicle for this policy is a series of clear statements in San José's General Plan which integrates the industrial lands policy with many of the General Plan's broad goals and policies.[16] Council should take a similar approach here, using the General Plan's Housing Element as the vehicle for preserving mobilehome parks.

We also recommend a **mobilehome park "no net loss" policy** similar to the City's industrial no net loss policy to ensure that San José does not lose parks as a source of unsubsidized affordable housing.[17] Sunnyvale and Santa Cruz serve as examples for two

[16] Envision San José 2040 General Plan, Chapter 1, pp. 17, 29, and 42; Chapter 2, pp. 4 and 19; and Chapter 6, pp. 5 and 11; available at https://www.sanjoseca.gov/DocumentCenter/Home/View/474.
[17] San José Housing Element Update 2007-2014, C73 and C75, available at http://www.sanjoseca.gov/DocumentCenter/View/1374.

approaches to a "no net loss" policy. Together Sunnyvale's Housing Element[18] and General Plan[19] take an approach that preserves the amount of mobilehome park acreage within the City through the City's policy to "maintain at least 400 acres of mobile home park zoning." Sunnyvale currently has 413.45 acres of mobilehome park zoning, effectually making the "400 acre" policy a uo net loss policy.[20] Alternatively, Santa Cruz affects a "no net loss policy" by preserving its current number of mobilehomes through a similar provision in its Housing Element, which expresses the goal to "Maintain current mobilehome [...] conversion regulations to preserve 360 mobilehomes in parks in the community."[21] San José should adopt a policy protecting either acreage or units to preserve the current stock of affordable mobilehome housing.

A. Create a Mobilehome Park Designation in the General Plan

Currently, San José has no General Plan designation for mobilehome parks. Although most mobilehome parks are designated as "Residential Neighborhood," others do not have residential designations.[22] These other parks carry designations for industrial and commercial uses.[23] The City should make the creation of a mobilehome park designation in the General Plan a priority by committing to adopting it within one year; this commitment should be made more concrete by establishing milestones, including dates for drafting of staff memos and meeting dates for commissions, committees, and City Council to consider this issue. The City should then apply this approved designation to all mobilehome parks, demonstrating its intention that mobilehome park lands are reserved for exclusive mobilehome park use.

B. Update Zoning on all Mobilehome Parks

San José has an R-MH mobilehome zoning district which reserves some lands for mobilehome park uses.[24] Currently, one third of the City's 58 mobilehome parks are not zoned R-MH.[25] Updating the zoning on mobilehome parks would both demonstrate the City's commitment to mobilehome preservation and also enable consistent regulation of R-MH lots.

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[18] Sunnyvale Housing and Community Revitalization Element, pp. 94, 104, and 113, available at http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CDD/Housing/Final%20Housing%20Element%20-%20Sunnyvale.pdf.
[19] Sunnyvale General Plan, Consolidated in 2011, Section 5-10, available at http://ecityhall.sunnyvale.ca.gov/cd/GeneralPlan.pdf.
[20] Sunnyvale Report to Mayor and Council, No. 13-090, Attachment A, available at http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CouncilReports/2013/13-090.pdf.
[21] City of Santa Cruz 2007-2014 Housing Element, Section 6-45, available at http://www.cityofsantacruz.com/Modules/ShowDocument.aspx?documentid=33630.
[22] City of San José, San José General Plan Map. February 3, 2014, available at https://maps.google.com/gallery/details?id=zLATztx267ok.kKIN6ctRSWZc&hl=en.
[23] Three parks are designated as Combined Industrial/Commercial, 5 are Heavy Industrial, 2 are Light Industrial, 3 are Neighborhood/Community Commercial, and 45 are Residential Neighborhood and Urban Residential. Many of these General Plan Designations are inconsistent with the land's zoning designations.
[24] San José Municipal Code § 20.30.010(C)(4).
[25] 39 parks are zoned R-MH, 2 are Light Industrial, 2 are High Industrial, 4 are zoned R-1(PD), and 11 are A(PD). City of San José, San José Land Use Zoning Map. February 3, 2014, available at https://maps.google.com/gallery/details?id=zLATztx267ok.kVtwQ6CBAW10&hl=en.

The City should update every mobilehome park to the R-MH designation to help ensure that these lands may only be used as mobilehome parks.

The City should demonstrate its commitment to implementing this program through a series of steps. City staff should immediately bring this rezoning matter before the City's priority setting study session to ensure that adequate resources are dedicated to this matter and that the requested action is completed within two years. Milestones, including dates for meetings and presentation of staff memos for committees and City Council to consider this issue, should be created to demonstrate the City's commitment to completing this program action within two years.

III. STRENGTHEN AND UPDATE THE MOBILEHOME CONVERSION ORDINANCE

Using the examples and lessons from other cities' conversion ordinances, San José can substantially amend its conversion ordinance to protect the City's affordable housing stock and ensure that residents are adequately protected from displacement. First, San José should clarify the current relocation assistance requirements by making them mandatory minimum requirements, making explicit that they are not optional. Second, San José should amend its ordinance to include conditional approval, which will give the Council more power to approve only those applications that are truly in the best interests of the City. Finally, San José should create more accountability for conversion applicants once the application has been approved.

A. Make Relocation Assistance Mandatory

The current San José ordinance that provides relocation and purchase assistance requires that the City make any permit granted subject to a plan of relocation and purchase assistance; but for potentially impacted residents the ordinance is not the model of clarity. The ordinance's use of language, like what "may"[26] be included fails to inform residents about what should and will be required in the plan. Residents would be better protected and park owners would have more certainty if San José amended the ordinance to make such assistance mandatory. Sunnyvale has taken this approach in its conversion ordinance, which includes many of the protections in the San José ordinance; however, the protections are mandatory.[27]

These protections should include a requirement on the part of the conversion applicant to provide a relocation specialist to help residents explore local housing options and ease access to accessibility improvements for residents with disabilities who are forced to move by the conversion. A specialist assists both residents and park owners by helping residents move out as quickly and easily as possible and into the best options available for them. Since many residents of mobilehome parks may be seniors and/or people with disabilities, accessing real estate options could be challenging. Having a relocation specialist would help meet those needs. Both

[26] San José Municipal Code § 20.180.630.
[27] Sunnyvale Municipal Code § 19.72.080(a).

Sunnyvale[28] and Palo Alto[29] currently provide for a relocation specialist in their conversion ordinances.

B. Prevent the Loss of Affordable Housing and Displacement of Mobilehome Park Residents

Currently, San José's ordinance neither addresses the loss of affordable housing that will likely result from a mobilehome park closure, nor the possibility that current residents will be unable to find alternative housing. To address these flaws, San José should amend the ordinance to make approval of mobilehome park closures conditional on a set of requirements that ensure the public's interests are not compromised.

Jurisdictions with these kinds of conditional tests include Sonoma County[30] and Santa Cruz County[31]; the latter has a comprehensive, seven-element conditional test that must be satisfied before approval of a park conversion, requiring that:

- Sufficient mobile home space availability exists within the County of Santa Cruz to accommodate the mobile homes displaced by the conversion;
- Conversion will not result in the displacement of low income individuals or households who cannot afford rents charged in other parks;
- That the age, type, and style of mobile homes within the park proposed for conversion can be accepted into other parks within the County of Santa Cruz;
- If the conversion is to another residential use, that the tenants of the mobile home park will have first opportunity to occupy the units and the construction schedule will not result in long-term displacements;
- The proposed conversion is consistent with the County General Plan;
- The proposed conversion is pursuant to the public health, safety and welfare; and
- The conversion will not result in a shortage of housing opportunities and choices.

We believe that San José should adopt a similar framework. These conditions directly support the purposes of the mobile home conversion ordinance chapter[32] and address the most

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[28] *Id.* at § 19.72.060.
[29] Palo Alto Municipal Code § 9.76.030(m).
[30] Sonoma County, Municipal Code § 26C-332.2.
[31] Santa Cruz County Code § 13.30.050.
[32] The stated purpose of the Ordinance is to "make adequate provision for the housing needs of all economic segments of the community," to "provide a reasonable balance between mobilehomes and other types of housing," and to "reduce and avoid the displacement of long-term residents, particularly senior citizens, the handicapped,

pressing concerns surrounding mobilehome conversion: the maintenance of the affordable housing stock and the protection of vulnerable residents.

C. Include Provisions to Ensure Compliance from Mobilehome Park Owners

While strengthening the Ordinance's protections is important, it would provide little actual relief to residents if there were no consequence for park owners who fail to comply. San José should amend the ordinance to include provisions that will ensure that park owners comply with their obligations.

For example, Seal Beach provides that no resident need vacate their mobilehome lot until the park owner has performed the mitigation duties.[33] Sunnyvale's ordinance clearly sets out the time period within which relocation assistance, termination of tenancy, and payment must occur.[34] Palmdale requires compliance with relocation assistance as a condition for approval of conversion and also includes in their ordinance a section on "Measures to Prevent Avoidance of Relocation Assistance Obligations."[35] These measures:

- State that any eligible resident who relocates after the application is submitted is eligible for relocation assistance even if they relocate before a final decision on the conversion by City Council;
- Require the park owner to send a copy of the City conversion ordinance to each resident; and
- Prohibit the park owner from requiring residents to sign any waivers of their rights under the conversion ordinance and void any such waivers.[36]

San José should look to these other cities and adopt similar measures to ensure that its ordinance is not a paper tiger. The City of San José should make this program a priority, with a goal to amend the mobilehome conversion ordinance within 6 months of adoption of the housing element.

IV. CONCLUSION

We cannot afford to lose any more affordable housing or put seniors and families on the street. To meet its duty to conserve and improve the condition of San José's existing affordable housing stock, the City should clarify and strengthen its policy to preserve its 58 mobilehome parks, including all the acreage within these parks, so that they may remain as an affordable housing option for residents. We ask that the City include the preceding policy and program suggestions in its Housing Element.

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those who are of low income, and families with minor children, who may be required to move from the community due to a shortage of replacement mobilehome housing." San José Municipal Code § 20.180.010(B).

[33] Seal Beach Municipal Code § 12.05.050

[34] Sunnyvale Municipal Code § 19.72.140

[35] Palmdale Municipal Code § 91.07 (G)

[36] *Id.*

FAIR HOUSING LAW PROJECT

Law Foundation of Silicon Valley
152 North Third Street, 3rd Floor
San Jose, California 95112
Fax (408) 293-0106 • Telephone (408) 280-2435 • TDD (408) 294-5667

June 30, 2014

SENT VIA EMAIL: wayne.chen@sanjoseca.gov

Wayne Chen
Director of Policy & Planning
Department of Housing
City of San Jose
200 East Santa Clara St, 12th Floor
San Jose, CA 95113

Re: San Jose's Housing Element (2014-2022) Administrative Draft Request for Incorporation of Policy and Program Suggestions

Dear Wayne,

We understand that the Housing Department continues to develop programs to be included in San Jose's Housing Element (2014-2022) Administrative Draft. Ron Johnson, a member of our advocacy consortium, previously wrote to you in May. In his email, Ron requested that the City of San Jose include a program to "revise the city's mobile home park conversion ordinance to prevent the closure of parks serving elderly and/or low-income tenants" under this section "to protect elderly, handicapped, and other low-income renters." We take this opportunity now to expand upon Mr. Johnson's prior program suggestions and ask that you consider and incorporate the following.

As you are aware, San Jose has a duty to conserve and improve the condition of its existing affordable housing stock, which includes addressing ways to mitigate the loss of dwelling units demolished by public or private action. Cal. Gov't. Code § 65583(c)(4). San Jose has 58 mobilehome parks that contain 10,719 mobilehomes.[1] These parks and mobilehomes have provided and continue to provide a vital source of unsubsidized and affordable housing for San Jose's residents. Though mobilehome park residents tend to have modest and/or fixed incomes, mobilehomes offer these residents homeownership opportunities and, relative to most apartments in San Jose, modest regulated rents. Mobilehome parks are under increasing threat of closure or have closed in Santa Clara County. For example, the owner of the Winchester Ranch Mobilehome Park in San Jose is under contract to sell and seeks to close the Park; Buena Vista Mobilehome Park in Palo Alto is currently facing closure, and the adequacy of the owner's relocation benefits proposal is being considered by an administrative hearing officer;[2] and, since

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[1] "Mobilehome Resource Guide," City of San Jose, Housing Department, p. 13, https://www.sanjoseca.gov/DocumentCenter/View/1151

[2] "New Details: Buena Vista Mobile Home Closure," City of Palo Alto, http://www.cityofpaloalto.org/news/displaynews.asp?NewsID=2235&targetid=319.

1987, five mobilehome parks have closed in the City of Sunnyvale.[3]

To meet its duty to conserve and improve the condition of San Jose's existing affordable housing stock, we ask that the City incorporate a policy in its Housing Element that clarifies and demonstrates its commitment to preserving San Jose's 58 mobilehome parks,[4] including all the acreage within these parks, so that they may remain a source of affordable housing. Specifically, the Housing Element should include among the City's goals, polices and quantified objectives a firm statement that:

1. **The City recognizes mobilehome parks as an important source of affordable housing for San Jose residents at a variety of income levels.**
2. **The City adopts a policy against the conversion of mobilehome park lands to other uses in order to preserve mobilehome parks as a valuable housing resource for the community.**[5]

To effectuate these policy goals, we ask that the City incorporate three programs, detailed below, in its Housing Element:

1. **Adopt a General Plan designation for exclusive mobilehome park use, and amend the General Plan to apply this designation to all mobilehome parks.** Presently, San Jose has no General Plan designation for mobilehome parks. Although most mobilehome parks are designated as "Residential Neighborhood," others do not have residential designations. Designations of these other parks include industrial and commercial uses.[6] Within one year, the City should make the issue of creating a mobilehome park designation a priority by committing its resources, directing its staff (including those in the Housing and Planning Departments), presenting it to its committees and commissions for their analyses, and then to the City Council for approval. Finally the City should apply this approved designation to all mobilehome parks, demonstrating its intention that mobilehome park lands are reserved for exclusive mobilehome park use.

2. **Rezone mobilehome parks to a consistent zoning designation of R-MH and apply this designation to all mobilehome parks.** The city has a R-MH mobilehome zoning district which reserves these land for mobilehome parks uses. San Jose Municipal Code § 20.30.010(c)(4). Currently, one third of the city's 58 mobilehome parks are <u>not</u> zoned R-MH.[7] The City should update the zoning district of every mobilehome park to R-MH

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[3] "Possible Revisions to the Mobile Home Park Conversion Process and Requirements," Council Report Outreach Meeting, City of Sunnyvale, http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CDD/Housing/HUD%20Programs/MOBILE%20HOME%20PARK%20PPT%20presentation.pdf, p. 4.

[4] Mobilehome parks are often called Trailer Parks. Our intention is to include trailer parks under the city's protection.

[5] Such a policy has analogs elsewhere in the General Plan, including the General Plan's stated policy against the conversion of industrial lands to residential use. *See* Envision San Jose 2040 General Plan, chapter 1, page 42.

[6] Three parks are designated as Combined Industrial/Commercial, 5 are Heavy Industrial, 2 are Light Industrial, 3 are Neighborhood/Community Commercial, and 45 are Residential Neighborhood and Urban Residential. Many of these General Plan designations are inconsistent with the land's zoning designation.

[7] 39 parks are zoned R-MH, 2 are Light Industrial, 2 are High Industrial, 4 are zoned R-1(PD) and 11 are A(PD).

mobilehome park district so that these lands remain for mobilehome park uses. The City should take the following steps to implement this program and demonstrate its commitment to implement it. City staff should immediately bring this rezoning matter before the City's priority setting study session to ensure that adequate resources are dedicated to this matter and that the requested action is completed within two years. Further, City staff, including the Planning Department, the Housing and Community Development Department, and the Housing Department, should work together to effect this change. Milestones, including meeting dates and presentation of staff memos for committees and City Council to consider this issue, should be created to demonstrate the City's commitment to affecting this program within two years.[8]

3. **Amend the mobilehome conversion ordinance consistent with the City's policy of mobilehome park preservation.** The City's initial Housing Element (2014-2022) Administrative Draft, which was briefly available to members of the public in May, stated that City "staff will explore the possibility of updating the Mobile Home Park Conversion Ordinance as part of the Housing Element implementation program in order to assess and potentially address concerns about displacement and the likely inability of affected persons to find affordable replacement housing, and the continued preservation of the mobile home housing stock."[9] This draft will be superseded by a subsequent draft that will be available to the public. As such, we urge the City of San Jose to specify that it will dedicate staff resources to amending its mobilehome conversion ordinance to ensure that it is consistent with its policy of preserving San Jose's 58 mobilehome parks.

   The City of San Jose should make this program a priority; and we propose that the mobilehome conversion ordinance be amended within 6 months of adoption of the housing element. The mobilehome conversion ordinance should be amended because the current ordinance is nearly 30 years old; land uses, affordability, and San Jose's housing stock have changed considerably since the ordinance was first adopted. Other communities have amended their ordinances in various ways to discourage the conversion of mobile home parks and to strengthen protections for mobilehome park residents. Specific examples include the provision of a relocation specialist (Sunnyvale), minimum relocation assistance (Sunnyvale), approval conditional on certain findings (Sonoma and Santa Cruz Counties), and clear obligations after approval of the application (Palmdale, Sunnyvale, and Seal Beach).

Again, to meet its duty to conserve and improve the condition of San Jose's existing affordable housing stock, the City should clarify and strengthen its policy to preserve its 58 mobilehome parks, including all the acreage within these parks, so that they may remain as an affordable housing option for residents. We ask that the City include the preceding policy and program suggestions into the City's San Jose's Housing Element (2014-2022). The City of San Jose is empowered to do this, and it has taken similar and effective measures to preserve its industrial lands.

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[8] We acknowledge that the process of rezoning is a multi-step process that includes a planning staff review, an environmental review, and a number of public, planning commission, and city council hearings, and propose a two year timeline in recognition of these requirements.

[9] "San Jose Housing Element (2014-2022) Administrative Draft," City of San Jose, April 2014, p. V-12.

Thank you for your attention and consideration. Please contact me if you have any questions regarding the contents of this letter.

Sincerely,

/s/

Diana E. Castillo
Senior Attorney

San Jose: Draft housing element

Pilar Lorenzana-Campo <pilar@nonprofithousing.org>

Mon 6/2/2014 5:36 PM

Inbox

To:Chen, Wayne <wayne.chen@sanjoseca.gov>; Nusbaum, Jenny <Jenny.Nusbaum@sanjoseca.gov>;

Hello, Wayne and Jenny.

I email to inquire about the draft housing element. Do you have a sense of when a public draft will be available? Do you plan to make the document available as part of an upcoming public meeting (e.g. Planning Commission, City Council, etc). Any information would be much appreciated.

Best,
Pilar

Pilar Lorenzana-Campo
Regional Policy Manager
Non-Profit Housing Association of Northern California
pilar@nonprofithousing.org

369 Pine Street, Suite 350
San Francisco, CA 94104
(408) 215-8925

On Thu, May 15, 2014 at 3:56 PM, Ron Johnson <ronjjj@comcast.net> wrote:

The following was sent today at 3:30PM. Wayne replied, confirming that he received it.

Ron

Begin forwarded message:

From: Ron Johnson <ronjjj@comcast.net>
Date: May 15, 2014 3:30:30 PM PDT
To: Wayne.chen@sanjoseca.gov, Jenny.Nusbaum@sanjoseca.gov
Cc: Paul.McDougall@hcd.ca.gov
Subject: San Jose Housing Element - 2015

Dear Wayne and Jenny,

This email is being sent on behalf of an ad-hoc committee that will be reviewing and submitting comments on San Jose's 2015 Housing Element. This committee is comprised of affordable housing advocates, legal service providers, and developers. Committee members include: Chad Bojorquez, Craig Castellanet, Diana Castillo, James Charles, Lauren DiMartini, Ron Johnson, Stephanie Little, Pilar Lorenzana-Campo, Melissa Morris, and Fred

Yoshida.

In our preliminary discussions we have developed some ideas for programs that we will likely ask the City to include in the housing element as they will further the City's obligation to produce additional affordable housing units, preserve the existing inventory of affordable housing units, and promote fair housing. We are sending these ideas now in the hope that they are useful as you finalize the administrative draft of the housing element.

Our preliminary program suggestions are:

To increase funding for low-income housing:

1. The adoption by the city council of a housing impact fee to provide funds for low-income housing.

2. A nexus study and feasibility study of a commercial impact fee to provide funds for low-income housing.

3. A feasibility study of a land value recapture ordinance, targeted at urban village and other economic development sites.

To remove constraints on the construction of low-income housing:

4. Study policies and programs that will help non-profit developers win tax-credit financing and other competitive low-income housing financing.

5. Adopt affordable housing overlay zones.

To protect elderly, handicapped, and other low-income renters:

6. Revise the city's rent control ordinance to cover as many rental units as the law allows and to include just-cause eviction protection.

7. Adopt an ordinance making discrimination against Section 8 voucher holders illegal.

8. Revise the city's mobile home park conversion ordinance to prevent the closure of parks which provide unsubsidized affordable housing for elderly and/or low- income tenants.

9. Adopt an anti-displacement ordinance, especially for people affected by urban village and other economic developments.

To protect the homeless:

10. Develop programs to provide food and secure temporary shelter, sanitary facilities, trash removal, and transit passes for the homeless.

Sincerely,

Ron Johnson

San Jose Housing Element - 2015

Ron Johnson <ronjjj@comcast.net>

Thu 5/15/2014 3:30 PM

To:Chen, Wayne <wayne.chen@sanjoseca.gov>; Nusbaum, Jenny <Jenny.Nusbaum@sanjoseca.gov>;

Cc:Paul.McDougall@hcd.ca.gov <Paul.McDougall@hcd.ca.gov>;

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To protect the homeless:

10. Develop programs to provide food and secure temporary shelter, sanitary facilities, trash removal, and transit passes for the homeless.

Sincerely,

Ron Johnson

Melissa A. Morris
Senior Attorney, Public Interest Law Firm Law Foundation of Silicon Valley
152 North Third Street, Third Floor
San Jose, CA 95112
Direct line: (408) 280-2429

CONFIDENTIALITY NOTICE: This email message is legally privileged and confidential. If you are not the intended recipient, please destroy the email after advising by reply that you erroneously received it.

From: Melissa Morris
Sent: Monday, November 11, 2013 9:32 PM
To: district1@sanjoseca.gov; district2@sanjoseca.gov; district3@sanjoseca.gov; district4@sanjoseca.gov; district5@sanjoseca.gov; district6@sanjoseca.gov; district7@sanjoseca.gov; rose.herrera@sanjoseca.gov; district9@sanjoseca.gov; district10@sanjoseca.gov; mayoremail@sanjoseca.gov
Cc: James Zahradka; Kyra Kazantzis
Subject:

Dear Mayor and City Councilmembers,

As you consider implementation and funding strategies for its Urban Villages during the study session tomorrow, the Law Foundation of Silicon Valley urges you to ensure that the inclusion and preservation of affordable housing, as well as preventing the displacement of low-income communities and communities of color, be made priorities for the development of San Jose's Urban Villages. The Urban Villages cannot be the livable, walkable neighborhoods that they are intended to be if no one—or no one other than the most wealthy members of our community—can afford to live in them. Just as the City should be strategic and thoughtful about the Urban Villages' design, their relationship to local and regional transit systems, and their mix of uses, the City should implement policies to ensure that every Urban Village has housing that is affordable to residents at a variety of income levels. One available tool to facilitate the production of affordable housing citywide, a housing impact fee, will be considered by Council on December 10, but the City should also consider other means to guarantee that affordable housing is a key component in the development of the Urban Villages.

Along the same lines, the City should adopt policies to prevent the displacement of low-income and minority residents from the Urban Villages. While the Urban Village strategy has the potential to revitalize neighborhoods and to utilize the City's land resources more efficiently, it will likely lead to the large-scale displacement of lower-income residents who currently live and work in the Urban Village areas unless the City includes proactive anti-displacement policies in its Urban Village implementation. Some families may face the actual loss of their homes through redevelopment—e.g., they will be evicted so that their homes can be replaced with new uses; others may be economically displaced as land values rise and they can no longer afford to remain in their neighborhoods. Such displacement has already begun. For example, the owners of Winchester Ranch Mobile Home Park, located in the Valley Fair/Santana Row and Vicinity Urban Village Boundary Area, have notified park residents of their intention to

close the park so that the land can be sold to a developer and redeveloped. The closure of this park would mean the loss of over 100 affordable homes and the displacement of over 100 seniors, many of whom have disabilities. Likewise, the redevelopment of the Flea Market Urban Village has already caused the closure of a portion of the San Jose Flea Market, limiting economic opportunities for the local vendors who rely on the Flea Market for their livelihood.

Proactive affordable housing and anti-displacement strategies can also help the City to meet its legal obligations. As you know, San Jose's Housing Element for the next revision will be due to the State in January 2015, and its share of the Regional Housing Needs Allocation is substantial (9,233 units affordable to very low-income households, 5,428 units affordable to low-income households, 6,188 units affordable to moderate-income households, and 14,231 units affordable to above-moderate income households). Because the General Plan envisions much of the City's development during the cycle occurring in the Urban Villages, the City must ensure that such development includes homes that are affordable to lower-income households to meet the requirements of state housing element law.

Along the same lines, exclusion—whether by action or inaction—of affordable housing from Urban Villages will have serious fair housing implications for the City. The City's Analysis of Impediments to Fair Housing Choice identified the lack of affordable housing as one of the most significant barriers to housing choice for racial minorities and other groups protected by federal fair housing law. The Urban Villages are designed to be areas of "high opportunity," but, if they do not have affordable housing, then racial minorities, people with disabilities, and other groups who disproportionately need affordable housing will be effectively excluded. As such, the inclusion of affordable housing in the Urban Villages will be essential for San Jose to fulfill its federal mandate to affirmatively further fair housing.

Finally, a thoughtful approach to affordable housing and anti-displacement will make the Urban Villages—and San Jose—more competitive for certain funding sources. For example, VTA's current OBAG funding criteria award points for proximity to affordable housing, and, based on the language of Plan Bay Area, future OBAG funds are likely to be tied to affordable housing and anti-displacement goals.

For these reasons, we urge the Council to make affordable housing development and anti-displacement strategies key aspects of the City's Urban Village implementation. We look forward to the Council's discussion tomorrow and to working with the City on an ongoing basis to ensure that the Urban Villages are developed in an equitable manner.

Thank you,

Melissa A. Morris
Senior Attorney, Public Interest Law Firm Law Foundation of Silicon Valley
152 North Third Street, Third Floor

San Jose, CA 95112
Direct line: (408) 280-2429

CONFIDENTIALITY NOTICE: This email message is legally privileged and confidential. If you are not the intended recipient, please destroy the email after advising by reply that you erroneously received it.

The following items were received after packets were distributed.

Comments on the Draft Housing Element

perrysandy@aol.com

Mon 9/8/2014 7:23 AM

Inbox

To: Chen, Wayne <wayne.chen@sanjoseca.gov>; Nusbaum, Jenny <Jenny.Nusbaum@sanjoseca.gov>; Marcus, Adam <adam.marcus@sanjoseca.gov>; housingelementupdate <housingelementupdate@sanjoseca.gov>;

Affordable Housing Network of Santa Clara County, P.O. Box 5313, San Jose, CA 95150

September 8, 2014

Dear Commissioners and Councilmembers,

As noted in the draft, our organization submitted a list of recommendations for policies and programs to be included in San Jose's 2014-23 Housing Element. We feel that the August draft Housing Element fails to adequately consider these recommendations and request that the document be revised to address them as follows.

1) First of all, deliberately planning to make the affordable housing crisis worse is not an intelligent or acceptable strategy, yet that is exactly what our General Plan sets out to do. As the HE draft notes on page III-4, achieving the GP goal of 1.3 jobs per employed resident will result in "significantly" increasing housing costs and "exacerbating" affordability issues. This "core objective" literally undermines and subverts every single affordable housing measure proposed throughout the entire Housing Element. This is the appropriate time to correct the error of the "jobs first" general plan strategy. According to the draft, state law requires revision of the General Plan to ensure internal consistency with the Housing Element. We cannot have an HE goal of creating affordable housing while we have a GP goal of sending housing costs through the roof.

2) Regarding homelessness, we support the outreach, rapid rehousing, supportive services, hotel supportive housing, regional planning, alternative housing options, tiny homes, and safe parking programs that are included in the draft. What we do not support is the "encampment response to abate, prevent, or deter significant encampments." Encampments are not a law enforcement problem, they are a housing program. If the City ensured provision of affordable housing, the encampments would empty out immediately.

   The Housing Element should include specific plans to house the almost 4000 San Jose residents who live outside, including providing shelter from the winter cold. Sweeps, arrests, citations, and jails are cruel, an enormous waste of resources, and have no place in a Housing Element.

3) The draft contains no mention of the commercial impact fees we proposed and which are a typical measure in numerous localities for funding affordable housing. It is common knowledge that the driving force behind the housing crisis in Silicon Valley is the jobs-housing imbalance, which is caused by irresponsible expansion of local technology corporations without regard for their social impact. A commercial impact fee would link the solution of the crisis with the cause. The failure to address this is clearly related to the wrong-headed "jobs first" strategy noted above.

4) The draft fails to include our proposal to relieve the stress of the disabled and/or part-time, temporary, and low-wage workers who live under constant threat of eviction by establishing a new income category to fund construction of housing for families that earn 15% of median income or below ($11,000 or below for a single individual and $16,000 or below for a family of four). Affordable housing funds should be allocated to the various income categories based on greatest need.

5) The draft must be changed to include positive language committing the City to extend and strengthen San Jose's rent control ordinance to the maximum extent permitted by Costa-Hawkins, including a genuine just cause eviction provision, and to campaign to protect California renters by overturning Costa-Hawkins.

   There is no need whatsoever for the "assessment" of the rent control ordinance called for in the draft. The evidence is already in, much of it in the tables of Chapter III of the draft. The ordinance as written has dramatically failed to contain the crisis and requires revision. In addition to adding a serious just cause provision, the allowable rent increases should be reduced from the current 8% to no more than the cost of living, and the apartments covered should be expanded to those built up until 1995, as advocated in a recent memo by Councilmember Campos.

   Finally, the City should adopt an ordinance forbidding landlords from discriminating against tenants with Section 8 or other subsidized housing vouchers. Recent Housing Authority cuts have caused numerous landlords to abandon the program, and many avoid it especially during times of a low vacancy rate. In addition, the City relies heavily on vouchers for its programs to house the homeless. The City's failure to end this form of landlord discrimination is creates a major obstacle to our plans to house the homeless..

6) Finally, this was not included in our original proposals, but developments around the Winchester Ranch Mobile Home Park have made it clear that the City must revise its Mobile Home Ordinance to prevent any closure and conversion of mobile home parks whatsoever. We have an affordable housing crisis in this city. The language in the draft to "balance the protection of mobile home parks as a source of naturally affordable housing with the development opportunities in identified growth areas" must be explicitly rejected. What possible "opportunity" could justify throwing our elderly and low-income residents out in the streets? The Housing Element must contain a provision committing the City to permanently bar all mobile home park conversions.

Thank you for considering these recommendations.

Sincerely,

Sandy Perry, Organizer

FAIR HOUSING LAW PROJECT
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September 9, 2014

Via email to: kline@libraryworld.com; dyob@hopkinscarley.com; edesab@yahoo.com; mkamkar7@gmail.com; nick@nickpham.com; Ed@Abelite.com; and brian.ohalloran@att.net

Re: 2014-2023 Housing Element Administrative Draft, Comments
September 10, 2014, Planning Commission meeting, Item 7-B

Dear Planning Commissioners:

The Fair Housing Law Project (a program of the Law Foundation of Silicon Valley), Bay Area Legal Aid, and Neighborhood Housing Services of Silicon Valley are non-profit organizations that primarily serve extremely-low to moderate-income San José residents with housing-related issues.

Thank you for considering our comments regarding San José's 2014-2023 Draft Housing Element Administrative Draft (Administrative Draft). We appreciate staff's hard work on this document, which is the blueprint for the City's housing policy for the next decade. In particular, we appreciate the inclusion of several measures to help increase the availability of affordable housing in San José and look forward to assisting with the implementation of those measures. For example, the Housing Impact Fee, affordable housing land banking near transit and in Urban Villages, rent control, and relocation assistance for tenants displaced from low-income housing are worthy, important proposals that we support.

However, we have been severely impeded in our ability to conduct a comprehensive review of the entire 220-plus page, highly technical draft. This document was only provided to the public late on August 29, a Friday before a three-day weekend. The first public outreach sessions was scheduled only one business day after release of the draft. This last-minute, rushed release and outreach schedule was reflected in the anemic participation that we saw in the session our staff attended.

Despite the above, we reviewed several sections and identified areas where the draft should be improved to aid the City in developing more housing to meet its residents' needs. We request that the Planning Commission direct City staff to address the deficiencies and/or issues identified below. We reserve the right to augment and change our comments as we are able to review the Administrative Draft more thoroughly.

Housing Needs Assessment

In terms of Housing and Household characteristics, the City identified that that over-crowding occurred in approximately 30,000 housing units in 2010, most of which are rental homes. The City also found that this figure represented an overall overcrowding

rate of 10% and a severe overcrowding rate of 3.2%. The City also acknowledged that while it is difficult to determine which of many factors lead to overcrowding, the high cost of housing plays a key role but that an element of overcrowding may result from "cultural preferences."

Our offices routinely serve clients who live in severe overcrowded housing, and in our experience San José's severe overcrowding rate likely exceeds 3.2%. Although "cultural preferences" in some instances may lead to overcrowding, this is not a frequently expressed consideration by clients who seek our services. Our observations are that the following factors contribute to local overcrowding:

- Limited housing stock and diversity of housing type;
- Lack of foreclosure intervention resources/support for homeowners with unaffordable mortgages who need to rent out rooms and garages to make ends meet each month;
- Other costs, like daycare/childcare/medical care, leave struggling families with insufficient funds to pay for housing costs;
- Lack of mid-/entry-level jobs with potential for growth;
- Lack of adult education to create access to jobs with growth; and
- Temporary or permanent loss of employment.

Although the Administrative Draft cannot address all of these issues, dedicated funding to address the impacts that result from these conditions is needed in San José. Our clients need financial counseling services to economize and budget to, in many cases, preserve their existing affordable housing. In addition, faced with a temporary loss in income and likely loss of housing, our clients need aid in overcoming these temporary short-falls to maintain their housing. The City of San José can help residents retain their housing by funding local, non-profit entities to provide financial education programs; emergency cash assistance programs that offer deposit and first month's rent assistance and rapid rehousing resources; and eviction defense programs that seek to aid residents, including those who are elderly and disabled, to retain their housing. San José's high-cost housing market makes programs like these essential, which would prevent further overcrowding, residence in substandard housing, and homelessness.

In terms of Existing Housing Stock, while a vast majority, 80% of homes, are relatively newer in San José (built between the 60's and 70's) and less than 1% are substandard, many neighborhoods experience "quality of life" issues including blight, crime, and deteriorated schools pointing to serious disinvestment. In many neighborhoods, some rental properties are not managed well and become a source of overcrowding, gang activity, and blight. According to a recent study conducted by the City Auditor on the Code Enforcement activity in the city, there was no correlation between the age of the property and the problem properties. This points to an increased need for Code Enforcement action to ensure properties do not become neighborhood scale problems.

Due to loss of funding in the last decade, in FY 2010-11 the City's Code Enforcement Department determined that it would not be able to provide an inspection for some types of "routine" cases. Instead, the responsible party is sent a letter informing them of the complaint and giving them time to fix the problem. Complaints that do not currently generate an inspection include:

- Early set out of garbage/yard waste;
- Fence violations;
- Graffiti, illegal dumping;
- Inadequate landscaping;
- Illegal garage sales;
- Lawn parking; and
- Overgrown weeds.

This type of service reduction has an adverse impact on the quality of life of City residents and neighborhoods. Code Enforcement is supposed to be the first responder to basic neighborhood health and safety concerns. City leaders have repeatedly emphasized the need to reduce the "broken window" syndrome (i.e., that smaller neighborhood problems like the above can be indicative of, or lead to, bigger problems).

The City Auditor's Report in November 2013 provided 22 recommendations to improve the efficiency and effectiveness of Code Enforcement. These recommendations should be implemented as soon as possible, including changes to the Municipal Code to allow inspectors to issue misdemeanor citations for extreme cases.

The City should continue to work with nonprofits and neighborhood leaders to engage property owners as part of the Responsible Landlord Engagement Initiative and other community engagement strategies to improve the physical and social conditions that stem from longstanding problem properties.

Potential Governmental Constraints

We found that identification of potential governmental constraints was insufficient. We also found that the Administrative Draft failed to adequately address the removal of governmental constraints. By way of example:

- Waiver of Parkland Fees. The Administrative Draft discusses how parkland fees were previously waived in whole or in part for low-income housing units. It then acknowledges that these fee waivers expired several years ago. The Administrative Draft fails to identify how the government constraint of construction-related fees and taxes can be removed by renewing these fee waivers or permitting deferral of fees for low-income housing developments.
- Emergency Shelters. There is at least one zone that allows emergency shelters without any conditional use permits. But the Administrative Draft fails to acknowledge the constraint on the development of shelters if sites within that designated zone are not available. The Administrative Draft should identify sites that are available for emergency shelters without a CUP requirement.
- SRO Housing. The Administrative Draft recognizes the importance of SROs as a source of affordable housing, but it does not provide for any zone where SROs can be a permitted use without a Special Use Permit or Conditional Use Permit. These permits require additional time and expense. Removal of this constraint would require amending the zoning code.

Quantified Objectives and Housing Programs

San José's Regional Housing Needs Assessment (RHNA) for the 2014-2022 period is substantial at about 35,000 units. Of this amount during the 2014-2022 period, Horizon 1 of the Envision San José 2040 General Plan states that 2,666 planned units will be located

within the City's 70 Urban Villages. Of this amount, San José is projected to need about 11,750 units that serve very low, low and moderate income households. For the January 31, 2015 to December 31, 2023 period, the City seeks to facilitate the development of up to 3,405 homes with emphasis on development of housing for extremely low- and very low-income households.

Although the City recognizes that it will need to leverage its subsidies with other resources, like low income housing tax credits and other sources to fill the affordability gap, the City's Administrative Draft and expressed work plan needs to be more robust to meet the City's substantial housing need. To this end, the City should more fully define the work it will perform under the programs and funding opportunities staff identified in its Administrative Draft, including specifying the work it will perform in the coming seven to eight years in its draft Implementation Work Plan for the following items:

- Housing Impact Fee/Nexus Study. We applaud the City staff for including this program, but ask that it include a projected timeline for when it will be implemented.
- Land Banking within Urban Villages. Given the modest level of units the city projects that it will be able to facilitate in the coming 7 to 8 years and that the Urban Villages planning process is underway, we request that City staff incorporate this item in its present Urban Village planning process. We encourage the City to expand land banking exploration to areas that extend beyond the Urban Village areas.
- Preserve existing deed-restricted multifamily rental homes. Although the City identifies in its work plan that it will fund the extension of the affordability restrictions for existing multifamily affordable homes pending funding availability, elsewhere in the draft it states that it plans to prioritize new construction over preservation to increase the overall supply of housing. The City argues that modern buildings are less costly to operate and more resource efficient. The City states that most housing units at risk of conversion will require acquisition and rehabilitation versus financing alone.

  Advocates request that the City balance its approach by recognizing the value in preserving existing housing because: 1) failing to preserve existing affordable housing substantially impacts residents who may have limited transportation means and depend on critical supportive, medical and other services in their existing neighborhoods; and 2) replacement housing will be concentrated in certain areas of the City versus being dispersed throughout the City of San José.
- Facilitate Affordable Housing in Transit Oriented Development. This item is extremely important and we are glad to see it in the work plan. However, no specific plan or timeline is provided.
- Implement Urban Village Plans. Provide timelines for action and expand plans, like the Diridon Station Area Plan, to other areas to require minimum affordable housing within other plan areas. At the same time, include anti-displacement measures so that existing affordable housing is not lost in the Urban Village planning areas.
- Mobilehome Preservation. Include a more affirmative statement of the City's commitment to preserving this unsubsidized affordable housing type to include: adopting a General Plan Designation, rezoning mobile home parks, and amending

the mobile home park conversion ordinance to be consistent with the City's policy of mobile home park preservation in identified growth areas.

The implementation plan's goal to "balance" protection of mobilehome parks with development opportunities is inappropriate and needs substantial revision. It implies that preservation of mobilehomes is inconsistent with development and will be overridden when it is perceived to stand in the way of development. Further, mobilehome preservation strategies should be explored on a city-wide basis, not in presently designated growth areas alone, given the City's pressing need for affordable housing.

- Invest in Activities to End Homelessness. It is good to see the commitment to a variety of programs to address the high rate of homelessness in San José. However, we believe that these programs should include assistance with landlord-tenant issues to prevent unneeded evictions of low-income tenants, which can often lead to homelessness. Notably, San José had a $100,000 CDBG grant to provide such services which it lost some time ago; the City could make it a priority to regain this funding.
- Development application and review process assessment. In addition to creating an annual customer satisfaction survey, include outreach to affordable and market rate housing developers to identify and alleviate the burdens to bringing housing units to the market.
- Updating Dispersion Policy. The City's work plan calls for updating its existing dispersion policy to align the location of future affordable housing with resident growth areas identified in the Envision 2040 General Plan; maximize access to transit and other amenities to affordable housing developments; and facilitate the development of diverse and complete communities. Critical to this study is to ensure that housing opportunities for households with all income types are dispersed throughout the city and not confined to the anticipated growth areas. Also, a timeline for conducting this study should be included.
- Rent Control and Rental Rights and Referral. Although this item is identified in the City's work plan, the type of assessment and review that the City will conduct of its Rent Control Ordinance and Rental Rights and Referral program is not described. We ask that stakeholders, including affordable and fair housing advocates, be interviewed during the assessment.

  Further, we request that the City expand application of the Ordinance to the maximum extent allowed under state law. We have provided our views on how the Ordinance may legally be extended to Housing Department in the past and would welcome the chance to engage with them on this further.
- Educating Landlords on How to Better Manage Tenants and Reduce Crime/RLEI. We are appreciative of the planned efforts to educate landlords and tenants about their rights and responsibilities with respect to criminal activity by tenants and its impact on their tenancy. As stated above, we believe that the City should continue its participation in RLEI. However, it is critical that such efforts be undertaken with a keen understanding of the potentially severe consequences of evicting tenants, and in a manner that ensures that the legal rights of tenants (including their due process and fair housing rights) are respected.

To further enhance development of housing units in the planning period, we also request that the City expand its work plan to include:

- Implementation of Just Cause provision for tenant evictions. Since the City's rent control ordinance currently allows landlords to evict tenants without cause, landlords can circumvent the ordinance's rent control protections simply by serving their tenants with no-cause notices to quit the premises. Adding a just-cause eviction provision to the ordinance would make its rent control provisions more meaningful and would likely be very effective in preventing the displacement of lower-tenants due to economic pressures. Additionally, the City could enact a just-cause ordinance that would include units not covered by rent control.
- Consider the implementation of a Housing Overlay Zone over locally designated Priority Development Areas (PDAs), and transit-accessible areas, to incentivize affordable housing inclusion in areas close to amenities and transit alternatives;
- Commercial Linkage Fees;
- Consider an ordinance similar to East Palo Alto's Source of Income Ordinance EPAMC § 14.16.010.A.4 which prohibiting Income-Based Rental Housing Discrimination; and
- Universal Design Standards for apartments.

Conclusion

Thank you for considering these comments. I may be contacted at 408-280-2448 to discuss the contents of this letter.

Sincerely,

/s/
Diana E. Castillo
Senior Attorney

cc: Pilar Lorenzana-Campo, Non-Profit Housing Assoc. of N. California (pilar@nonprofithousing.org)
Stephanie Little and Lauren DeMartini, Bay Area Legal Aid (Slittle@baylegal.org and Ldemartini@baylegal.org)
Matt Huerta, Neighborhood Housing Services of Silicon Valley (Mhuerta@nhssv.org)

From: James Reyner <jdreyner@yahoo.com>
Sent: Wednesday, September 10, 2014 6:24 AM
To: Nusbaum, Jenny
Cc: Brilliot, Michael
Subject: Reuest for Change to Housing Element Update

City Planning Team:

Last evening's (9/9/2014) city council vote in favor of reviewing the mobile home conversion ordinance supports the public opinion that mobile homes are a good source of affordable housing. It certainly affirms the wisdom of the statement in the 2014- 2023 Housing Element Update, Chapter V-12 (pg121 of 244) "Mobile homes are a critical source of affordable housing in the city". Consistent with this wise statement, Appendix D: Implementation Work Plan (pg 6 of 14) contained the goal " Protect mobile home parks as a source of housing that can be available at an affordable rate."

I say "contained the goal" because, at the community review held 9/6/2014, the planning staff was embarrassed to admit that this goal had just been revised to state "Balance the protection of mobile home parks as a source of naturally affordable housing with the development opportunities in identified growth areas." The reason given was a lack of funding to support the previous goal statement

This equivocation is unacceptable and the previous wording should be reinstated. The city needs to stop the bleeding of affordable housing, which has been going on for some time. There are 10,000 units of mobile home affordable housing in the city. These homeowners can't even sell their units if the city policies are driven solely by development considerations. We need the city to **just say no** to mobile home park conversions, and find a source of funding to make it happen.

I hope you can restore the previous wording in Appendix D: Implementation Work Plan before Council Hearing #1 scheduled for 9/23/2014, as the new wording is totally out of tune with the rest of the document and in conflict with the inclusionary housing policies in the city's general plan.

Sincerely,

Emily Holton
3361 Olsen Drive

I would encourage everyone to try and read this document as I would rank it at the very top among documents in terms of explaining most of the goals of the city and the dilemma we face in making choices along the path of becoming an even greater City. This is a really great piece of work. It is written exhaustively enough to properly present the problem as concisely as possible. Affordable housing is viewed as a complicated problem. I know I will keep this Housing Element document to serve as a quick reference bible for the next four years I am here.

Now let me start with stating my single most important Comment and Conclusion so that everyone understands where my argument is leading to. I know Affordable Housing Fees will not work to meet their intended purpose of providing more affordable housing to the people that need it the most. Affordable Housing fees, whether they are for - For sale units or rental units have the exact OPPOSITE affect and serve only to drive housing prices up across the board in San Jose.

Let me explain. My premise is based on natural supply and demand curves. Or what I call the water line which is just the price for something. At any given day a home price or a rental rate is set by the market. Period – end of story.

That price does not care whether a site was bought for $1 an acre or $3,000,000 an acre. That price does not care whether the entitlements were finished 6 months quicker or not. It does not care if there are enough advance CEQA documents paving the way. The Price of a house does not care about any of those things.

Now how did we get here at this affordable housing issue in this City? We along with millions of other neighbors have made a conscious and deliberate decision to live here in this Bay area. We have the best of everything. We have sunshine 300 days a year. We have zero humidity. We enjoy world class natural beauty within 3 hours drive in all three directions. We have an economic engine that is second few if any in the world. And by the way, the reason for this, is the VC's who live on the peninsula also love to be here for these very same reasons. Since the VC's are here, the best innovators in the world – the tech guys - know they have to be here to get tiered funding for their ideas and innovations.

In essence I see ourselves as a cosmic Black hole with exponentially increasing Gravity, drawing more and more people and businesses into our area. And I'll add one more point to this frame. We are constrained on the left and right side by mountains and so our ecosystem of housing supply is fixed at a hard stop line.

Last week I mentioned what we are fighting in this dilemma and I will repeat it. All too many people somehow rationalize that since the builders build homes, they are in the best position to pay for the affordable Housing. Chapter 4, page 27 says the typical big builders today make a 6.8% profit. 6.8% is nothing and certainly provides zero headroom for paying affordable fees. So they won't pay for it. Either they get the land for a lower basis or they walk. They don't need to be here.

We have little – essentially no vacant land in the high intensity areas where we are looking to create more efficient housing. Which means older - <u>income</u> producing properties in these core areas are our primary

demolition targets. BUT as old as they are, those income properties have an NOI and a CAP rate that says they worth more to keep as they are – old property - rather than selling at a steeply discounted rate necessary to pay for Affordable Housing fees.

This serves to significantly slow down housing production, especially in high density target areas, where the multiplier effect is stronger.

As a result, the housing market that is already is highly constrained and supply side sensitive , becomes even more so.

The supply and demand curve shifts and rental and sales price rocket upward, thereby having the exact opposite effect on the intended consequence. All housing runs up in price.

There is no rationalization, that can counter this. I believe there is no Nexus link between building more housing and aggravating the house price market upward . It is the other way around. So there is no Nexus.

Usually if I point out a problem, I'd like to provide a solution. But I know it is beyond all of our control. State and Federal constraints do not apply well in our specific case.

My job as a Planning Commissioner is to advise the City Council on these matters in terms of Planning and Consequences. I do not support affordable housing fees because they hold our good plans back – significantly . Something has to give in the equation, choices have to be made. I will support the housing element provide it can be funded in ways that spread the exactions statewide. IF everyone wants it, everyone should pay for it.

2014-23 Housing Element Update

Planning Commission
City Hall Council Chambers

August 27, 2014

Jenny Nusbaum
Department of Planning, Building & Code Enforcement
jenny.nusbaum@sanjoseca.gov

Wayne Chen
Department of Housing
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Adam Marcus
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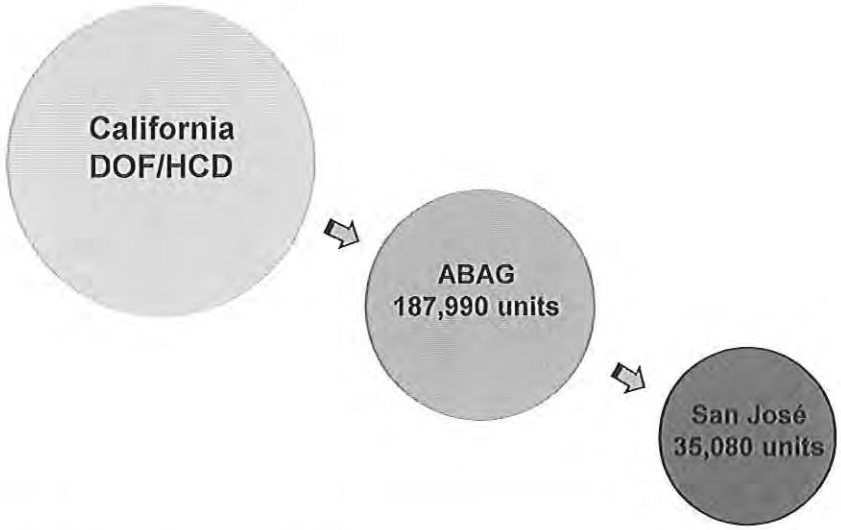
What is the Housing Element?

- One of seven State-required "elements" in the General Plan
- Only element that should be updated "as frequently as appropriate"
- Since 1980, State law requires local planning for share of housing need
- Regional Housing Need Allocation (RHNA) is process for determining/assigning need

How does the RHNA Process Work?



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Income Categories

Income Categories	Income Range*	Allocation
Extremely-Low (ELI) (0-30% AMI)	$0-$31,850	4,616
Very-Low (VLI) (30-50% AMI)	$31,851-$53,050	4,617
Low (LI) (50-80% AMI)	$53,051-$84,900	5,428
Area Median (AMI) (100% AMI)	$105,500	
Moderate (MOD) (80-120% AMI)	$84,901-$126,600	6,188
Above-Moderate (AMOD) (120%+ AMI)	$126,600<	14,231

*Based on household size of 4

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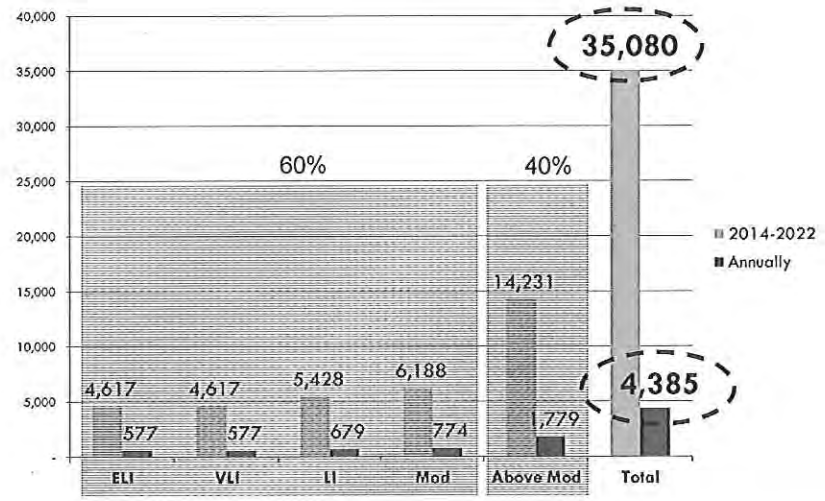
San Jose's RHNA (2014-22 Projection Period)



What is in the Housing Element?

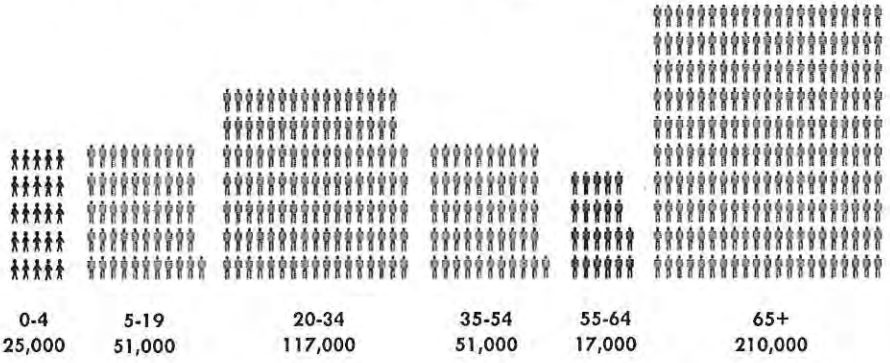
- Public Input
- Demographics
- Needs Assessment
- Constraints and Resources
- Planned Supply/Inventory
- Preservation
- Programs and Implementation
- Prior Element Evaluation

Demographics

- 3rd largest city in California (1 million+).
- Increasing Diversity: race/ethnicity, household types, age groups, longevity.
- Shift from owning to renting, more urban places.
- Half the population is housing burdened.
- Low Vacancy for Market Rate Rentals
- Zero Vacancy - Deed-Restricted Affordable Housing.
- 4,770 homeless persons (2013).

Longer-Term Age Shifts (to 2040)

- Growing numbers of seniors <u>and</u> youth



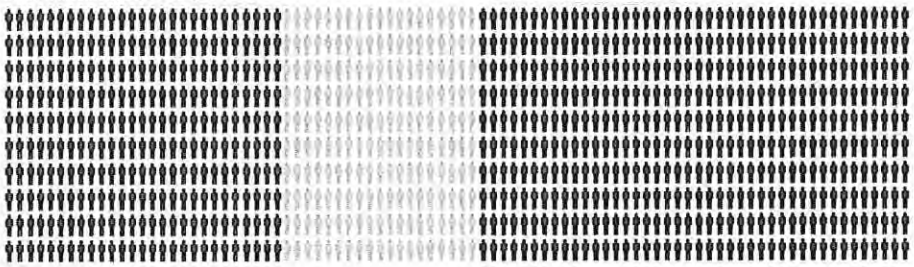
Source: Center for Continuing Study of the California Economy

Divided Workforce

= 1,000 workers

% of Workforce: 31%
Median Income: $84,600 to $144,000

% of Workforce: 46%
Median Income: $19,700 to $55,700



Occupations:
- Management
- Computer & Mathematical
- Architectural & Engineering
- Business & Financial Operations

Occupations:
- Office, Education, Training, & Library
- Office & Administrative Support
- Production
- Transportation & Material Moving
- Sales & Related Occupations
- Food Preparation & Serving-Related

Source: California Employment Development Department, May 2012

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Framing the Need

Homeless & Fixed Income
- 0-15% AMI
- 1-Person: up to $11,000
- 4-Person: up to $16,000
- Population
  - Homeless
  - Seniors
  - Veterans
  - Fixed-income

Working Poor
- 15-50% AMI
- 1-Person: $11,000 - $36,000
- 4-Person: $16,000 - $53,000
- Types of jobs
  - Cooks
  - Janitors
  - Retail sales
  - Tellers

Support Economy
- 50-100% AMI
- 1-Person $36,000 - $72,000
- 4-Person $53,000 - $105,000
- Types of jobs
  - Preschool teachers
  - Medical assistants
  - Public health social workers
  - Legal support workers

Driving Economy
- 120-160% AMI
- 1-Person $87,000 - $115,000
- 4-Person $126,000 - $168,000
- Types of jobs
  - Accountants
  - Dental hygienists
  - Computer occupations
  - Engineers

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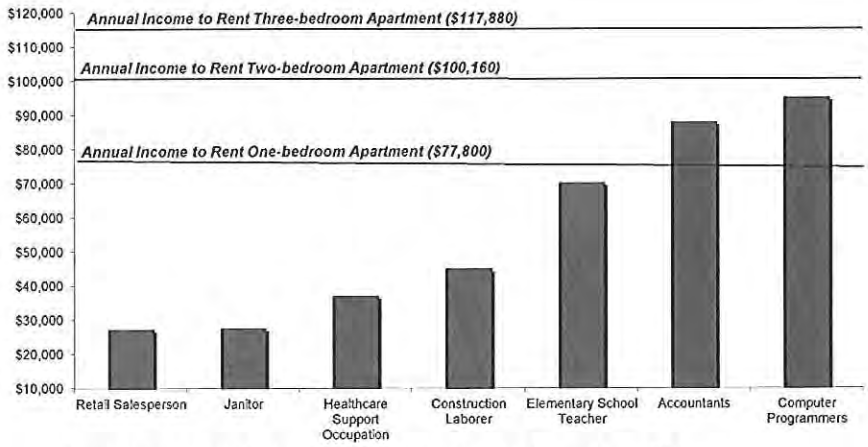
Market Rents Out of Reach for Many



SOURCE: Employment Development Department (EDD) – May 2013 Wages. Income to rent calculation assumes rent is at 30% of income

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Housing Costs & Minimum Incomes

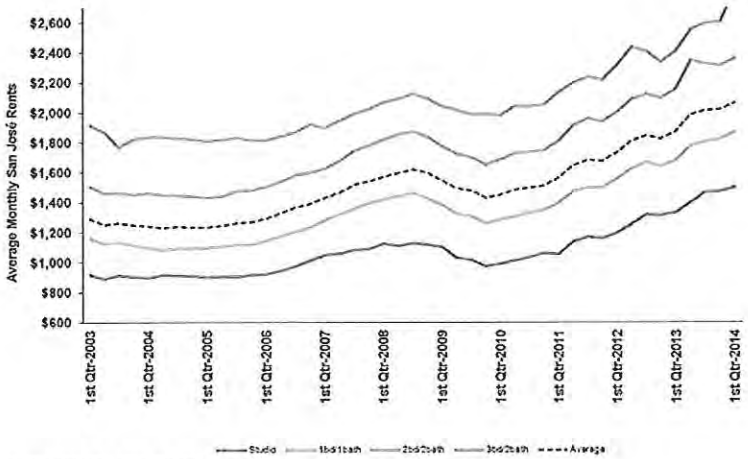
Ownership	Median Price	Minimum Income
	$457,000	$109,546 $91,400 Down
	$795,400	$169,778 $159,080 Down

Rental	Average Rent	Minimum Income
Studio	$1,584	$63,360
	$1,945	$77,800
	$2,504	$100,160
	$2,947	$117,880

Source: Median prices from Santa Clara County Association of Realtors, June 2014, Average rents from RealFacts 2nd Quarter 2014

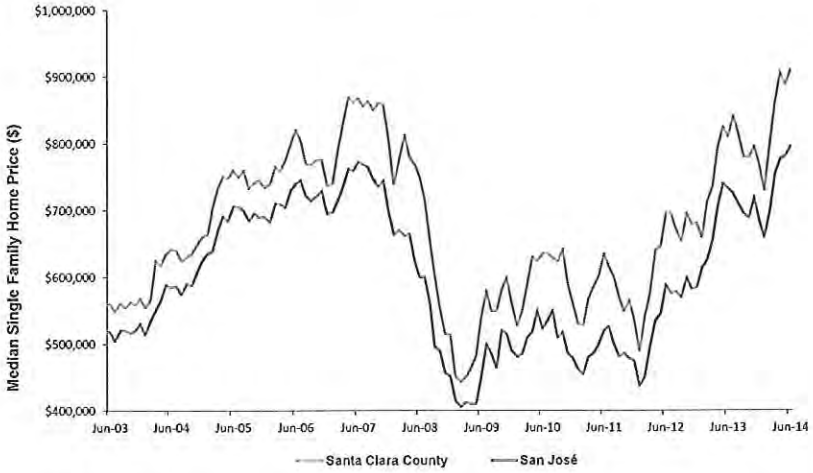
City of San José Housing Element Update (2014-23) 12

San José rents continue to climb



SOURCE: RealFacts – First Quarter 2014 - Data only includes rental projects with 50 units or more

Single-Family Median Price – Highest since 2007



SOURCE: Santa Clara County Association of Realtors, MLS Listings – June 2014

Challenging Environment

- Loss of 20% funds
- Potential sequestration and decreasing federal funds
- Depletion of State affordable housing funds
- Legal challenges to inclusionary housing ordinance
- Reductions in other incentives

Process To-Date

- Fall 2013: Demographics Analysis & Needs Assessment
- Winter 2013-14: Phase I Public Outreach
- Spring 2014: Preparation of Draft Housing Element
- Summer/Fall 2014: Phase II Public Outreach

Next Steps . . .

• Public Release	by August 29
• Community Meeting	September 3
• Community Meeting	September 6
• Planning Commission Hearing	September 10
• HCD Commission	September 11
• Council Hearing #1	September 23
• Submit for 60-Day HCD Review	End Sept/Early Oct
• Planning Commission	December 3
• Council Hearing #2	December 9
• Due to HCD	January 31

Stay Informed

- **E-Updates:** housingelementupdate@sanjoseca.gov
- **Webpage:** www.sanjoseca.gov/housingelementupdate
- **Email Comments To:**

  Jenny Nusbaum: jenny.nusbaum@sanjoseca.gov
  Wayne Chen: wayne.chen@sanjoseca.gov
  Adam Marcus: adam.marcus@sanjoseca.gov

- **Send Hard Copies To:**

  City Hall 12th Floor
  200 East Santa Clara Street
  San Jose, CA 95123
  Attn: Adam Marcus

2014-23 Housing Element Update

Planning Commission

City Hall Council Chambers

September 10, 2014

Jenny Nusbaum
Department of Planning, Building & Code Enforcement
jenny.nusbaum@sanjoseca.gov

Wayne Chen
Department of Housing
wayne.chen@sanjoseca.gov

Adam Marcus
Department of Housing
adam.marcus@sanjoseca.gov

Why Recommend Submittal to the State?

- Recommend Council approval of submittal of Draft Housing Element to State HCD for comment or approval because the Housing Element:
- Is a mandatory element of the General Plan with updates required by State law;
- Aligns with the existing Major Strategies in the General Plan for future growth and development of the City;
- Strengthens the existing goals and policies related to addressing the housing needs of all economic segments of the community, including persons with special needs; and
- Includes goals, policies, and programs that facilitate development of housing to achieve the City's RHNA fair share for 2015-2023.

Why Recommend Submittal to the State?

- Certification by HCD maintains the City's eligibility for State funds that support housing programs, transportation, and infrastructure projects.
- HCD certification creates a rebuttable presumption of validity of the Housing Element in any action to challenge the validity of the Housing Element.

Background

- August 27th overview covered legal requirements and purpose, the analytical and content requirements, the context of housing needs, a review of the update process to-date, and next steps.
- Discussion addressed State requirements for the City's Housing Element, and the number of units by income category that are assigned to the City through the RHNA process.
- Comments focused on the large amount of affordable housing units assigned to the City, especially units for ELI and VLI households.

Background

- August 29th Draft Housing Element document was released for public comment.
- Community meetings held on September 3 and 6.
- Tonight's presentation focuses on:
  - Public input;
  - Adequate Sites Inventory; and
  - Implementation Work Plan as a response to identified needs.

Public Input

- Need to build more extremely low income housing;
- Preservation of affordable homes;
- Need to do more to end homelessness;
- Need to incorporate affordable housing into PDA/Urban Villages; address concerns about "systematic gentrification"
- "Jobs first" General Plan conflicts with affordable housing efforts;
- Disconnect between housing and community services (schools);
- Concern about the trend toward rental housing; less homeownership;
- Concern for seniors aging in place;

Public Input on the Draft

- The "Jobs first" General Plan constrains affordable housing;
- House the homeless before abatement of encampments;
- Revise the Mobile Home Ordinance to prevent closures;
- Explore a commercial impact fee;
- Prioritize housing funds for Extremely Low Income people
- Strengthen the rent control ordinance; include Just Cause evictions
- Forbid landlord discrimination against Section 8 voucher holders;
- Dedicate funding for counseling and eviction defense;
- Boost code enforcement for quality of life issues;
- Need a more robust workplan with a defined timeline;

Capacity – Adequate Sites Inventory

City has adequate capacity to meet allocation:

Already entitled throughout the City:	11,474 units
Downtown:	9,701
Planned Communities (Specific Plans):	7,547
Urban Villages (Horizon 1):	2,666
Vacant Land:	2,125
Pool Allocation:	500
Underutilized and Redevelopable:	1,104

Total: 35,117 units

Implementation Work Plan

Organized around four primary components:

- Improve supply of affordable housing:
  - Programs and Funding;
  - Coordination; and
  - Housing Planning Tools.
- Invest in activities to end homelessness.
- Promote equitable development.
- Support healthy, sustainable communities and neighborhoods.

Next Steps . . .

• HCD Commission	September 11
• Council Hearing #1	September 23
• Submit for 60-Day HCD Review	End Sept/Early Oct
• Planning Commission	December 3
• Council Hearing #2	December 9
• Due to HCD	January 31

 Public Correspondence

Comments on the Draft Housing Element

perrysandy@aol.com

Mon 9/8/2014 7:23 AM

Inbox

To:Chen, Wayne <wayne.chen@sanjoseca.gov>; Nusbaum, Jenny <Jenny.Nusbaum@sanjoseca.gov>; Marcus, Adam <adam.marcus@sanjoseca.gov>; housingelementupdate <housingelementupdate@sanjoseca.gov>;

Affordable Housing Network of Santa Clara County, P.O. Box 5313, San Jose, CA 95150

September 8, 2014

Dear Commissioners and Councilmembers,

As noted in the draft, our organization submitted a list of recommendations for policies and programs to be included in San Jose's 2014-23 Housing Element. We feel that the August draft Housing Element fails to adequately consider these recommendations and request that the document be revised to address them as follows.

1) First of all, deliberately planning to make the affordable housing crisis worse is not an intelligent or acceptable strategy, yet that is exactly what our General Plan sets out to do. As the HE draft notes on page III-4, achieving the GP goal of 1.3 jobs per employed resident will result in "significantly" increasing housing costs and "exacerbating" affordability issues. This "core objective" literally undermines and subverts every single affordable housing measure proposed throughout the entire Housing Element. This is the appropriate time to correct the error of the "jobs first" general plan strategy. According to the draft, state law requires revision of the General Plan to ensure internal consistency with the Housing Element. We cannot have an HE goal of creating affordable housing while we have a GP goal of sending housing costs through the roof.

2) Regarding homelessness, we support the outreach, rapid rehousing, supportive services, hotel supportive housing, regional planning, alternative housing options, tiny homes, and safe parking programs that are included in the draft. What we do not support is the "encampment response to abate, prevent, or deter significant encampments." Encampments are not a law enforcement problem, they are a housing program. If the City ensured provision of affordable housing, the encampments would empty out immediately.

   The Housing Element should include specific plans to house the almost 4000 San Jose residents who live outside, including providing shelter from the winter cold. Sweeps, arrests, citations, and jails are cruel, an enormous waste of resources, and have no place in a Housing Element.

3) The draft contains no mention of the commercial impact fees we proposed and which are a typical measure in numerous localities for funding affordable housing. It is common knowledge that the driving force behind the housing crisis in Silicon Valley is the jobs-housing imbalance, which is caused by irresponsible expansion of local technology corporations without regard for their social impact. A commercial impact fee would link the solution of the crisis with the cause. The failure to address this is clearly related to the wrong-headed "jobs first" strategy noted above.

4) The draft fails to include our proposal to relieve the stress of the disabled and/or part-time, temporary, and low-wage workers who live under constant threat of eviction by establishing a new income category to fund construction of housing for families that earn 15% of median income or below ($11,000 or below for a single individual and $16,000 or below for a family of four). Affordable housing funds should be allocated to the various income categories based on greatest need.

5) The draft must be changed to include positive language committing the City to extend and strengthen San Jose's rent control ordinance to the maximum extent permitted by Costa-Hawkins, including a genuine just cause eviction provision, and to campaign to protect California renters by overturning Costa-Hawkins.

There is no need whatsoever for the "assessment" of the rent control ordinance called for in the draft. The evidence is already in, much of it in the tables of Chapter III of the draft. The ordinance as written has dramatically failed to contain the crisis and requires revision. In addition to adding a serious just cause provision, the allowable rent increases should be reduced from the current 8% to no more than the cost of living, and the apartments covered should be expanded to those built up until 1995, as advocated in a recent memo by Councilmember Campos.

Finally, the City should adopt an ordinance forbidding landlords from discriminating against tenants with Section 8 or other subsidized housing vouchers. Recent Housing Authority cuts have caused numerous landlords to abandon the program, and many avoid it especially during times of a low vacancy rate. In addition, the City relies heavily on vouchers for its programs to house the homeless. The City's failure to end this form of landlord discrimination is creates a major obstacle to our plans to house the homeless..

6) Finally, this was not included in our original proposals, but developments around the Winchester Ranch Mobile Home Park have made it clear that the City must revise its Mobile Home Ordinance to prevent any closure and conversion of mobile home parks whatsoever. We have an affordable housing crisis in this city. The language in the draft to "balance the protection of mobile home parks as a source of naturally affordable housing with the development opportunities in identified growth areas" must be explicitly rejected. What possible "opportunity" could justify throwing our elderly and low-income residents out in the streets? The Housing Element must contain a provision committing the City to permanently bar all mobile home park conversions.

Thank you for considering these recommendations.

Sincerely,

Sandy Perry, Organizer

FAIR HOUSING LAW PROJECT
Law Foundation of Silicon Valley
152 North Third Street, 3rd Floor
San José, California 95112
Fax (408) 293-0106 • Telephone (408) 280-2435 • TDD (408) 294-5667

September 9, 2014

Via email to: kline@libraryworld.com; dyob@hopkinscarley.com; edesab@yahoo.com; mkamkar7@gmail.com; nick@nickpham.com; Ed@Abelite.com; and brian.ohalloran@att.net

Re: 2014-2023 Housing Element Administrative Draft, Comments September 10, 2014, Planning Commission meeting, Item 7-B

Dear Planning Commissioners:

The Fair Housing Law Project (a program of the Law Foundation of Silicon Valley), Bay Area Legal Aid, and Neighborhood Housing Services of Silicon Valley are non-profit organizations that primarily serve extremely-low to moderate-income San José residents with housing-related issues.

Thank you for considering our comments regarding San José's 2014-2023 Draft Housing Element Administrative Draft (Administrative Draft). We appreciate staff's hard work on this document, which is the blueprint for the City's housing policy for the next decade. In particular, we appreciate the inclusion of several measures to help increase the availability of affordable housing in San José and look forward to assisting with the implementation of those measures. For example, the Housing Impact Fee, affordable housing land banking near transit and in Urban Villages, rent control, and relocation assistance for tenants displaced from low-income housing are worthy, important proposals that we support.

However, we have been severely impeded in our ability to conduct a comprehensive review of the entire 220-plus page, highly technical draft. This document was only provided to the public late on August 29, a Friday before a three-day weekend. The first public outreach sessions was scheduled only one business day after release of the draft. This last-minute, rushed release and outreach schedule was reflected in the anemic participation that we saw in the session our staff attended.

Despite the above, we reviewed several sections and identified areas where the draft should be improved to aid the City in developing more housing to meet its residents' needs. We request that the Planning Commission direct City staff to address the deficiencies and/or issues identified below. We reserve the right to augment and change our comments as we are able to review the Administrative Draft more thoroughly.

Housing Needs Assessment

In terms of Housing and Household characteristics, the City identified that that over-crowding occurred in approximately 30,000 housing units in 2010, most of which are rental homes. The City also found that this figure represented an overall overcrowding

rate of 10% and a severe overcrowding rate of 3.2%. The City also acknowledged that while it is difficult to determine which of many factors lead to overcrowding, the high cost of housing plays a key role but that an element of overcrowding may result from "cultural preferences."

Our offices routinely serve clients who live in severe overcrowded housing, and in our experience San José's severe overcrowding rate likely exceeds 3.2%. Although "cultural preferences" in some instances may lead to overcrowding, this is not a frequently expressed consideration by clients who seek our services. Our observations are that the following factors contribute to local overcrowding:

- Limited housing stock and diversity of housing type;
- Lack of foreclosure intervention resources/support for homeowners with unaffordable mortgages who need to rent out rooms and garages to make ends meet each month;
- Other costs, like daycare/childcare/medical care, leave struggling families with insufficient funds to pay for housing costs;
- Lack of mid-/entry-level jobs with potential for growth;
- Lack of adult education to create access to jobs with growth; and
- Temporary or permanent loss of employment.

Although the Administrative Draft cannot address all of these issues, dedicated funding to address the impacts that result from these conditions is needed in San José. Our clients need financial counseling services to economize and budget to, in many cases, preserve their existing affordable housing. In addition, faced with a temporary loss in income and likely loss of housing, our clients need aid in overcoming these temporary short-falls to maintain their housing. The City of San José can help residents retain their housing by funding local, non-profit entities to provide financial education programs; emergency cash assistance programs that offer deposit and first month's rent assistance and rapid rehousing resources; and eviction defense programs that seek to aid residents, including those who are elderly and disabled, to retain their housing. San José's high-cost housing market makes programs like these essential, which would prevent further overcrowding, residence in substandard housing, and homelessness.

In terms of Existing Housing Stock, while a vast majority, 80% of homes, are relatively newer in San José (built between the 60's and 70's) and less than 1% are substandard, many neighborhoods experience "quality of life" issues including blight, crime, and deteriorated schools pointing to serious disinvestment. In many neighborhoods, some rental properties are not managed well and become a source of overcrowding, gang activity, and blight. According to a recent study conducted by the City Auditor on the Code Enforcement activity in the city, there was no correlation between the age of the property and the problem properties. This points to an increased need for Code Enforcement action to ensure properties do not become neighborhood scale problems.

Due to loss of funding in the last decade, in FY 2010-11 the City's Code Enforcement Department determined that it would not be able to provide an inspection for some types of "routine" cases. Instead, the responsible party is sent a letter informing them of the complaint and giving them time to fix the problem. Complaints that do not currently generate an inspection include:

- Early set out of garbage/yard waste;
- Fence violations;
- Graffiti, illegal dumping;
- Inadequate landscaping;
- Illegal garage sales;
- Lawn parking; and
- Overgrown weeds.

This type of service reduction has an adverse impact on the quality of life of City residents and neighborhoods. Code Enforcement is supposed to be the first responder to basic neighborhood health and safety concerns. City leaders have repeatedly emphasized the need to reduce the "broken window" syndrome (i.e., that smaller neighborhood problems like the above can be indicative of, or lead to, bigger problems).

The City Auditor's Report in November 2013 provided 22 recommendations to improve the efficiency and effectiveness of Code Enforcement. These recommendations should be implemented as soon as possible, including changes to the Municipal Code to allow inspectors to issue misdemeanor citations for extreme cases.

The City should continue to work with nonprofits and neighborhood leaders to engage property owners as part of the Responsible Landlord Engagement Initiative and other community engagement strategies to improve the physical and social conditions that stem from longstanding problem properties.

Potential Governmental Constraints

We found that identification of potential governmental constraints was insufficient. We also found that the Administrative Draft failed to adequately address the removal of governmental constraints. By way of example:

- Waiver of Parkland Fees. The Administrative Draft discusses how parkland fees were previously waived in whole or in part for low-income housing units. It then acknowledges that these fee waivers expired several years ago. The Administrative Draft fails to identify how the government constraint of construction-related fees and taxes can be removed by renewing these fee waivers or permitting deferral of fees for low-income housing developments.
- Emergency Shelters. There is at least one zone that allows emergency shelters without any conditional use permits. But the Administrative Draft fails to acknowledge the constraint on the development of shelters if sites within that designated zone are not available. The Administrative Draft should identify sites that are available for emergency shelters without a CUP requirement.
- SRO Housing. The Administrative Draft recognizes the importance of SROs as a source of affordable housing, but it does not provide for any zone where SROs can be a permitted use without a Special Use Permit or Conditional Use Permit. These permits require additional time and expense. Removal of this constraint would require amending the zoning code.

Quantified Objectives and Housing Programs

San José's Regional Housing Needs Assessment (RHNA) for the 2014-2022 period is substantial at about 35,000 units. Of this amount during the 2014-2022 period, Horizon 1 of the Envision San José 2040 General Plan states that 2,666 planned units will be located

within the City's 70 Urban Villages. Of this amount, San José is projected to need about 11,750 units that serve very low, low and moderate income households. For the January 31, 2015 to December 31, 2023 period, the City seeks to facilitate the development of up to 3,405 homes with emphasis on development of housing for extremely low- and very low-income households.

Although the City recognizes that it will need to leverage its subsidies with other resources, like low income housing tax credits and other sources to fill the affordability gap, the City's Administrative Draft and expressed work plan needs to be more robust to meet the City's substantial housing need. To this end, the City should more fully define the work it will perform under the programs and funding opportunities staff identified in its Administrative Draft, including specifying the work it will perform in the coming seven to eight years in its draft Implementation Work Plan for the following items:

- Housing Impact Fee/Nexus Study. We applaud the City staff for including this program, but ask that it include a projected timeline for when it will be implemented.
- Land Banking within Urban Villages. Given the modest level of units the city projects that it will be able to facilitate in the coming 7 to 8 years and that the Urban Villages planning process is underway, we request that City staff incorporate this item in its present Urban Village planning process. We encourage the City to expand land banking exploration to areas that extend beyond the Urban Village areas.
- Preserve existing deed-restricted multifamily rental homes. Although the City identifies in its work plan that it will fund the extension of the affordability restrictions for existing multifamily affordable homes pending funding availability, elsewhere in the draft it states that it plans to prioritize new construction over preservation to increase the overall supply of housing. The City argues that modern buildings are less costly to operate and more resource efficient. The City states that most housing units at risk of conversion will require acquisition and rehabilitation versus financing alone.

  Advocates request that the City balance its approach by recognizing the value in preserving existing housing because: 1) failing to preserve existing affordable housing substantially impacts residents who may have limited transportation means and depend on critical supportive, medical and other services in their existing neighborhoods; and 2) replacement housing will be concentrated in certain areas of the City versus being dispersed throughout the City of San José.
- Facilitate Affordable Honsing in Transit Oriented Development. This item is extremely important and we are glad to see it in the work plan. However, no specific plan or timeline is provided.
- Implement Urban Village Plans. Provide timelines for action and expand plans, like the Diridon Station Area Plan, to other areas to require minimum affordable housing within other plan areas. At the same time, include anti-displacement measures so that existing affordable housing is not lost in the Urban Village planning areas.
- Mobilehome Preservation. Include a more affirmative statement of the City's commitment to preserving this unsubsidized affordable housing type to include: adopting a General Plan Designation, rezoning mobile home parks, and amending

the mobile home park conversion ordinance to be consistent with the City's policy of mobile home park preservation in identified growth areas.

The implementation plan's goal to "balance" protection of mobilehome parks with development opportunities is inappropriate and needs substantial revision. It implies that preservation of mobilehomes is inconsistent with development and will be overridden when it is perceived to stand in the way of development. Further, mobilehome preservation strategies should be explored on a city-wide basis, not in presently designated growth areas alone, given the City's pressing need for affordable housing.

- Invest in Activities to End Homelessness. It is good to see the commitment to a variety of programs to address the high rate of homelessness in San José. However, we believe that these programs should include assistance with landlord-tenant issues to prevent unneeded evictions of low-income tenants, which can often lead to homelessness. Notably, San José had a $100,000 CDBG grant to provide such services which it lost some time ago; the City could make it a priority to regain this funding.
- Development application and review process assessment. In addition to creating an annual customer satisfaction survey, include outreach to affordable and market rate housing developers to identify and alleviate the burdens to bringing housing units to the market.
- Updating Dispersion Policy. The City's work plan calls for updating its existing dispersion policy to align the location of future affordable housing with resident growth areas identified in the Envision 2040 General Plan; maximize access to transit and other amenities to affordable housing developments; and facilitate the development of diverse and complete communities. Critical to this study is to ensure that housing opportunities for households with all income types are dispersed throughout the city and not confined to the anticipated growth areas. Also, a timeline for conducting this study should be included.
- Rent Control and Rental Rights and Referral. Although this item is identified in the City's work plan, the type of assessment and review that the City will conduct of its Rent Control Ordinance and Rental Rights and Referral program is not described. We ask that stakeholders, including affordable and fair housing advocates, be interviewed during the assessment.

  Further, we request that the City expand application of the Ordinance to the maximum extent allowed under state law. We have provided our views on how the Ordinance may legally be extended to Housing Department in the past and would welcome the chance to engage with them on this further.
- Educating Landlords on How to Better Manage Tenants and Reduce Crime/RLEI. We are appreciative of the planned efforts to educate landlords and tenants about their rights and responsibilities with respect to criminal activity by tenants and its impact on their tenancy. As stated above, we believe that the City should continue its participation in RLEI. However, it is critical that such efforts be undertaken with a keen understanding of the potentially severe consequences of evicting tenants, and in a manner that ensures that the legal rights of tenants (including their due process and fair housing rights) are respected.

To further enhance development of housing units in the planning period, we also request that the City expand its work plan to include:

- Implementation of Just Cause provision for tenant evictions. Since the City's rent control ordinance currently allows landlords to evict tenants without cause, landlords can circumvent the ordinance's rent control protections simply by serving their tenants with no-cause notices to quit the premises. Adding a just-cause eviction provision to the ordinance would make its rent control provisions more meaningful and would likely be very effective in preventing the displacement of lower-tenants due to economic pressures. Additionally, the City could enact a just-cause ordinance that would include units not covered by rent control.
- Consider the implementation of a Housing Overlay Zone over locally designated Priority Development Areas (PDAs), and transit-accessible areas, to incentivize affordable housing inclusion in areas close to amenities and transit alternatives;
- Commercial Linkage Fees;
- Consider an ordinance similar to East Palo Alto's Source of Income Ordinance EPAMC § 14.16.010.A.4 which prohibiting Income-Based Rental Housing Discrimination; and
- Universal Design Standards for apartments.

Conclusion

Thank you for considering these comments. I may be contacted at 408-280-2448 to discuss the contents of this letter.

Sincerely,

/s/
Diana E. Castillo
Senior Attorney

cc: Pilar Lorenzana-Campo, Non-Profit Housing Assoc. of N. California (pilar@nonprofithousing.org)
Stephanie Little and Lauren DeMartini, Bay Area Legal Aid (Slittle@baylegal.org and Ldemartini@baylegal.org)
Matt Huerta, Neighborhood Housing Services of Silicon Valley (Mhuerta@nhssv.org)

2014-23 Housing Element Update - Questions (Affordable Housing)

James Reyner <jdreyner@yahoo.com>.

Fri 8/29/2014 2:34 PM

Inbox

To:Nusbaum, Jenny <Jenny.Nusbaum@sanjoseca.gov>;

Cc:Chen, Wayne <wayne.chen@sanjoseca.gov>; Marcus, Adam <adam.marcus@sanjoseca.gov>; Emily Holton <emholton@att.net>;

Planning Folks,

Thanks for your presentation on Wednesday evening. As I listened to the discussion, I left with six questions that I would really like you to answer. I know you have a busy schedule on this update, but - if possible - I would appreciate a response by September 8th so that I can take the news to my neighborhood association board of directors' meeting that evening.

1. There are 58 mobile home parks in the city, many offering affordable housing for seniors. What is Planning's position with respect to placing a moratorium on their conversion?
2. An Urban Village should include affordable housing for the working poor (e.g., cooks, janitors, retail sales, tellers)? How is the Housing Element plan linked to the Urban Village planning efforts?
3. We are lagging in trying to meet ABAG affordable housing goals. Does Planning track the number of affordable housing units lost during a year? If the answer is yes, is this number added to next year's allocation?
4. We were told on 8/27/ 2014 that, because of the "bifurcated wage situation," there is a need to counterbalance market forces, if affordable housing is to survive in the city. What actions are in the works to counterbalance these market forces?
5. The public seems to support the idea of improving city senior housing opportunities. What are some of the ways that neighborhood associations can partner with the city to work toward this goal?
6. The Housing Element plan should be updated "as frequently as appropriate". Given that the current revision is to be submitted to HCD by

January 31, 2015, what is the target date for the next update?

Emily Holton, District 1
3361 Olsen Drive
95117

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September 22, 2014

Transmitted via email to Office of the Mayor, Office of the Vice Mayor, Members of the City Council, and City Clerk

Re: Comments to the Draft San Jose Housing Element; City of San José City Council Meeting, September 23, 2014, Agenda Item 10.2

Dear Mayor, Vice-Mayor, Councilmembers:

On behalf of a coalition of organizations concerned about preserving and creating affordable housing in the City of San José, we respectfully submit the following comments on the City's Housing Element Administrative Draft ("Draft") released for public review on August 29, 2014. The contributors to this comment letter are non-profit organizations that primarily serve extremely-low to moderate-income San José residents with housing-related issues. As follows is a high-level list of our comments, followed by a more detailed narrative explaining those comments.

Overall Comments

1. The implementation work plan must be more detailed with measurable timelines and outcomes;
2. The housing impact fee should be included as a vital and necessary affordable housing funding program;
3. A more robust and diverse array of anti-displacement programs should be included;
4. The City's "Jobs-First" policy should be analyzed as a housing production constraint;
5. The City has not satisfied its public participation obligations;

Comments on Specific Aspects of Housing Element

6. The shortfalls of the prior housing element planning period should be more adequately addressed;
7. The causes and impacts of overcrowding should be analyzed and addressed;
8. Enhancements to Code Enforcement should be included as a goal;
9. The data supporting the list of at-risk housing developments should be made available;
10. A stronger program of preserving affordable units should adopted;
11. The City should work to fund the qualified entities that are identified in the Housing Element;
12. Funds that are available for preservation should be identified;
13. The analysis for constraints to and the array of programs for housing for persons with disabilities should be more robust and specific;
14. The Zoning Code's Reasonable Accommodation Ordinance should be analyzed as a constraint to housing production;
15. A program to reduce parking needs to encourage affordable and special needs housing should be adopted;
16. Waivers for fees, taxes & other exactions should be considered for affordable housing;
17. Adequate sites must be identified and constraints removed for emergency shelters and SROs;

18. Minimum density for new development on vacant multi-family sites should be considered;
19. More substantiation and analyses are required regarding the goal to facilitate production or preservation of 17,636 units;
20. The City should preserve at-risk units by instituting vigorous anti-displacement goals and programs;
21. The goals and programs for extremely-low, very-low and moderate-income housing should be expanded; and
22. The City should promote housing opportunities for all persons by updating its dispersion policy.

Overall Comments

1. The Implementation Work Plan Must Be More Detailed With Measurable Timelines and Outcomes

The section entitled "Appendix D: Implementation Work Plan" is one of the most important sections contained in the Draft. The Work Plan sets out the City's goals and the related programs (or schedule of actions) that it will undertake during the 2014-2023 planning period to achieve its goals. Programs should set forth a schedule of actions and have a beneficial impact during the planning period. In general, the programs included in the City's Work Plan lack detail and clarity, and detailed and measurable programs.

The Draft contains programs that are vague and not easily implementable. A good example of the City's lack of a detailed and measureable program is included under its goal to Implement Urban Villages.[1] The City has been exploring financing tools for Urban Villages for at least one year, but the City's expressed program, to "Explore various funding mechanisms and programs to help finance infrastructure and amenities for Urban Villages" lacks any detail (e.g. whether value capture and/or infrastructure financing districts will be explored and assessed) so that it has a beneficial impact over the next decade.

The programs are not associated with specific steps and measurable timelines. The Draft contains a program to "Explore the creation of a land bank to ensure the creation of affordable housing within Urban Villages" with an "on-going" timeline.[2] Without an associated timeline (e.g. within the next 12 months) it will be virtually impossible for the public to determine what, if any, progress has been made towards this goal. Similarly, the program lacks specific actions for the proposed land banking program (e.g. City will convene a public meeting with a panel of experts to identify potential next steps in a land banking program).[3] These details are necessary to evaluate whether there is a beneficial impact over the planning period.

The City Council should direct staff to revise the programs included in the Work Plan so that they contain specific programs and timeframes; the City's present Work Plan fails to comply

[1] Draft, Work Plan, p. 5.
[2] Id., p. 2.
[3] Id.

with State law because it fails to set forth a schedule of actions, with timelines, that will have a beneficial impact in the planning period.

2. The Housing Impact Fee Should be Included As a Vital and Necessary Affordable Housing Funding Program

Given San José's residents' dire need for affordable housing, it is critical that the Council take action to adopt a housing impact fee at the highest possible amount justified by its Residential Nexus Study for each housing type—$28/s.f. for apartments and $27/s.f. for high-rise apartments. For more information, please see the August 6, 2014, letter to the Mayor, Vice-Mayor, and City Council regarding the impact fee sent by the Law Foundation and other signatories.

3. A More Robust and Diverse Array of Anti-Displacement Programs Should Be Included

Rising rents and a lack of affordable housing are all factors driving low- to moderate-income families out of San José. Other factors, like speculation for redevelopment in Planned Development and Planned Growth Areas, including Urban Villages, will likely contribute to displacement of existing residents who live in subsidized and unsubsidized affordable housing.

The City's Work Plan should include detailed anti-displacement goals and related programs, which include specified timeframes, to keep San José affordable for its low- and moderate-income residents. The following anti-displacement goals and programs that further these goals—some of which are discussed in more detail below—should be included in the City's Work Plan.

A. Preserve existing mobilehome parks as a source of unsubsidized affordable housing throughout San José;
B. Expand the City's existing Rent Stabilization Ordinance to the maximum extent allowed under state law;
C. Enact a Just Cause Eviction Ordinance;
D. Adopt Source of Income protections for Section 8 voucher holders;
E. Fund financial education programs; emergency cash assistance programs, which offer deposit and first month's rent assistance and rapid re-housing resources; and eviction defense programs that seek to aid residents, including those who are elderly and disabled, to retain their housing;
F. Enact a condominium conversion ordinance; and
G. Identify temporary sites for housing the homeless.

Although the City's current Work Plan goals and programs encompass some of the preceding requests, the Work Plan wrongly focuses on mitigation instead of on proactive and preventative measures that aid low- and moderate-income residents and fails to provide a specific timeline for when programs and activities will be undertaken and completed.

4. The City's "Jobs-First" Policy Should Be Analyzed As a Housing Production Constraint

As acknowledged in *Chapter IV: Constraints and Resources* of the Draft, the adopted General Plan was developed under a jobs-first principle and includes associated policies and implementation strategies which prohibit the conversion of lands zoned as non-residential towards residential uses.

The General Plan allows for a maximum population growth of 120,000 residents whereas the Association of Bay Area Governments (ABAG) estimates that the City will likely grow by 130,000 residents by the year 2040. ABAG's regional housing need growth numbers were distributed based the following criteria:

- Availability of existing transit infrastructure;
- Lack of sufficient affordable housing to accommodate low-income commuters; and
- Job-rich cities.

As adopted, the restrictive land use policies in the General Plan are detrimental to the provision of affordable by rendering affordable housing development infeasible due to a lack of viable sites that can qualify for tax credit financing.

The City must analyze its jobs-housing principle as a governmental constraint and include detailed and measurable programs for mitigating this constraint.

<u>Comments on Specific Aspects of Housing Element</u>

The pages that follow provide detailed feedback on specific portions of the Draft. The comments are based on the Completeness Checklist published by the California Department of Housing and Community Development.[4]

5. The City Has Not Satisfied Its Public Participation Obligations

We appreciate staff's hard work on the draft to date but have encountered difficulties in providing adequate and constructive feedback given the timeline established by the City. Prior to the release of the public draft in August 2014 the City conducted a fairly intensive outreach process over a period of 10 months, beginning with outreach meetings in October 2013. Understandably, given where they were in the process, these meetings were intended to solicit general ideas from the public regarding pertinent affordable housing issues. These meetings did not offer any information on the potential programs or policies being considered by the City.

In April of 2014, the City submitted an administrative draft to the California Department of Housing and Community Development (HCD) without soliciting feedback or comments from the broader public.

[4] See http://www.hcd.ca.gov/hpd/HE%20Guidance%20Complete%20package.pdf

The Draft containing all the components required of a housing element, was released to the public late in the afternoon of August 29, 2014, a Friday that was immediately followed by a three-day weekend. What followed is a very quick succession of public meetings and hearings within a span of three weeks. The pace set between the release of the draft and the various public meetings have severely impeded in our ability to conduct a comprehensive review of the entire 220-plus page highly technical draft.

The first public outreach sessions was scheduled only one business day after release of the draft. This first meeting did not describe the Draft's Work Plan in any detail. The subsequent public outreach session, held on Saturday, September 6, 2014, at City Hall, was poorly attended given that San José is a City with a population of about one million people. Although we appreciated meeting with staff on a Saturday, access to City Hall was made difficult by residents' lack of access to the City's parking structures.

The City's presentation to Planning and HCDC Commissioners did not include an in-depth discussion of the City's Work Plan, which sets out the City's goals and the related programs (or schedule of actions) that it will undertake during the 2014-2023 planning period. Also noteworthy was the fact that the Planning Commission did not hear comments on the Housing Element until 11 p.m. in the evening on September 10, 2014. This last-minute, rushed release and outreach schedule was reflected in the anemic participation that we saw in the sessions that coalition members attended.

For all of these reasons, robust public participation and comment subsequent to the release of the Draft have been difficult to provide. Despite the above, we reviewed several sections and identified areas where the Draft should be improved to aid the City in developing more housing to meet its residents' needs. We reserve the right to augment and change our comments as we are able to review the Draft more thoroughly and/or if additional public comment sessions are offered.

6. The Shortfalls of the Prior Housing Element Planning Period Should be More Adequately Addressed

As the Draft indicates, a comprehensive evaluation of the previous housing element is a required component of the housing element revision.[5] The review allows the City to measure the progress made toward its goals and analyze areas where additional efforts must be made to make necessary progress in the next planning period. The City does a comprehensive job of calculating the overall housing production in each income category during the course of the 2007-2014 planning period as well as what appears to be a thorough review of which programs were implemented during the last planning period. Where additional analysis is required is in determining whether the policies were effective and how these programs could have been more effective in meeting the State's housing goals.

[5] Gov't Code section 65588(a)(1)-(3).

There were several objectives and goals that the City was unable to meet during the last planning period. As indicated in the Draft, the City's efforts and policies to meet the needs of moderate- and very-low income households fell short of the housing needs in these income categories. This acknowledgment should be followed by an evaluation of the programs that were designed to meet the needs of these income groups and why those programs failed to meet the need when other programs clearly accomplished their goals—such as for above moderate income housing.

This evaluation is necessary because without this analysis the next housing element cannot make corrections or improve those programs in order to improve upon the performance of the last housing element. For instance, the tenant-based rental assistance programs had widely varying impact (85 clients for TBRA 1 and only 15 clients for TBRA 3).[6] However, no information was provided to ascertain why one form of the program was so much more successful than another. It could be due to the cost of the program, more intense outreach in that particular model, or some other factor. But, it is unclear from the Appendix E which factors contributed to the program and what factors need to be improved if this program continues during the 2015-2023 planning period.

7. The Causes and Impacts of Overcrowding Should be Analyzed and Addressed

In terms of Housing and Household characteristics, the City identified that over-crowding occurred in approximately 30,000 housing units in 2010, most of which are rental homes.[7] The City also found that this figure represented an overall overcrowding rate of 10% and a severe overcrowding rate of 3.2%.[8] The City also acknowledged that while it is difficult to determine which of many factors lead to overcrowding, the high cost of housing plays a key role but that an element of overcrowding may result from "cultural preferences."[9]

Coalition members routinely serve clients who live in severely overcrowded housing, and in our experience San José's severe overcrowding rate likely exceeds 3.2%. Although "cultural preferences" in some instances may lead to overcrowding, this is not a frequently expressed consideration by clients who seek coalition members' services. Our observations are that the following factors contribute to local overcrowding:

- Limited housing stock and diversity of housing type;
- Lack of foreclosure intervention resources/support for homeowners with unaffordable mortgages who need to rent out rooms and garages to make ends meet each month;
- Other costs, like daycare/childcare/medical care, leave struggling families with insufficient funds to pay for housing costs;
- Lack of mid-/entry-level jobs with potential for growth;
- Lack of adult education to create access to jobs with growth; and
- Temporary or permanent loss of employment.

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[6] Draft, Appendix E-10.
[7] Draft, Overcrowding, II-18.
[8] Id.
[9] Id., II-19.

Although the Draft cannot address all of these issues, dedicated funding to address the impacts that result from these conditions is needed in San José. Our clients need financial counseling services to economize and budget to, in many cases, preserve their existing affordable housing. In addition, faced with a temporary loss in income and likely loss of housing, our clients need aid in overcoming these temporary short-falls to maintain their housing. As is described further below, the City can help residents retain their housing by providing financial education programs; emergency cash assistance programs that offer deposit and first month's rent assistance and rapid re-housing resources; and eviction defense programs that seek to aid residents, including those who are elderly and disabled, to retain their housing. Our city's high-cost housing market makes programs like these essential, which would prevent further overcrowding, residence in substandard housing, and homelessness.

8. Enhancements to Code Enforcement Should be Included as a Goal

In terms of Existing Housing Stock, while a vast majority, 80% of homes, are relatively newer in San José (built between the 60's and 70's) and less than 1% are substandard, many neighborhoods experience "quality of life" issues including blight, crime, and deteriorated schools pointing to serious disinvestment.[10] In many neighborhoods, some rental properties are not managed well and become a source of overcrowding, gang activity, and blight. According to a recent study conducted by the City Auditor on the Code Enforcement activity in the city, there was no correlation between the age of the property and the problem properties. This points to an increased need for Code Enforcement action to ensure properties do not become neighborhood scale problems.

Due to loss of funding in the last decade, in FY 2010-11 the City's Code Enforcement Department determined that it would not be able to provide an inspection for some types of "routine" cases. Instead, the responsible party is sent a letter informing them of the complaint and giving them time to fix the problem. Complaints that do not currently generate an inspection include:

- Early set out of garbage/yard waste;
- Fence violations;
- Graffiti, illegal dumping;
- Inadequate landscaping;
- Illegal garage sales;
- Lawn parking; and
- Overgrown weeds.

This type of service reduction has an adverse impact on the quality of life of City residents and neighborhoods. Code Enforcement is intended to be the first responder to basic neighborhood health and safety concerns. City leaders have repeatedly emphasized the need to reduce the "broken window" syndrome (i.e., that smaller neighborhood problems like the above can be indicative of, or lead to, bigger problems).

[10] Id., II-21.

The City Auditor's Report in November 2013 provided 22 recommendations to improve the efficiency and effectiveness of Code Enforcement. We understand that Code Enforcement is currently implementing an enhanced inspection and fine structure and hiring new officers; we encourage the Department to include the community in getting feedback about and implementing these changes and in making continued efforts to meet the City Auditor's recommendations.

Code Enforcement should also consider ways to activate the community in making complaints about substandard housing and blight in the community, including conducting multi-lingual outreach to the community, improving customer service, translating key documents, making the website more user friendly, and educating the community about their right against being retaliated for making a complaint and their rights to relocation assistance when severe Code Enforcement violations exist.

We appreciate the City's stated intent to continue to engage property owners as part of the Responsible Landlord Engagement Initiative, place-based initiatives, and other community engagement strategies to improve the physical and social conditions that stem from housing that is substandard or creates blight.

9. The Data Supporting the Inventory Should be Publicly Available

State law requires that cities analyze their existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.[11] Whether staff analyzed all "assisted housing developments" as defined in Government Code section 65863.10 is unclear, since staff relied on a report prepared by the California Housing Partnership Corp. (CHPC), which is not cited or readily accessible by the public. Because we cannot independently verify that all assisted housing developments were analyzed, advocates request that the Draft state that the City has complied with its obligation under these Government Code sections and include CHPC's report at the appendix or cite to it in the Draft and make it available at the City's Planning or Housing Department website.

10. A Stronger Program of Preserving At-Risk Affordable Units Should Adopted

In terms of the inventory of at-risk units[12] nine housing developments (that contain 968 units), which are owned by non-profit and profit-motivated housing providers, have subsidies that have expired or very soon will expire. The Draft fails to discuss whether these nine developments have extended their affordability restrictions, whether they must now be stricken from the inventory of affordable developments, or what specific steps the City and/or housing providers will take in the very near term to keep these developments affordable. This discussion is necessary and must be included in the Draft.

Finally, we applaud the City for acknowledging that affordable developments in Urban Villages and Priority Development Areas may become highly susceptible to displacement pressures and

[11] Gov't Code section 65583(a)(9).
[12] Draft, Appendix "C-1," "At-Risk Affordable Housing Developments."

its commitment to assessing this issue and exploring policies and programs to mitigate these impacts.[13] However, the Draft should include specific statements about the studies and the assessment measures that City staff plans to take, the stakeholders that it will involve, and the timeframe for conducting the study and assessment. As part of its assessment, we urge the City to inventory all existing affordable units, including those that are unsubsidized and/or subject to the City's rent control ordinances, in Planned Development Areas, Urban Villages, and other Planned Growth Areas so that it is aware of all sources of affordable housing that may be permanently lost. Further, the City must explore anti-displacement measures, not solely mitigation measures, since the Draft clearly identifies a lack of funding to replace or rehabilitate existing deed restricted housing let alone unsubsidized housing.

The Draft states that it plans to prioritize new construction over preservation to increase the overall supply of housing.[14] Without citing to studies or providing analysis that can be independently reviewed, the City estimates that all of the 2,645 units that it identifies as being at risk of conversion in the next eight years will require substantial rehabilitation and that it is only slightly less costly (or perhaps even more costly in some instances) to rehabilitate these units versus constructing new units that are higher in quality and less costly to operate.[15] The City's analysis does not consider other studies that analyze "lifecycle costs,"[16] which find that new construction can be more costly than rehabilitating existing units.[17]

Further, the City's analysis fails to identify the known benefits that preservation encompasses. For example, in gentrifying neighborhoods that may exist in and around Urban Villages and other planned growth areas, preserving affordable rental housing promotes economic diversity and creates mixed-income neighborhoods. Helping residents stay in their neighborhoods through measures that invest in retaining existing developments helps avoid displacement and enables these existing residents to remain in their long-term neighborhoods.

The Draft should contain a more in-depth analysis in determining whether to fund preservation or replacement, particularly because prioritizing replacement over preservation may mean that, 1) affordable housing may not be replaced on a one-to-one basis; 2) replacement housing will be concentrated in growth areas versus being dispersed throughout the City; and 3) an approach that focuses on replacement alone does not take into account that disabled and/or senior residents are familiar and have ready access to existing supportive services, and displacing these residents may cause them to lose important resources that aid them in living independently.

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[13] Draft, Chapter VI.
[14] Draft, Chapter VI-3 and -4.
[15] Id.
[16] "Lifecycle costs," estimate the costs of both developing a property and maintaining it in decent condition over a full 50-year lifecycle for new construction.
[17] Maya Brennan, Amy Deora, Anker Heegaard, Albert Lee, Jeffrey Lubell, and Charlie Wilkins, Center for Housing Policy, 2013, "Comparing the Costs of New Construction and Acquisition-Rehab In Affordable Multifamily Rental Housing: Applying a New Methodology for Estimating Lifecycle Costs," p. 1.

Finally, if any existing assisted housing developments must be redeveloped, the City should require a one-to-one replacement of the number of affordable units that will be razed, removed from stock, or converted to condominiums. The City should also require a platform for public input (such as public hearings or comment period) during the 12 months after an owner gives notice with intent to discontinue subsidies or expiration of rent restriction.

11. The City Should Work to Fund the Qualified Entities that Are Identified in the Housing Element

The City identified several non-profit and profit-motivated entities in San José that have the capacity and interest in managing assisted homes and/or that have experience in completing replacement and preservation projects in Santa Clara County.[18] As we discuss in more detail in the following section, the City's plans, including the Consolidated Plan, should include the funding of nonprofits to acquire and rehabilitate our existing affordable housing stock.

The Draft notes that some of these nonprofits may need to contract with professional management firms if they lack the adequate project management capabilities.[19] If these nonprofits must contract with management firms, these firms should have extensive backgrounds and experience in managing properties that have deed restricted developments, including issues that pertain to fair housing and reasonable accommodation.

12. Funds That Are Available for Preservation Should Be Identified

The Draft fails to comply with State law because it neglects describing the amount of funds under each available program that have not been legally obligated for other purposes and that could be available for use in preserving assisted housing developments.[20] The City should comply with State law and include this information in the Draft as it is required to do. Without this information, residents and advocates are unable to assess the City's analysis and determination about the number of units that it predicts that it can replace and preserve.

The City should bolster funding, from HOME and CDBG by creating local measures, like instituting a Housing Impact Fee; taking early action to coordinate and identify the above and other sources of financing to enable non-profit ownership; and waiving permit fees for affordable housing rehabilitation conducted through CDBG or other Santa Clara County programs to expand its replacement and preservation efforts.

13. The Analysis for Constraints to and the Array of Programs for Housing for Persons with Disabilities Should be More Robust and Specific

The Draft fails to thoroughly analyze potential and actual governmental constraints that hinder meeting the need for housing for disabled individuals and local efforts to remove constraints. Persons with disabilities have a number of housing needs related to accessibility of dwelling

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[18] Draft, Chapter VI-4.
[19] Id.
[20] Gov't Code section 65583(a)(9)(D).

units, transportation and supportive services. Because of these unique needs, it is particularly important that disabled individuals not be unduly burdened with inessential regulatory constraints. The Draft does not specify whether the City has reviewed its zoning laws, policies and practices for accessibility. Accordingly, additional information is needed to verify that the City's zoning regulations, parking requirements and building codes do not negatively impact disabled individuals.

The Draft contains useful information regarding the demographics of disability in San José, but it fails to outline proactive strategies to address the increasing shortage of housing opportunities for individuals with disabilities in our community. Advocates have noted through our work with clients and government agencies, like the Santa Clara County Public Guardian's Office, that the extremely high cost of housing in San José combined with other factors has led to a decrease in available housing for individuals living with disabilities, including licensed board and care facilities and unlicensed room and board homes. The Draft should include more specific and robust strategies to maintain and create safe, affordable housing opportunities for persons with disabilities, including but not limited to shelters, residential care facilities, group homes, and sober living environments. Further, the City must consider and plan for diverse housing opportunities to meet the needs of persons with disabilities outlined in Chapter III, Section I of the Draft ("Special Needs Housing Needs Groups").

14. The Zoning Code's Reasonable Accommodation Ordinance Should be Analyzed as a Constraint to Housing Production

The Draft includes the Zoning Code's reasonable accommodation ordinance in the Constraints and Resources section, but fails to analyze the ordinance itself as a constraint. The City's reasonable accommodation process as outlined in the Municipal Code Chapter 20.160 also needs revisiting to ensure that it is satisfying the intent to "accommodate the housing needs of persons with disabilities to the greatest extent feasible and to evaluate individual requests on a case-by-case basis."[21] Advocates have previously expressed concern regarding the City's current reasonable accommodation process, which includes written notice of a reasonable accommodation request to the owners of property immediately adjacent to the property at question, combining the request with any other planning permit approval process, and the opportunity for a director's hearing upon the request of any person who receives notice of the reasonable accommodation proposed.[22] In fact, HUD policies and established best practices specifically caution cities and other jurisdictions from regulations that "are counterproductive to fair housing choice, such as "NIMBYism" including those which allow for "community resistance to the siting of housing facilities for people with disabilities in residential neighborhoods based on their disabilities."[23] The City's process, which allows neighbors to request hearings on reasonable accommodation requests, has a discriminatory effect because it can stigmatize prospective residents with disabilities and engender hostility that future residents with disabilities will have to face in the neighborhood.

[21] Draft, Chapter IV-7.
[22] San José Municipal Code 20.160.040; 20.160.060; 20.160.070.
[23] HUD Fair Housing Planning Guide (March 2006) at 4-4.

15. A Program to Reduce Parking Needs to Encourage Affordable and Special Needs Housing Should be Adopted

The Draft accurately identifies parking requirements as a constraint on development and production of housing. It should further acknowledge that this constraint unfairly impacts lower income and special need households. Lower income households own fewer vehicles than higher income households.[24] The same is true of senior households.[25] In addition, the higher development costs that result from parking requirements cannot be passed along to affordable housing tenants in the form of higher rent prices. Instead, these higher costs result in fewer units being available.[26] Other cities have reduced parking requirements for affordable housing units and senior housing.[27] The Draft should be revised to include programs to assess the actual needs by type of housing and revise the Zoning Code provisions to reflect parking ratios that more accurately reflect the project type's need.

The Draft Implementation Work Plan includes the following Program: "Consider changing Zoning Code to reduce parking ratios for Emergency Shelters from 1 space for every 4 residents to 1 space for every 10 residents."[28] The time-frame is set as "ongoing."[29] The Draft has met the first Housing Element requirement of identifying a potential constraint, yet it fails to adopt an adequate program to eliminate or mitigate this constraint. Ongoing consideration of this measure is insufficient. The Draft should be revised to state the specific action step of changing the Zoning Code to reduce parking ratios for Emergency Shelters. It should also establish a precise plan for identifying other forms of special needs housing that generate low parking requirements, such as SROs and senior housing developments, and implementing similar reductions in parking ratios. The Draft must also be revised to include a specific time frame for execution of these Zoning Code revisions.

In addition, the Draft should be revised to permit consideration of a reduction in parking requirements based on information provided by the project developer. Presently, the Draft permits reduction from parking requirements only when the project incorporates Travel Demand Management (TDM) program elements.[30] We support transit-oriented development initiatives and recognize the need to plan for travel needs of new developments. However, the Draft does not acknowledge that TDM program elements can also be onerous and expensive constraints on housing production.

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[24] Non-Profit Housing Association of Northern California (NPH). Rethinking Residential Parking: Myths and Facts. San Francisco, CA; April 2001. *Available at* http://nonprofithousing.org/wp-content/uploads/2014/Toolkits/Original%20Toolkit/mythsandfacts.pdf.
[25] Id.
[26] Id.
[27] City of San Diego. San Diego Affordable Housing Parking Study. December 2011. *Available at* http://www.sandiego.gov/planning/programs/transportation/mobility/pdf/111231sdafhfinal.pdf.
[28] Draft, Appendix "D," p. 8.
[29] Id.
[30] Draft, IV-10.

The cost of meeting the parking requirement or TDM program elements is a constraint that especially impacts affordable and special-need housing developments. The Draft recognizes that "[p]arking reductions are especially applicable to senior housing, Single Room Occupancy (SRO) facilities, Emergency Residential Shelters, residential care/service facilities, and convalescent hospitals."[31] Yet it does not recognize that while TDM program elements may be an alternative to the parking requirement, this substitution does not remove the cost constraints that would impede development of certain necessary forms of housing. The Draft should be revised to permit reductions in parking requirements for projects that serve the special housing needs of San José and can demonstrate a reduced need for parking without requiring the alternate TDM program elements. Programs should be permitted to demonstrate who the project is geared towards and why the parking and transit needs of the target residents do not necessitate compliance with Zoning Code parking requirements. Replacing parking requirements with TDM program requirements simply substitutes one constraint for another. The adopted Housing Element should remove this constraint on the development of housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters where a proponent for the program can demonstrate a reduced need for parking.

16. Waivers for Fees, Taxes & Other Exactions Should Be Considered for Affordable Housing

The Draft does not provide for sufficient fee exemptions for affordable housing developers. According to The Draft, low-income housing units were not subject to parkland fees until 2010, when the City Council amended the rate of parkland fees for low-income units 50% of the normally applicable fees. This amendment was implemented to generate additional parkland fees. Because of the acute need for low-income housing, and the availability of parkland fees from other types of construction, the City should consider amending the parkland fee schedule to reinstate the exemption for low-income housing units. The Draft further references that several fee waivers expired several years ago but does not reference any consideration or attempt to reinstate these fee waivers. Accordingly, the Draft fails to identify how the government constraint of construction-related fees and taxes can be removed by renewing these fee waivers or permitting deferral of fees for low-income housing developments. The Draft should be revised to include a program that will propose to City Council the reinstatement of the expired fee waivers and the complete parkland fee exemption for low-income housing units.

17. Adequate Sites Must Be Identified and Constraints Removed for Emergency Shelters and SROs

The Draft does not adequately identify available sites for emergency shelters. The Draft indicates that there is at least one zone that allows emergency shelters without any conditional use permits. However, the Draft fails to acknowledge the constraint on the development of shelters if sites within that designated zone are not available. Accordingly, the Draft should undertake to identify sites that are available for emergency shelters without the requirement for conditional use permits.

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[31] Id.

The Draft lists facilitating the development of Single Room Occupancy (SRO) buildings as a goal, but it does not adequately provide for removal of constraints to development of SROs. The Draft recognizes the importance of SROs as a source of affordable housing. However, the Draft does not provide for any zone where SROs can be a permitted use without a Special Use Permit or Conditional Use Permit. These permits require additional time and expense, which constitute constraints to the development of SROs. Removal of the special use permit requirement would require amending the zoning code. Accordingly, the Draft should be revised to include a Program to lift this restriction.

18. Minimum Density for New Development on Vacant Multi-family Sites Should Be Considered

The Draft fails to identify at least one strategy to ensure that the City's limited supply of residential multi-family land is efficiently used. For example, the City should consider minimum density standards for new developments in addition to maximum standards in the residential multi-family district. This would prohibit the development of vacant multi-family sites with low-density single-family detached homes to preserve these sites for higher density housing.

19. More Substantiation and Analyses Are Required Regarding the Goal to Facilitate Production or Preservation of 17,636 Units

In its quantified objectives section, the Draft identifies 17,636 units that can be constructed, acquired/rehabilitated or preserved through its facilitation between 2014-2023. It estimates that only 279 of its 2,645[32] at-risk units, or about 10.5%, can be acquired/rehabilitated or preserved. Although we praise the City for its robust prediction that it will facilitate the construction of 17,357 new units over between 2014 and 2023, we must note that it fails to specify how it will facilitate this production other than broadly stating that it will draw from federal and state programs.[33] State law requires that the City provide the basis for its conclusion about the number of units that it can reasonably develop, rehabilitate, and conserve over the planning period.[34] The City's analysis should, but does not, specify the total funds available and funding sources to facilitate such robust production, acquisition/rehabilitation or preservation.[35] This

[32] Of the 2,645 units in deed restricted affordable housing developments that were classified as being at-risk in the next 10 years, 968 of these units' affordability restrictions have or will soon expire, and no further discussion regarding the status of these projects' affordability was provided. It is important to note that nearly 1,000 affordable housing units may have already been permanently lost. We continue to urge the City to inventory all existing affordable units, including those that are unsubsidized and/or subject to the City's rent control ordinances, in Planned Development Areas, Urban Villages, and other Planned Growth Areas so that it is aware of all sources of affordable housing that may be permanently lost.
[33] Draft, Chapter IV and Work Plan.
[34] *Hoffmaster v. City of San Diego*, 55 Cal.App.4th 1098, 1108 (1997).
[35] Gov't Code section 65583(c).

detail is particularly critical because the City facilitated only 15% of its lower- and moderate-income housing needs during the 2007-2014 Housing Element period.[36]

As we understand it, most of the City's planned programs are contained in its Work Plan.[37] Programs, like a Housing Impact Fee and several anti-displacement programs, are briefly described in the Work Plan. Although we support their inclusion in the Work Plan, the Draft is thin on specifics about the programs it will undertake and fails to provide a timeframe for implementation of these and other programs (other than stating that the time-frame is "on-going"). Although stating that a program is "on-going" is permissible for certain programs, like those that pre-date the Draft, to state that nearly all programs in the Work Plan are "on-going" fails to identify the beneficial impact that these programs will have in the planning period, does not move our City towards attainment of its housing goal, and fails to comply with State law.[38] For example, one City action/program will be "assessing the efficacy of the existing rent control ordinance… and the feasibility for strengthening the program." This is a prospective anti-displacement strategy that is not being carried over from the 2007-2014 Housing Element. This action/program is new and will promote long-term tenancies and stabilize neighborhoods. Failing to provide any specific actions, like what form of assessment will occur, the length of time that the City will take to assess its rent control ordinance, fails to move the City to attaining its housing goals and fails to comply with State law requirements.

20. The City Should Preserve At-Risk Units by Instituting Vigorous Anti-displacement Goals and Programs

The Draft should include a goal to institute various anti-displacement policies and specific programs to preserve at-risk units. This goal, which can be achieved through a host of programs, must be rapidly instituted and applied given the progressing planning for the City's Planned Growth Areas, which include Urban Villages, and Priority Development Areas. This goals and programs, which should also be applied on a City-wide basis, must be instituted to protect against the displacement of low- and moderate-income residents, especially in light of the City's very modest plans to preserve our existing supply of subsidized and unsubsidized housing, per the present Draft, prior inability to fund the production of low- and moderate-income housing in the 2007-2014 Housing Element, and failure to include programs that will facilitate a variety of housing types that include factory-built housing and mobilehomes.[39]

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[36] Draft, Chapter VIII-3.

[37] Other planned goals and programs or policies that will be evaluated between 2014 and 2023 appear elsewhere in the Draft. For example, the Draft speaks about strengthening markets and that growth will be channeled into Urban Villages and other Planned Growth Areas. Because of this the City notes that "public policies must also accompany this vision in order to mitigate the negative impacts that may result from these same market forces, such as displacement, overcrowding, and lack of housing opportunities across incomes." (Draft, Chapter IV). Though this policy is described in the Draft, it is not specifically identified in the City's Work Plan. So that it is not overlooked, it should be contained in the City's anti-displacement and Urban Village goals and programs.

[38] Gov't Code sections 65583(c) and (c)(7).

[39] Gov't Code section 65583(c)(1).

We suggest that the City further an anti-displacement (of existing subsidized and unsubsidized housing) goal through programs that contain a specified timeline for action that:

A. Preserve San José's 59 mobilehome parks and nearly 11,000 unsubsidized housing units. Given State law requirements, San José's Draft should contain a plan to preserve this vital, unsubsidized housing stock, a more robust goal and program, than, respectively, "balancing the protections of mobilehome parks and development opportunities" and "exploring the efficacy of the existing mobilehome conversion ordinance" is required.[40] Further, the City fails to provide any timeline for its program activities other than stating that the timeframe is "on-going." The Draft's present language is unacceptable for several reasons:

    1) It fails to reflect Council's very recent action at its Priority Setting Session, where Council voted 8-3 to direct staff to "review and potentially amend the Mobile Home Conversion Ordinance to address the protection of health, safety and welfare of mobilehome park residents, including any needed General Plan amendments." This was the only item to receive even the needed 6, still less 8, votes to gain a position on the priority list. The goal above does not align with this priority.
    2) The stated goal—to "balance" protection of mobilehome parks with development opportunities—is inappropriate because it implies that preservation of mobilehomes is inconsistent with development and will be overridden when it is perceived to stand in the way of development.
    3) Mobilehome preservation strategies need to be undertaken on a city-wide basis, not solely in "identified growth areas."
    4) Staff fails to identify any specific actions it plans to take or a timeframe for conducting its actions/program. Given Council's directive discussed above, the matter should be prioritized for the upcoming year.
    5) Given a dearth of available financing options, San José continues to struggle to facilitate the creation of affordable housing to meet residents' needs and should do all that it can to preserve its existing supply of unsubsidized affordable housing, including these irreplaceable mobilehomes.

Therefore, the City should approve and direct staff to incorporate the following replacement language in the Administrative Draft:

Goal - "In furtherance of the protection of the health, safety and welfare of residents, preserve existing mobilehome parks as a source of unsubsidized affordable housing throughout San José.
Action/Program - "Review and potentially amend the Mobile Home Conversion Ordinance, including any needed General Plan amendments."
Timeline - "2014-2015"

[40] Gov't Code section 65583(c)(4); Draft, Work Plan, p. 6.

The City can initiate other programs to preserve San José's 59 mobilehome parks by complying with its State law requirements by analyzing its existing housing stock, including homes in mobilehome parks that are at risk of closure. (Government Code section 65583(a).)

B. Monitor and prevent substantial rent increases, through expanded rent stabilization measures. The Draft's present action/program to "assess the efficacy of the existing rent control ordinance" is a weak response to San José's exorbitant housing costs and fails to provide a specific timeframe for when this assessment will occur within the 2014-2023 Draft period. (Work Plan, p. 13.) The type of assessment and review that the City will conduct of its Rent Control Ordinance and Rental Rights and Referral program is not described. Therefore, we ask that stakeholders, including affordable and fair housing advocates, be interviewed during the assessment and that the City expand application of the Ordinance to the maximum extent allowed under state law. We have provided our views on how the Ordinance may legally be extended to Housing Department in the past and would welcome the chance to engage with them on this further.

   Prevent mass residential evictions and demolitions, by instituting just cause eviction that protect tenants and promote neighborhood stability. Since the City's rent control ordinance currently allows landlords to evict tenants without cause, landlords can circumvent the ordinance's rent control protections simply by serving their tenants with no-cause notices to quit the premises. Adding a just-cause eviction provision to the ordinance would make its rent control provisions more meaningful and would likely be very effective in preventing the displacement of lower-tenants due to economic pressures. Additionally, the City could enact a just-cause ordinance that would include units not covered by rent control.

C. Prohibit discrimination by instituting a local source of income ordinance. As identified in the Housing Element, many extremely low-income and low-income residents in San José rely on the Section 8 Housing Choice Voucher program to remain in San José. Unfortunately, many voucher holders have difficulty realizing the portability and flexibility that the voucher program is supposed to offer as many landlords refuse to rent to Section 8 voucher holders. As there are no protections against this type of discrimination, many Section 8 voucher holders are forced to move out of high-opportunity areas in San José. Other local cities, like East Palo Alto, have enacted ordinances that include participation in Section 8 and other voucher programs as a prohibited source of income discrimination. Our City should enact such an ordinance so that low-income Section 8 voucher holders are able to find stable, rental housing.

D. Fund a variety of programs that stabilize tenancies for residents at-risk of homelessness. By quickly assessing and instituting programs that provide financial education; emergency cash assistance, which offer deposit and first month's rent and rapid rehousing resources; and eviction defense that seek to aid residents, including those who are elderly and disabled, are vital to aiding residents retain their housing and preventing homelessness. The City can have immediate impact by funding these programs. One specific suggestion is to institute a program and assists with landlord-tenant issues to prevent unneeded evictions of low-income tenants, which can often lead to homelessness.

Notably, San José had a $100,000 CDBG grant to provide such services which it lost some time ago; the City could make it a priority to regain this funding. Such impact furthers the City's existing goals and programs to end homelessness.

E. Institute strict condominium conversion policies**.** The City's present goal to minimize the impacts of condo conversions and its action is limited to assessment of this impact and mitigation of the impact without any specification of what measures would be considered. There are a host of opportunities, like limiting the number of conversions per year and requiring that a percentage of converted units be sold at affordable rates, to prevent displacement instead of being reactive and later mitigating loss that is preventable.

F. Require the one-for-one replacement of any housing removed from the supply.

G. If existing affordable housing must be removed from the supply, require payment of adequate temporary relocation benefits and a first right of return benefit. The Draft's present goal of *considering* policies or ordinances to protect low and moderate income residents in market-rate and deed-restricted affordable housing from displacement is insufficient, especially in light of the fact that the suggested action/program only considers provision of relocation benefits instead of programs that prevent displacement.[41]

H. Prevent the removal of cultural centers (including retail, entertainment and services) that lead to displacement, especially in Planned Growth Areas and Priority Development Areas. As higher income populations enter into existing neighborhoods, we anticipate that cultural displacement will occur in Urban Villages, like those that encompass Burbank and Alum Rock/Five Wounds, which the City must examine and work to prevent. The City's Urban Village Plans, which the City seeks to implement per its Work Plan, fails to describe any programs to preserve cultural centers. The Urban Village planning process is underway, and its planning process must be amended to include timely and specific programs that address anti-displacement goals.

21. Conserving and Improving Existing Affordable Housing Stock Should be a Primary Goal

As we described previously, the City should conduct a more in-depth analysis before determining that it will prioritize replacement over preservation and rehabilitation. The City should recognize the benefit of rehabilitating and conserving the existing housing stock because, at present, affordable housing may not be replaced on a one-to-one basis; replacement housing will be concentrated in growth areas versus being dispersed throughout the City; and an approach that focuses on replacement alone does not take into account that disabled and/or senior residents are familiar and have ready access to existing supportive services, and displacing these residents may cause them to lose important resources that aid them in living independently.

[41] Draft, Work Plan, p. 14, emphasis added.

The City can further its conservation and rehabilitation of the existing housing stock by implementing programs that waive permit fees for affordable housing rehabilitation and construction through CDBG and other programs.

22. The Goals and Programs for Extremely-low, Very-low and Moderate-Income Housing Should be Expanded

The City can expand upon existing goals by including more programs to facilitate housing for ELI, VLI and moderate income households pursuant to its obligations under Government Code section 65583(c)(2). Programs the City can adopt are:

A. Expanding programs that assess development application and review processes. Presently, the Work Plan states that it will "Assess development application and review process. Consider improvements as needed," as a goal, and its related program is that the City will, "conduct an annual Customer Satisfaction Survey Study to measure satisfaction and to provide insight into how services can be improved." We urge the City to include a program that will be immediately solicit feedback from non-profit housing developers to determine, more rapidly and specifically than an annual survey, the hurdles these developers face so that they may be addressed. Feedback that we recently received while we prepared these comments is that City staff's design feedback can be overly subjective and require significant resources to address. This is distressing if it unduly prevents the timely creation of affordable housing.

B. Waiving fees or defer for non-profit housing developers.

C. Adopting anti-NIMBY programs. The opposition of community members to housing development, and, in particular, affordable housing development, should be more thoroughly analyzed as a constraint and programs should be developed to educate community members about the myths surrounding and importance of affordable housing.

D. Reassessing the City's "Jobs First" General Plan policies. (See above.)

E. Adopting programs to remove constraints on housing for persons w/disabilities and provide reasonable accommodation for housing for persons w/disabilities. We encourage the City to outline more detailed, specific, and robust strategies to address the increasing shortage of affordable housing opportunities for persons with disabilities, to consider and plan for diverse housing opportunities for these individuals, and to modify the current reasonable accommodation process which unnecessarily risks stigmatizing persons with disabilities.

F. Offering robust affordable development incentives, especially in planned development and Planned Growth Areas. In addition to instituting a host of anti-displacement goals and programs, the City must also create robust incentives to expand our affordable housing supply. San José's housing need in the next 8 years of nearly 21,000 units of very-low, low-, and moderate-income units still demands that City take vital steps to facilitate production of these units.

G. Facilitating development in transit-oriented development areas. This is described in the City's Work Plan, and we commend the City for its efforts, though a more specific timeframe for action must be provided. We note, however, that all proposed development must avoid displacing existing residents and destroying our existing affordable housing stock.

H. Instituting a density bonus. Although the Draft describes an action/program that calls for the adoption of a city-wide density bonus ordinance that complies with State law, the program does not provide a time-frame for adopting said ordinance. (Draft, Work Plan, p. 6.) A defined timeframe is needed.

I. Expanding the existing Housing Trust Fund opportunities by adopting commercial linkage fees and a Housing Impact Fee. We applaud the City for including this program but ask that it include a projected timeline for when it will be implemented.

J. Creating a land bank (donate sites, acquire sites) throughout San José. Although the City includes a program to explore the creation of a land bank within Urban Villages, it provides no timeline for this program. Urban Village planning continues to progress and creation of a land bank must immediately commence. In addition to this, the City is projecting a very modest level of affordable housing units that it can facilitate. Therefore, the City should incorporate this program in the Planned Growth and Planned Development Areas, including in Urban Villages, and provide a specific timeframe for implementing this program.

K. Rezoning affordable housing overlays, super density bonuses. While avoiding policies that displace low- and moderate-income residents and destroy existing affordable housing stock, consider, for example, the implementation of a Housing Overlay Zone over locally designated Priority Development Areas (PDAs), and transit-accessible areas, to incentivize affordable housing inclusion in areas close to amenities and transit alternatives.

23. The City Should Promote Housing Opportunities for all Persons By Updating Its Dispersion Policy

The City's Work Plan calls for updating its existing dispersion policy to align the location of future affordable housing with resident growth areas identified in the Envision 2040 General Plan; maximize access to transit and other amenities to affordable housing developments; and facilitate the development of diverse and complete communities. Critical to this study is to ensure that housing opportunities for households with all income types are dispersed throughout the city and not confined to the anticipated growth areas. Also, a timeline for conducting this study should be included.

Thank you for the opportunity to provide feedback on the draft. We look forward to the City's response to our suggested revisions. For any questions, please contact Diana Castillo at 408-280-2448 or via email at dianac@lawfoundation.org.

Sincerely,

/s/
Diana Castillo, Law Foundation of Silicon Valley

/s/
Stephanie Little, Bay Area Legal Aid

/s/
Matt Huerta, Neighborhood Services of Silicon Valley

/s/
Michele Beasley, Greenbelt Alliance

/s/
Valerie Feldman, Public Interest Law Project

/s/
Charisse Ma Lebron, Working Partnerships USA

/s/
Poncho Guevara, Sacred Heart Community Services

/s/
Chad Bojorquez, Downtown Streets Team

/s/
Dayana Salazar, CommUniverCity

cc:
Housing Department
Planning Department
Members of the San José Housing and Community Development Commission
California Housing and Community Development Department

September 22, 2014

Sent via email: cityclerk@sanjoseca.gov

To: Mayor Reed, Vice-Mayor Nguyen, and Councilmembers
cc: Housing & Community Development Commission

Re: City of San Jose City Council Meeting, September 23, 2014, Agenda Item 10-2

Dear Mayor, Vice-Mayor, Councilmembers, and Commissioners:

On behalf of Non-Profit Housing Association of Northern California (NPH) and our 700 member organizations, I respectfully submit the following comments on the City's draft housing element (HE) for your consideration.

A. Housing Needs Assessment

As acknowledged in *Chapter IV: Constraints and Resources* of the draft, the adopted General Plan was developed with a "jobs first" approach and includes associated policies and implementation strategies which prioritize growing the number of jobs within the City and effectively serve to prohibit the conversion of land zoned as non-residential toward residential uses.

While we certainly support the City's economic development efforts, increasing the number of high-paying jobs will undoubtedly be accompanied by an increase in lower-wage jobs due to the large multiplier effect of high-wage jobs particularly in the tech sector. In fact, well-known UC Berkeley economist Enrico Moretti has written that for each new high-tech job in a metropolitan area, five additional local jobs are created outside of high tech. ***Three of the five jobs created by this multiplier effect are non-professional jobs that pay low wages***. These lower-wage workers provide the goods and services demanded by the highly compensated employees in the innovation sector. For more on this research please consult the book titled *The New Geography of Jobs* published by Professor Moretti in 2012.

Data collected by the UC Davis Center for Regional Change[1] demonstrates the extent of the mismatch between existing low-wage jobs and the housing that is available to these workers. Specifically, UC Davis analyzed the mismatch between the number of low-wage jobs paying $15,000 per year[2] versus the number of homes affordable to these workers, which at 30% of income amounts to $750 per month for rent.

The resulting jobs to housing fit (JHFIT) ratio shows that San Jose has ***3.98 low paying jobs for every affordable home*** in the City. ***Although 20% of jobs within the City pay very-low income wages, only 10% of the current housing stock is affordable to these workers.***

Since the end of 2011, when this data was analyzed, the City of San Jose has seen a strong but uneven economic recovery as indicated by the draft HE which shows a 3 percent increase in jobs between the years 2010 and 2012 (Table III-3). Given the run-up in rents and stagnant wages, forthcoming analysis by

[1] UC Davis data and methodology available at http://bit.ly/1p40cws
[2] Data utilized originated from the Longitudinal Employer Household Dynamics (LEHD) Origin-Destination Employment Statistics Dataset (LODES) collected and disseminated by the US Census tracks this data via the Workplace Area Characteristics file. This data can be downloaded here - http://lehd.ces.census.gov/data/

UC Davis using 2012 data will likely show that the JHFIT mismatch has become even greater and will continue to increase, especially given the City's jobs-first focus.

Assuming that two very-low wage earners reside in a single apartment, fair market rent for a 1-bedroom apartment would be $1,500, well below the average rent for a 1-bedroom in San Jose, pegged at $1,834 per month as of August 2014. As of the end of 2012, nearly 1/3 of the households within the Sunnyvale-San Jose-Santa Clara Metropolitan Statistical Area (MSA) are "severely housing cost burdened" defined as households that spend more than 50 percent of their income towards rent or mortgage costs. Given the insufficient amounts of affordable housing produced in this MSA, we expect that the number of households experiencing severe housing cost burden to increase dramatically.

NPH strongly suggests the City include the following programs in the draft housing element:

- ***A program to monitor jobs housing fit (JHF) in the City for renters and homeowners. JHF is defined as the ratio of low-wage jobs (those paying $1,250 per month or less) to affordable rental (apartments that cost $750 per month or less) or affordable homes (owner-occupied or vacant for sale housing units at $150,000 or less).***
- ***A program to improve low wage jobs and affordable housing fit currently pegged at 3.98.***

B. RHNA Progress

Based on our review of the City's Annual Progress Reports, it appears that the City's performance during the 2007-2014 planning period fell short of meeting the City's housing need across all income levels although the highest percentage was achieved in the category for Above Moderate Income. Performance values shown as % of total RHNA for each affordability level:

- Very low income (0-50% AMI) - 23%
- Low income (51-80% AMI) - 41%
- Moderate (81-120% AMI) - 19%
- Above moderate income (120% AMI+) - 86%

Because of the existing deficit of homes available to those earning less than 80% of the Area Median Income (AMI), the shortage of available land, and the continued employment growth in the coming decades, the City must incentivize and prioritize the production of housing affordable to all income segments and particularly those households with incomes at 60% of AMI and below especially within the established Priority Development Area (PDA), Urban Villages, and key transportation corridors.

C. Housing Resources

Low Income Housing Tax Credits (LIHTC) Scoring

Prior to their dissolution in 2011, cities relied on Redevelopment Agencies (RDA) to provide a key source of funding for affordable housing production. Since the dissolution of RDAs, non-profit housing developers have had to rely on very competitive federal Low Income Housing Tax Credits (LIHTC), to finance housing developments affordable to those making less than 80% AMI. In order to successfully compete for the LIHTC, projects must be consistent with site location criteria for public transportation, resident services and amenities.

Site Inventory

It is reasonable to assume that the best opportunities for developing affordable housing utilizing tax credits can be found within transit-rich Urban Villages and Priority Development Areas (PDAs). Appendix A of the draft HE contains an exhaustive list of opportunity sites designed to accommodate 35,117 units, slightly exceeding the City's RHNA allocation of 35,080 units by 37 units.

However, as demonstrated by the key map (Figure 1) and spreadsheet (Table 1) included in this packet, a significant portion of the identified sites, amounting to approximately 530 acres, lay outside established PDAs or Urban Villages. Additionally, many of the sites identified range from 0.05 to 0.99 acres. Smaller parcels such as these are likely infeasible for affordable housing development.

Additionally, at least two of the projects included in the inventory will likely prove to be unaffordable. Among properties listed within the Downtown Growth Area is the 234-unit Pierce Apartments project, noted as luxury residences in a Silicon Valley Business Journal article from March of this year (http://bit.ly/1udzxjw). The site inventory also lists Phase 2 of the 88 Condos project, totaling 204-units, however, listings for available units within Phase 1 of the 88 Condos project show that a 1 bedroom/1 bath, 848-square foot unit townhome as available for purchase at $525,000.

With the exception of utilizing default densities as a proxy for affordability, does the City have additional information that will ensure that these projects will indeed be affordable? If so, please quantify the number of units and anticipated levels of affordability for these projects and reflect this information in the site inventory.

Given the fact that the site inventory has a very slim margin of error (+37 units), the cumulative total number of units for these two projects – 438 – will likely mean that the City has not identified an adequate supply of land to accommodate projected growth for units at lower-income levels.

NPH strongly suggests the City undertake the following:

- ***Conduct additional analysis of development viability for sites outside of the Priority Development Areas (PDAs) and Urban Villages.***
- ***Include a program to adopt an affordable overlay zone for all identified opportunity sites that ties incentives and concessions to affordable housing production.***

Financing Tools

The loss of redevelopment funds and legal challenges to inclusionary zoning ordinances have severely limited the development of affordable housing across the region. Given the high cost of land and the overall market strength in the City, it is very challenging for affordable housing developers to compete against market-rate for-profit developers for a finite amount of available land.

We commend the City for its work on the residential nexus study for housing impact fee. Many local jurisdictions, such as Mountain View, Emeryville, Santa Rosa and Daly City, have already adopted this approach. A housing impact fee provides a continuous local funding source for the development of affordable housing and is a critical tool for the City to adopt in the near future.

Land Use Tools

Research published by the Urban Land Institute demonstrates that there is an increased demand, across all affordability categories, to live closer to work and mass transit.[3] Given the increased demand, it is **highly unlikely that any housing built without affordability covenants will be affordable** to those earning very- or low-income wages.

Given the high need, affordable housing should be the first and highest priority community benefit received in return for any incentives or concessions provided to market-rate developers. This policy should not be limited to specific plan or precise plan areas but instead should be broadly applied across all developments within the jurisdiction.

In addition to exploring creative land use solutions, the City should identify publicly owned parcels, properties owned by the redevelopment Successor Agency, and brownfield sites that may be suitable for redevelopment and prioritize these for housing affordable to those earning 80% AMI or less.

NPH strongly suggests the city include the following programs in the draft housing element:

- ***A program to conduct further research and a public meeting on a potential housing overlay zone, community benefits policy, or other creative land use and zoning solutions.***
- ***A program to identify all publicly owned parcels and brownfield sites.***
- ***A program to develop a policy to prioritize, require, or incentivize housing affordable to those making 80% AMI or less on surplus land currently held by local government including special districts.***

Thank you for the opportunity to provide comments on the City's housing element. Please feel free to contact me regarding any questions. I look forward to the City's response to the feedback and suggested revisions included in this letter.

Sincerely,

Pilar Lorenzana-Campo
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Non-Profit Housing Association of Northern California
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cc
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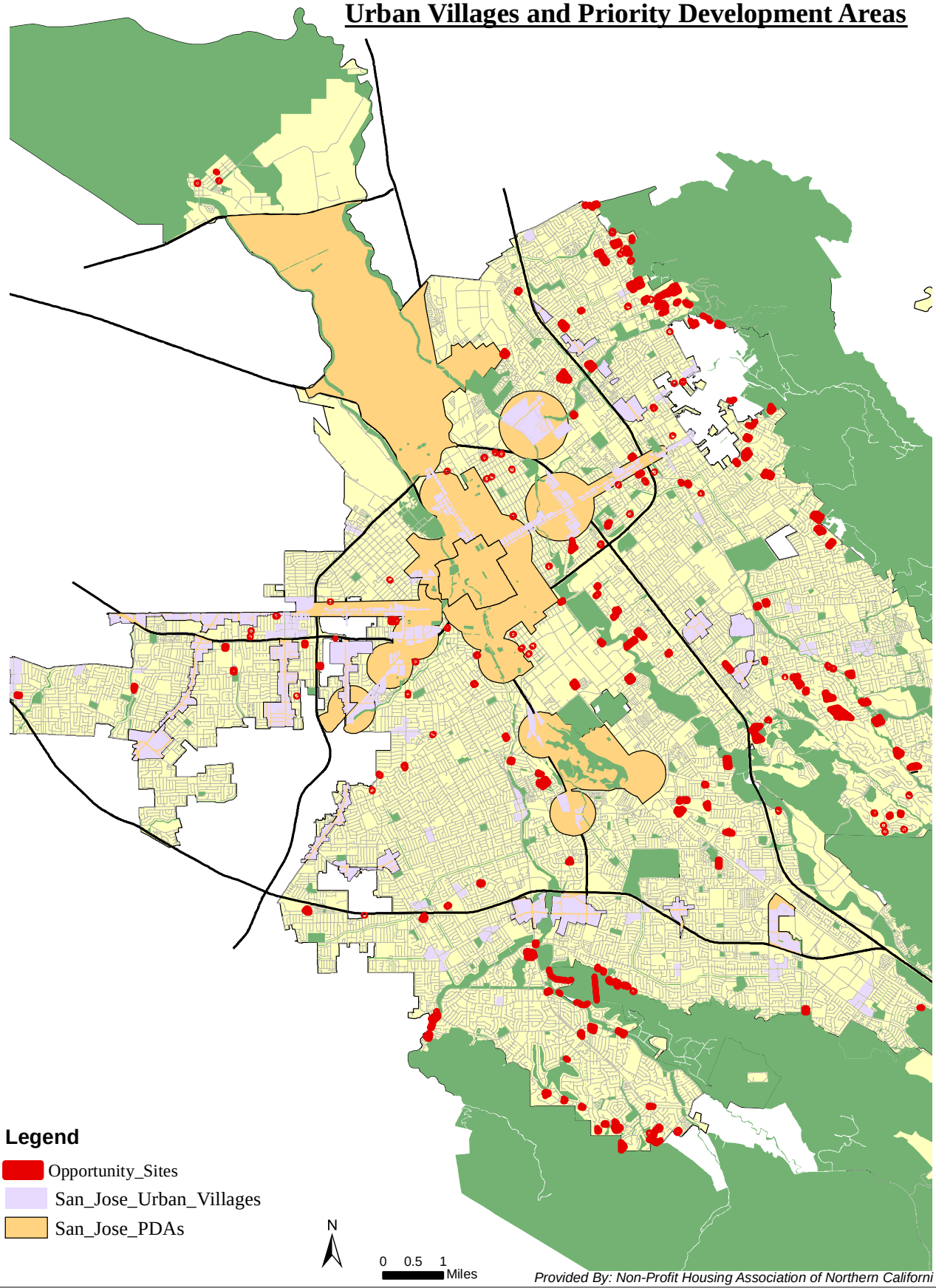
Paul McDougall, Paul.McDougall@hcd.ca.gov

[3] Jonathan D. Miller, 2012 Emerging Trends in Real Estate (Washington, D.C.: PwC and the Urban Land Institute, 2011), 1, http://chicago.uli.org/wp-content/uploads/2012/03/ET_US2012.pdf .

City of San Jose Opportunity Sites Outside of Urban Villages and Priority Development Areas



Provided By: Non-Profit Housing Association of Northern Californi a

Total_Acreage_Outside_Urban_Villages_and_PDAs	530.81
Total_Acreage_All_	1,182.44
Percentage of Opportunity Sites Outside of Urban Villages and PDAs	45%

OID	APN	acre_use
0	67652001	0.05
1	01512032	0.06
2	43423085	0.11
3	48801046	0.12
4	48441090	0.13
5	41936131	0.13
6	59901087	0.13
7	01505137	0.14
8	01505138	0.14
9	24911077	0.14
10	26121066	0.15
11	23509018	0.15
12	24916066	0.16
13	27457040	0.16
14	68403037	0.16
15	27918052	0.17
16	59518030	0.17
17	48417035	0.17
18	09233038	0.17
19	26442109	0.17
20	58708028	0.18
21	43410073	0.18
22	28201014	0.19
23	48119055	0.19
24	24913012	0.19
25	29946023	0.20
26	43407016	0.21
27	43422069	0.21
28	48446047	0.22
29	47230049	0.23
30	30332041	0.23
31	67912057	0.23
32	59514068	0.24
33	24925020	0.24
34	30330013	0.24
35	42942014	0.24
36	58115047	0.26
37	42951044	0.26
38	70611021	0.26
39	68016024	0.26
40	44204011	0.27
41	24912048	0.27
42	59916116	0.27

OID	APN	acre_use
43	29946021	0.28
44	68034010	0.29
45	58343043	0.29
46	68403042	0.29
47	48143017	0.30
48	59538014	0.30
49	68033033	0.31
50	69511039	0.32
51	46704020	0.32
52	59538009	0.33
53	30341018	0.33
54	68022017	0.34
55	67633014	0.34
56	56723027	0.34
57	68014022	0.35
58	69503043	0.35
59	69514014	0.36
60	59501101	0.36
61	69511031	0.37
62	60106045	0.38
63	58343038	0.38
64	67818037	0.38
65	48123072	0.39
66	69503032	0.39
67	65210005	0.39
68	59112047	0.39
69	24918010	0.39
70	26403007	0.40
71	27718034	0.43
72	27719012	0.43
73	69511047	0.44
74	59510066	0.44
75	47236017	0.45
76	28820041	0.45
77	48145039	0.45
78	47711051	0.46
79	58720017	0.47
80	48411082	0.47
81	56925023	0.47
82	67633009	0.47
83	48145001	0.48
84	43403093	0.49
85	59501041	0.49
86	58125024	0.53
87	01502012	0.53
88	47715003	0.54
89	67606015	0.55
90	69511022	0.56
91	58311079	0.57
92	49447004	0.57
93	58368031	0.59
94	69511046	0.61
95	58129005	0.62
96	58372015	0.62

OID	APN	acre_use
97	27903020	0.64
98	27718031	0.67
99	68066009	0.68
100	48433071	0.68
101	59535007	0.69
102	42920054	0.70
103	68066002	0.72
104	58308031	0.72
105	67623012	0.74
106	70117016	0.77
107	09243013	0.77
108	24439042	0.77
109	47212086	0.79
110	58311029	0.81
111	69402002	0.81
112	58308037	0.82
113	49919029	0.84
114	58311094	0.84
115	58706061	0.84
116	28206024	0.85
117	48122067	0.88
118	58371017	0.89
119	44201043	0.89
120	45545005	0.89
121	47766004	0.90
122	25405046	0.91
123	64707074	0.93
124	69511051	0.93
125	09243027	0.93
126	37224011	0.94
127	58372002	0.95
128	29938082	0.96
129	43917009	0.96
130	48402049	0.97
131	49137106	0.98
132	38122001	0.98
133	66005001	0.99
134	68404002	0.99
135	74235141	1.04
136	59515069	1.05
137	58618055	1.08
138	69601002	1.09
139	45514006	1.09
140	67616020	1.10
141	47720148	1.13
142	56935049	1.16
143	58619042	1.16
144	49103049	1.16
145	47776002	1.20
146	59526045	1.21
147	25429026	1.22
148	45812025	1.23
149	70101006	1.27
150	59514080	1.30

OID	APN	acre_use
151	58311017	1.41
152	68443030	1.43
153	58146019	1.60
154	60131054	1.73
155	70411009	1.76
156	68456028	1.80
157	56918058	1.89
158	59924008	1.95
159	60129009	2.07
160	58311099	2.09
161	66023015	2.16
162	61268002	2.16
163	67637012	2.22
164	59927011	2.25
165	59504071	2.27
166	67680001	2.35
167	66072020	2.36
168	24543017	2.37
169	42136007	2.39
170	67013004	2.46
171	25429025	2.47
172	59511014	2.49
173	65211010	2.51
174	68503002	2.64
175	47723021	2.86
176	70122004	2.90
177	65214012	2.94
178	57502027	3.01
179	70121019	3.22
180	49741098	3.49
181	47201021	3.50
182	58351018	3.58
183	59510013	3.69
184	47719060	3.85
185	68402010	3.87
186	61236027	3.90
187	47720047	4.03
188	59512020	4.03
189	67911001	4.05
190	58919063	4.19
191	61223056	4.24
192	66008010	4.51
193	59510005	4.88
194	61234061	5.13
195	67624001	5.31
196	67910005	5.55
197	57501003	5.68
198	49466003	5.75
199	59928001	5.92
200	68002008	5.98
201	65201008	6.70
202	57754013	6.88
203	66058001	7.40
204	45545007	8.17

OID	APN	acre_use
205	25415072	9.74
206	59504067	13.58
207	67638035	17.49
208	66002013	17.78
209	69601025	200.79

P.C. Agenda: 09/10/14
Item No.: 7.b.
Continued from 8/27/14

SUPPLEMENTAL STAFF REPORT
PLANNING COMMISSION

FILE NO.: GPT14-001
(Housing Element Update
2014-2022 Projection Period /
2015-2023 Planning Period)

Submitted: Director initiated, 02/28/14

LOCATION: Citywide

TEXT REFERENCE: Envision San José 2040 General Plan, Chapter 7 "Implementation"; proposed new Appendix entitled "Appendix 11: Housing Element for 2014-2022 Projection Period / 2015-2023 Planning Period"; and San José 2020 General Plan Appendix C: Housing

Existing Zoning	N/A
Proposed Zoning	N/A
General Plan	Text Amendment
Council District	Citywide
Annexation Date	N/A
Historic Resource	N/A
CEQA	Final Program EIRs and Addenda thereto for Envision San José 2040 General Plan, Downtown Strategy 2000, North San José Development Policies, and Diridon Station Area Plan

PROJECT DESCRIPTION

Director-initiated request to amend the Envision San José 2040 General Plan (General Plan) Text to incorporate the Housing Element for the 2014-2022 Projection Period / 2015-2023 Planning Period (Draft Housing Element), including the following text amendments among other changes:

- Revisions to Chapter 7 "Implementation;"
- Addition of new Appendices including Appendix 11 "Housing Element for 2014-2023" to update demographic and housing data, goals, policies, and implementation actions, and to make other minor technical, clarifying and clerical revisions, as necessary, to comply with State Housing Element Law (Government Code sections 65580-65589.8); and
- Revision and deletion of references to the previous housing element (Appendix C "Housing Element Update 2007-2014" of the San José 2020 General Plan) as appropriate.

RECOMMENDATION

Recommend that the City Council approve submittal of the Draft Housing Element of the General Plan to the State Department of Housing and Community Development (HCD) for review, comment, or approval within sixty (60) days of receipt for the following reasons:

1. The Housing Element is a mandatory element of the General Plan with periodic updates required by State law (Government Code sections 65580-65589.8);
2. The Draft Housing Element aligns with the existing Major Strategies in the General Plan regarding the future growth and development of the City;

3. The Draft Housing Element strengthens the existing goals and policies related to meeting the housing needs of all economic segments of the community, including persons with special needs;
4. The Draft Housing Element establishes a comprehensive strategy that include goals, policies, and programs that encourage and facilitate development of housing to achieve the City's Regional Housing Needs Allocation (RHNA) fair share for the 2015-2023 planning period; and
5. Adoption of the Draft Housing Element by the City is required in order to receive certification by HCD, which maintains the City's eligibility for State funds that support existing housing programs and infrastructure projects. HCD certification also creates a rebuttable presumption of validity of the Housing Element in any action to challenge the validity of the Housing Element (Government Code section 65589.3).

BACKGROUND

On August 27, 2014 staff presented an overview of the Housing Element process to the Planning Commission at a public hearing that covered the legal requirements and purpose of the Housing Element, the analytical and content requirements, the context of housing needs, a review of the update process to-date, and next steps. The presentation was followed by Planning Commission discussion and public comment, which addressed the State requirements for the City's Housing Element, and the number of units by income category that are assigned to the City through the RHNA process. The Commissioners and one public speaker focused their comments on the percentage of affordable housing units assigned to the City, noting the large number of units allocated for Extremely Low Income (ELI) and Very Low Income (VLI) households. The Planning Commission then voted to continue the discussion of the Housing Element item to the Planning Commission hearing scheduled for September 10, 2014. On August 29, 2014 staff released a Draft Housing Element document for public review and comment, and has scheduled community meetings for September 3 and September 6, 2014 at City Hall.

The staff presentation scheduled for Planning Commission on September 10th is intended to focus on the Draft Housing Element's Implementation Work Plan as a response to identified needs, and the Adequate Sites Inventory. After the Planning Commission considers the Draft Housing Element at the September public hearing, the City's Housing and Community Development Commission (HCDC) is scheduled to consider the item at a hearing on September 11, 2014.

The Council's first public hearing for this item is scheduled for the evening of September 23, 2014. Once Council considers the Draft and approves submittal of it to the State HCD, and the State HCD receives the Draft, HCD has up to sixty (60) days to review the Draft Element document and provide a written response or certify it. Following this 60-day period, City staff will release a final draft based on State HCD and public comments, which City staff anticipates to submit for Council to consider adoption by December of this year. Staff will then submit the adopted Housing Element to HCD for certification.

ANALYSIS

The Envision San José 2040 General Plan currently contains the Housing Element for 2007-2014 as Appendix C, which references the San José 2020 General Plan. The Envision San José 2040 General Plan also contains a summary of how the Housing Element is implemented in Chapter 7, "Implementation". The proposed General Plan text amendment would replace the Housing Element for 2007-2014 with the Draft Housing Element for 2014-2023, by deleting references to Appendix C in the

Envision San José 2040 General Plan (see Attachment 1) and adding a new Appendix 11 to the General Plan that contains the Draft Housing Element for 2014-2023. Chapter 7 text would also be updated to reference current housing trends and summarize the implementation of the Housing Element for 2014-2023 (see Attachment 2).

To explain how the City will plan for its RHNA goals, the Draft Housing Element (Appendix 11) includes: a summary of public input; discussion of demographics of the City; an assessment of housing needs; constraints and resources affecting housing production; an Adequate Sites Inventory listed by Assessor's Parcel Number; policies, programs, and actions to preserve housing; an Implementation Work Plan; and evaluation of the prior housing element.

Public Input

The demographics analysis and needs assessment contained in the Draft Housing Element informed the City's public outreach strategy that included a multi-phase effort to obtain feedback from a broad spectrum of stakeholders representing different City neighborhoods, various age and race/ethnic group categories, and special interests including neighborhood leaders, the business community, developers, realtors, and housing advocates.

From the fall of 2013 through January 2014, City staff facilitated numerous community meetings. Stakeholder groups included the County of Santa Clara administrative staff; the City's HCDC, Youth Commission, Fair Housing Consortium; San José Silicon Valley Chamber of Commerce, San Francisco Planning and Urban Research Association (SPUR), Senior Citizens Commission, Downtown Planning Area Neighborhoods, Edenvale Planning Area Neighborhoods, Alum Rock Planning Area Neighborhoods, Willow Glen Planning Area Neighborhoods, Santa Clara County Housing Action Coalition, Santa Clara County Association of Realtors, Berryessa Planning Area Neighborhoods, and West Valley Planning Area Neighborhoods. Language translation services were requested and provided to several meeting attendees. Stakeholder comments generally related to the following themes:

- Affordable Housing for Low Income Households including the Homeless − Targeting resources to Extremely-Low-Income and homeless people makes sense when resources are scarce because these groups are the neediest, but funds go further when subsidies are shallower for developments targeting 50-60% AMI. Developments of 100 or more units achieve economies of scale, and can be less costly than seeking tax credit funding for smaller scattered site developments. Look into using California Tax Credit Allocation Committee (TCAC) provisions to submit a single application for several scattered sites within a certain radius. For micro-units, State TCAC unit size minimums may need to be changed because all bathrooms must be built to larger ADA specifications adding to the cost of the development. State TCAC requires that 30% of assisted units be three bedrooms for large families. Developers noted that demand for such units is less in urban areas, and developers have trouble renting large units in San José although they are required to build them. For mixed use Urban Villages, participants noted that ground floor retail is a burden for affordable housing developers. One possible solution is to master lease the ground-floor space to the City at 50% of market rate for municipal offices, libraries, or community centers. This allows the developer to underwrite the space and places the responsibility for leasing on the City.

  Address increased homelessness. Include community members from the surrounding neighborhood when developing a response. Address ineffective periodic creek clean-ups, which merely temporarily displace homeless encampments that are quickly reestablished. San José Public

Library/San José State University visitor guidelines on allowable personal belongings at the Martin Luther King, Jr. and other library facilities have potential to worsen the Downtown homelessness situation. In essence, to promote safe access for all library patrons, large or oversize items (e.g., bedrolls, duffle bags, large suitcases, etc.) are generally not allowed. Focus resources on housing for the extremely low income segment of the population; local caseworkers are routinely asked to assist in finding interim or replacement housing for low-income clients. Address the gradual loss of transitional housing opportunities and the potential for increased use of Single Room Occupancy (SRO) facilities and secondary units. Encourage "micro" units to enhance affordability. The insufficient supply of affordable housing is evidenced by extensive wait lists/times for Section 8 voucher recipients to find subsidized housing. There is a need for a City policy to incorporate affordable housing into Urban Village plans. The Alameda is an example of where the housing supply includes a good mix of incomes. The region is at risk of being competitively "priced out" due to high housing costs. These costs are detrimental to residents' quality of life and the ability for multiple generations to maintain close ties in establishing separate, affordable living arrangements in the area.

- Jobs/Housing Ratio − Analyze the impact on housing of the General Plan's "jobs first" policy. Focus on the balance between jobs and housing, and the challenges and opportunities in creation of Urban Villages. The City's dual efforts to both improve housing affordability and improve the jobs-housing ratio (by prioritizing employment) are in fundamental conflict with one another. The affordable housing gap has grown in recent years, as Silicon Valley has been an engine for job growth but without a commensurate increase in housing. There is a concern that major employers are not participating in a solution to the local housing shortage.

- Quality of Life − Focus on "quality of life" issues (e.g., neighborhood vitality, crime, schools, etc.) to help attract additional investment.

- Density and Intensification − ABAG's Priority Development Areas (PDAs) would result in "systematic gentrification" of neighborhoods by funneling growth and resources into these relatively small geographic areas. International housing markets (e.g., Asia, Europe, etc.) can provide guidance on ways to improve our local housing supply and to effectively plan Urban Villages, including higher densities, smaller living spaces ("micro" units), and shared housekeeping facilities. Higher densities require costly steel construction. Developers must be incentivized to build at densities of eight stories or more to help overcome cost hurdles. Concerns were expressed about density increases in the Spartan Keyes neighborhood. Concerns were also expressed about congestion resulting from land use intensification and multi-modal roadway improvements, citing the area around Valley Fair/Santana Row as an example.

- Transportation − The existing transit system was criticized for being ineffective in serving people's needs. Conduct studies on transit ridership by residents in the vicinity of new, higher density development. The City has an approach to considering an intersection "built out" and no longer requiring mitigation, but mitigation measures are in fact still necessary. Housing growth should be coupled with transportation improvements; the Evergreen area is an example where the infrastructure is insufficient to accommodate what growth has occurred in recent decades. The Berryessa BART station area is poorly served by transit, and traffic impacts resulting from people using cars to get to and from the station could be a problem.

- Community Services − San José needs adequate parks, police, and other services. Provide schools, libraries, community centers, and employment centers in close proximity to planned new housing in the City. There is a disconnect between planning for housing and schools, as school overcrowding is a growing concern in areas of population growth.

- Special Needs and the Disabled − Plan for housing the disabled, who are an identified "special housing needs group" in State law. Some money "should be allocated to programs that do repairs and modifications to help keep the elderly and disabled in their homes."

- Housing Needs of Senior Citizens − Greater diversity of housing types is needed to prepare for anticipated future demographic shifts (especially growth in the senior and young adult populations). Evaluate household income and housing affordability issues among seniors. Concerns of seniors include displacement, gentrification, and preservation of low income supply; additional protection of mobile home parks as a source of affordable/senior housing; and financial impact of rapid rent increases on senior citizens living on fixed income. Many longtime residents are "housing rich, income poor" such that mobility is oftentimes limited due to cost implications. Ability to "age in place" will require home retrofits and repairs, such as wheelchair ramps/lifts, grab bars, stair replacement, and proper lighting, along with maintenance and repair of heating, electrical, and plumbing systems, hot water heaters, roofing, etc. Representatives from the Winchester Orchard Neighborhood Association sought to ensure they have a voice in future decisions about revitalization efforts, expressing concern about the potential loss of affordable housing at the Winchester Mobile Home Park. Revise the Urban Village boundary/plan for Santana Row/Valley Fair and Vicinity to exclude the Winchester Ranch Mobile Home Park. Incorporate specific design features, such as benches, small green spaces, and shade elements, to ensure that walkability meets the unique needs of the senior population. There is a concern about the walkability and connectivity of the Hitachi/iStar area, and desire for construction of a pedestrian overcrossing and reopening of the old IBM tunnel under Highway 85 to provide a connection to various public amenities (e.g., hospital, library, farmers market, etc.) in the adjacent neighborhood to the south.

- Housing for the Young − Recognize that homeless teens are a growing concern. Lack of affordability is a factor resulting in more frequent moves by families, which disrupt the schooling of children. Address the ongoing housing needs of youth that have "aged out" of foster care and transitional housing programs. Live/work arrangements have potential to meet the needs of some younger persons.

- Housing for the Workforce − Promote housing types attractive to single, driving industry workers.

- Renting and Owning − Sentiments that "homeownership is not a right, but a privilege," and that the only viable solution to improved housing affordability is increased supply. There is a concern about the trend towards rental housing construction, and the lack of upkeep that can be associated with rental properties. Boost the supply of owner-occupied housing to improve affordability and help contain the recent rise in rental costs. A community comprised of longer-term owners is likely to have greater stability. The City's rent stabilization ordinance has not been effective in containing a steady rise in costs. Create various governmental incentives to moderate rent increases among housing units otherwise exempted from the City's Rent Stabilization Ordinance. Expand rent control to enhance affordability.

- Preservation of Housing Stock − Preserve the existing housing stock, including but not limited to mobile homes. Declare a moratorium on mobile home park conversions. Create opportunities for a neighborhood stabilization program to provide retrofit/repair services for properties that have been subject to foreclosure. Structures that are aging and/or subject to neglect are more prone to fire ("we respond to an average of three single-family house or apartment fires per week").

- Re-use of Public Lands − There is a need for innovative, "out of the box" thinking to address the housing issue, including the potential use of idle public lands for housing and soliciting interest from non-profit organizations (e.g., churches) for more intense development of these land holdings. Consider using the former Agnews Development Center for dormitories.

- Fees − Housing development should not have fees waived; everyone needs to pay for services. Consider imposing a housing impact fee to help construct and rehabilitate affordable housing units. Given the strength in the housing market, is it now an opportune time to ask developers to pay impact fees, or are impact fees not the solution to affordable housing, because these fees would simply be passed on to consumers and result in even higher costs? The City "should not tax what it wants to build."

- City Ordinances − Evaluate the process and effectiveness of housing-related City ordinances. Streamline review processing time. Bring greater flexibility to the City's secondary unit Zoning Code provisions.

- Funding Sources − Dissolution of redevelopment agencies and a lack of State housing funds prevent more aggressive solutions to affordable housing. This is a problem that is shared throughout the South Bay. Funding for affordable housing should not come from sales taxes because of their regressive nature. Identify funding sources to help pay infrastructure costs associated with implementation of the City's Urban Village plans.

- Regional Coordination − cities in Santa Clara County could potentially work together to pool affordable housing resources. Inter-agency coordination is important in achieving intended goals. Address the housing issue from a broader regional perspective, thereby spreading the costs in imposition of any affordable housing fees/taxes/bonds over a larger area with smaller expense to individual households/businesses. Actively educate a wide variety of constituents, including State legislators, school boards, and parent-teacher associations.

Demographics

With approximately one million residents, the City of San José is the 10th largest city in the nation, the 3rd largest in California, and the largest in the San Francisco Bay Area region. San José is the most transit-connected city in the South Bay Area, with significant investments planned for additional transit infrastructure. As a city that has regionally important employment centers in the South Bay, San José is composed of many high tech, manufacturing, and service jobs. However, San José remains the bedroom community for the region, providing a disproportionate supply of housing opportunities for a workforce that is employed in smaller and wealthier neighboring cities.

Additionally, San José is one of the most socioeconomically and ethnically diverse cities of any size in the country, with Whites, Hispanics, and Asians each comprising approximately one third of the City's total population. Like most cities in the United States, San José's population is aging, with the largest

population growth in the elderly/senior age group (persons age 65+ years), increasing the need for senior housing solutions. At the same time, "young adults" (persons age 20-35 years) will comprise the age group with the second largest projected growth in San José over the next 25 years, and they seek vibrant, walkable, urban places to live, work, and play.

This trend towards urban, amenities-rich areas is increasingly driving the location preferences of employees and employers, as well as families and households. The Draft Housing Element seeks to account for these diverse needs for a broader array of housing choices in its Implementation Work Plan. These housing choices may include secondary dwelling units, new urban housing types such as "micro" units of approximately 200-400 square feet) as well as the adaptation of the existing housing stock to meet changed circumstances such as allowing seniors to "age in place".

Needs Assessment

The Draft Housing Element provides an assessment of the existing and projected housing needs in San José. Regional housing needs are determined by Statewide and regional population projections. The housing needs analysis draws on data from multiple sources to compare income levels with housing costs to derive measures of affordability for various households, special needs, and housing types. This analysis provides the basis for understanding the attributes and extent of San José's housing needs and issues, and, taken together with the demographics analysis, is used to inform the Housing Element's Implementation Work Plan.

San José has long been one of the costliest places in the nation for living. Although about one-third of Santa Clara County's workforce command high salaries in the range of approximately $86,000 to $144,000 per year, nearly half of all jobs pay low-income wages between $19,000 and $52,000 annually. Projections from the State show that more than half of the new jobs created in the County over the next few years will pay $11.00 per hour or less. These working-class wages are not enough to pay for housing costs without creating a housing burden, defined as housing costs that exceed 30% of income. The market has not produced housing that is naturally affordable to low-income households, and public resources for affordable housing have been significantly diminished in recent years. Consequently, both the existing and future need for affordable housing in San José is considerable and far exceeds available supply. To the extent that this trend of income disparity continues, affordable housing needs can likewise be expected to remain high or even rise.

Constraints and Resources

As required by State law, the Housing Element must identify both governmental and non-governmental constraints to housing. Governmental constraints are government policies that may impede housing production in pursuit of other important public goals, while non-governmental constraints are those impediments created through market forces. "Constraints" is not used in the Housing Element as a pejorative, but rather as a neutral term to describe factors that may potentially make it more difficult or costly to develop housing. For example, a policy that requires housing to be developed in areas with existing City services is necessary for more sustainable development although, depending on circumstances, it may also make housing more costly to build due to higher land costs. However, the purpose of identifying specific policies and regulations as potential constraints is not necessarily to eliminate them, but to develop and implement other programs to mitigate housing costs while simultaneously balancing all City goals and policies.

Governmental Constraints

Governmental constraints refer to government regulations and policies that can limit development by adding regulatory constraints including development permit requirements, processing time, and/or development costs. These can potentially include constraints such as:

1. Zoning Regulations – The City's Zoning Ordinance includes conventional zoning districts established for residential uses. Alternatively, the Planned Development zoning process can establish a unique zoning district for a site, including use and development standards, which may otherwise not be found in a conventional zoning district. For example, the absence of a conventional zoning district that allows residential development at a minimum density of 30 dwelling units per acre as a permitted use could be described as a constraint because of the requirement of an application for PD zoning and PD permit for the City to consider approval of that density.
2. Processing Time – Processing times for zonings and development permits can increase the carrying costs of a property under consideration for development. Processing time is dependent on a number of factors, including the enforcement of State laws and City ordinances, the ability of the applicant to coordinate with City staff and community members to address project issues, and the need to ensure that the general public is fully informed through required notices, meetings and hearings.
3. Fees and Taxes – The fees and taxes applicable to a development project include application/entitlement fees, construction fees, impact/capacity fees, and development taxes. Application/entitlement fees include fees for consideration of the application for a land use approval and environmental clearance. Construction fees include the various building permit, plan check, and public improvement fees related to the construction process. Impact/capacity fees are charged to mitigate the costs that new development places on community infrastructure or other required improvements. Development taxes are tax assessments on development projects commonly based on project valuation.
4. Onsite and Offsite Improvements – New residential development is responsible for both public and private improvements directly associated with the development. The City has established both public and private infrastructure standards so that developers can factor in those costs during the development design stage.
5. Level of Service (LOS) Policies – The General Plan includes LOS policies for transportation, sanitary sewers, storm drainage, flood control, police, fire, and parks. Development proposals are also reviewed to ensure that the Water Pollution Control Plant (WPCP) capacity is not exceeded.
6. Building Code Requirements – The City of San José uses the California Building Code (CBC) as the standard for all new construction. San José also encourages the use of the State Historic Building Code for designated historical properties to facilitate the rehabilitation and reuse of important historic resources. The City has also adopted local amendments regarding certain structural design requirements, compliance with FEMA regulations, fire sprinkler regulations, and other building and plumbing requirements.

The General Plan is a "jobs first" plan to increase the jobs per employed resident ratio from below 1 to above 1 so that the City is no longer housing rich and jobs poor. So that this approach does not create a constraint to housing, the General Plan contains key Policies for sufficient flexibility to meet State housing requirements, including the following:

IP-2.5 During each Major Review of the General Plan evaluate input provided by the reconvened Task Force and achievement of the following key General Plan goals to inform the City Council's decision, regarding needed changes, to begin the next General Plan Horizon, or to increase the number of residential units available for non-specific Urban Village areas, verify that the current Planning Horizon contains adequate capacity to meet San José's Regional Housing Needs Allocation for the remaining 7 ½ year portion of the current 8 year term; and

Confirm that adequate infrastructure and service facilities, especially transit, exist or that a secure plan for them is in place to support the planned jobs and housing capacity in the current and contemplated Horizon.

IP-2.11 Provide a "Pool" of residential unit capacity which may be allocated to allow entitlement of residential projects within Urban Village Areas not included within the current Plan Horizon. This pool is initially established as 5,000 units, and may be replenished as part of a General Plan Major Review. Projects receiving allocation must conform to the Land Use / Transportation Diagram. Preparation of an Urban Village Plan for the subject Urban Village is necessary prior to allocation of these units unless the project qualifies as a Signature Project.

Non-governmental Constraints

Non-governmental constraints refer to the impediments to housing production that result from market factors. The primary non-governmental constraints identified in the Draft Housing Element are:

1. Production Costs – The cost of housing production is a significant non-governmental constraint. This is especially true for projects that seek deeper affordability requirements (for example, including more ELI units rather than VLI- or LI units) because a greater amount of subsidy is required to ensure that the project is financially feasible. The major components of production costs include construction, labor, and land. The cost of basic construction materials has increased significantly over the past several years. Additionally, land in San José continues to be expensive relative to other regions in the State and compared with many areas in the rest of the United States.
2. Financing – The ability to produce housing depends on the ability of developers to borrow money in order finance construction. For both market-rate and not-for profit developers, this depends largely on the willingness of banks to provide loans for such development. For affordable housing, this also generally depends on the availability of local, state, and federal subsidies that non-profit housing developers can access to make their projects financially feasible. In the current economy, financing for affordable projects is difficult to obtain from any of these sources. Additionally, the State has eliminated many funding sources for affordable housing including the City's Redevelopment Agency, resulting in the loss of a major primary source of funding for affordable housing in the City. These factors have profoundly impacted the City's ability to provided assistance to affordable housing developers.
3. Environmental – Environmental constraints to residential development within the City typically relate to the presence of one or more of the following physical factors that affect the development of housing including sites located in areas subject to severe flooding, riparian corridors, and geological hazards. The types of constraints vary in different areas of the City.
4. Public Opposition – Existing residents may be against new affordable residential development. Opposition can lead to a protracted planning process to solicit and respond to public opinion, which adds to the time and cost of development.

Adequate Sites Inventory

State law requires an Adequate Sites Inventory as part of a jurisdiction's Housing Element. The Inventory must demonstrate that the housing potential on land suitable for residential development is adequate to accommodate the City's RHNA of 35,080 total dwelling units available for development between 2014 and 2022. The City must assess the land capacity available within its jurisdiction to meet its RHNA and perform a parcel-by-parcel site inventory identifying where housing can be located and how many units each parcel may yield.

As of April 2014, the City has identified an Adequate Sites Inventory designated for approximately 35,117 new dwelling units based on a conservative estimate at the lower end of the density range of dwelling units allowed under the existing applicable land use designations for the subject sites on the General Plan Land Use/Transportation Diagram. This Inventory assumes at least 2,666 units in Urban Villages in Horizon 1 and allocation of 500 units from the pool of 5,000 units for Urban Villages in future Horizons. All of the units that are counted in the Inventory in Urban Villages must be part of Urban Village Plans that are approved by January 2015.

This figure represents the General Plan residential holding capacity and approved residential projects minus the residential development anticipated in future phases of the North San José Area Development Policy beyond 2014. For purposes of calculating the Adequate Sites Inventory, future phases of residential development in North San José are not assumed to occur prior to 2023. To further describe the residential capacity for the Draft Housing Element, the inventory divides the residential capacity in the following categories:

1. Sites Already with Planning Entitlements[1];
2. Planned Downtown Residential Development;
3. Residential capacity in Planned Communities;
4. Residential capacity in Urban Villages that are anticipated to have approved Urban Village Plans by January 2015;
5. Vacant sites that are designated for residential development in the General Plan;
6. Sites entitled for residential development in the North San José Development Policy Area;
7. Allocation from a pool of 5,000 units available for Urban Villages beyond the current Horizon (Horizon I); and
8. Underutilized Redevelopable Parcels with residential land use designations.

[1] Units with a Planned Development (PD) zoning, PD permit, or other development permit that have not been issued building permits.

Table 1. Existing Residential Capacity
DISTRIBUTION OF HOUSING UNITS
PLANNED DURING THE RHNA PERIOD (2014-2022)

Location/Status Category	Planned Housing Units	Percent of Total
Already Entitled[1]	11,474	32.7%
Downtown	9,701	27.6%
Planned Communities	7,547	21.5%
Urban Villages[2]	2,666	7.6%
Vacant Land[3]	2,125	6.1%
North San Jose[4]	N/A	N/A
"Pool" Allocation[5]	500	1.4%
Underutilized Redevelopable Parcels	1,104	3.1%
Totals	**35,117**	**100.0%**
RHNA Allocation (2014-2022)	35,080	

Source: City of San Jose

Notes:
[1]Includes unbuilt units in Phase 1 of the North San Jose Area Development Policy (NSJADP) and in the Hitachi mixed use village project, but otherwise excludes projects in other identified categories.
[2]Horizon 1 only of the Envision San Jose 2040 General Plan.
[3]To avoid double-counting, excludes vacant lands in other identified categories.
[4]Phases 2-4 of the NSJADP, allowing an additional 24,000 units, are not anticipated during the RHNA period.
[5]Allocation of units per Policy IP-2.11 of the Envision San Jose 2040 General Plan.

Based on existing General Plan Goals and Policies and the escalating depletion of vacant lands in San José, future development will consist primarily of higher density housing in strategic infill locations, including Downtown and other identified Growth Areas in the General Plan in urban locations predominantly close to transit. Most of the sites are already developed, but are underutilized, so the majority of sites in the inventory will need to be redeveloped or have their existing development intensified with additional buildings. Vacant lands represent just a small fraction of the yield from residentially zoned lands, because these are generally small or lower density sites at the edges of the City's Urban Service Area.

The Adequate Sites Inventory's holding capacity for approximately 35,117 new dwelling units is currently available for development during the 2015-2023 RHNA planning period. This means the City of San José is able to accommodate potential development of approximately 35,117 additional dwelling units without needing to amend the General Plan Land Use/Transportation Diagram to designate additional sites for residential use. Therefore, no changes to land use designations on the sites identified in the Adequate Sites Inventory are currently proposed in the Draft Housing Element.

Preservation

In the past, San José facilitated its affordable housing supply primarily through the production of new deed-restricted multifamily housing. In addition, a portion of San José's market-rate and mobile homes are considered "naturally affordable" because of their location, condition, and physical characteristics (although the exact number of naturally affordable homes is unknown).

Because affordable homes may be lost over time due to expiring deed-restrictions or be redeveloped (if naturally affordable), it is important for the City to include policies and programs that seek to preserve the existing affordable housing stock. Chapter 7 of the Draft Housing Element analyzes the deed-restricted housing stock that is at risk of conversion to market-rate housing and compares the costs of replacement versus preservation.

Implementation Work Plan

Challenges to meeting the 2014-2022 RHNA goals include: the reduction in funding from government sources particularly as a result of the dissolution of redevelopment agencies, the high costs of land and construction locally; difficulties in obtaining financing; and the need for more funding sources to meet affordable housing goals. Some of these challenges may be met with process improvements and housing programs, which are part of the Implementation Work Plan in the Draft Housing Element. The Draft Housing Element Work Plan includes existing as well as proposed or potential new policies, programs, and partnerships to meet San José's changing housing needs. The Work Plan also includes specific actions intended to comply with State law, as well as "Potential Actions" that the City has identified as important but may not currently have the staffing or resources to explore for implementation. City staff will monitor these potential actions and will explore or undertake these items pending sufficient resources and if these items escalate in importance. The Implementation Work Plan is organized around four primary components:

1. Increase, preserve, and improve the supply of safe, livable, and affordable housing for low and moderate income residents.
    a. Programs and Funding
    b. Coordination
    c. Housing Planning Tools
2. Invest in activities to end homelessness.
3. Promote equitable development.
4. Support healthy, sustainable communities and neighborhoods.

Specific descriptions and timeframes for proposed policies and programs can be found in the Implementation Work Plan located in Appendix D of the Draft Housing Element.

CONSISTENCY WITH THE GENERAL PLAN

The twelve Major Strategies of the General Plan provide guiding principles for its goals and policies. These strategies include: Community Based Planning; a Form Based Plan; Focused Growth; Innovation/Regional Employment Center; Urban Villages; Streetscapes for People; Measurable Sustainability / Environmental Stewardship; Fiscally Strong City; Destination Downtown; Life Amidst Abundant Natural Resources; Design for a Healthful Community; and Plan Horizons and Periodic Major Review.

The Draft Housing Element is consistent with all of these Major Strategies. By promoting housing opportunities for all economic segments of the community, the Housing Element is consistent with the Design for a Healthful Community and Innovation/Regional Employment Center Major Strategies by facilitating development of workforce housing to support driving industries. The Focused Growth and Fiscally Strong City Major Strategies address the need to balance the urban facilities and services demands of new development with the need to balance the City's budget. Infill development within urbanized areas is identified as an important means of controlling service costs through increased efficiency, and the Draft Housing Element identifies housing opportunities located primarily on urban infill sites, near jobs centers, transit, and areas with existing neighborhood services. These sites support the Destination Downtown Major Strategy as well as the Urban Villages Major Strategy, which underscores the importance of enhancing San José's neighborhoods by promoting Downtown development and critical density in mixed-use development in identified Growth Areas. All these sites are located within the Greenline/Urban Growth Boundary, which is consistent with the Focused Growth, Sustainability / Environmental Stewardship, and Life Amidst Abundant Natural Resources Major Strategies in preserving the scenic backdrop of the hillsides surrounding San José, preserving habitat, agricultural resources, and recreational opportunities. By promoting the efficient use of land and infrastructure resources through higher density development in urbanized areas and strategic locations, the Draft Housing Element is consistent with all the General Plan Major Strategies in maintaining San José's ability to meet its future service needs while preserving a healthy living environment.

ENVIRONMENTAL REVIEW

Envision San José 2040 General Plan Environmental Impact Report (EIR), Resolution No. 76041, and Addenda thereto; Downtown Strategy 2000 EIR, Resolution No. 72767, and Addenda thereto; North San José Development Policies EIR, Resolution No. 72768, and Addenda thereto; and Diridon Station Area Plan EIR, Resolution No. 77096 and Addenda thereto (collectively, the "Final Program EIRs"). Pursuant to Section 15168 of the CEQA Guidelines, the City of San José has determined that this activity is within the scope of the earlier approved programs and the Final Program EIRs adequately describe the activity for purposes of CEQA. The project does not involve new significant effects beyond those analyzed in the Final Program EIRs.

PUBLIC OUTREACH/INTEREST

The City created a website URL (www.sanjoseca.gov/housingelementupdate) and customized project e-mail address (housingelementupdate@sanjoseca.gov) to share information and invite public feedback about the process. On January 15, 2014 an introductory "e-blast" was sent to a list of more than 3,000 persons and organizations with a demonstrated interest in the topic. The wide distribution of this e-blast was then further extended by subsequent communication from individual City Council District offices to their respective constituents and forwarding by the City Manager's Office to a list of more than 200 community groups. The Draft Housing Element was posted on the website on August 29, 2014, and staff sent an e-mail blast to subscribers, including the general public, Council District offices, and other interested parties, to provide the public an opportunity to submit comments on the draft.

In addition to the comments mentioned above, staff also received written correspondence during preparation of the Draft Housing Element. This correspondence received as of the writing of this staff report is attached. To the extent feasible, the comments have been addressed in the Draft Housing Element including the proposed Implementation Work Plan.

Project Manager: Jenny Nusbaum **Approved by:** Michael Nelt **Date:** 9/03/14

Owner/Applicant:	Attachments:
City of San José	1. Proposed Text changes to the Envision San José 2040 General Plan, Chapter 7 "Implementation" 2. Draft proposed new Appendix entitled "Appendix 11: Housing Element for 2014-2022 Projection Period / 2015-2023 Planning Period"; to replace Appendix C of the San José 2040 General Plan 3. Public correspondence

GPT14-001 DRAFT TEXT AMENDMENT

ENVISION SAN JOSE 2040 GENERAL PLAN

CHAPTER 7 "Implementation"

Section on Housing Element

Housing Development
The Land Use / Transportation Diagram and the Housing goals and policies contained in the Envision General Plan, in concert with its other Goals, Policies and Implementation Actions, are intended to address several concerns related to the supply of housing within San José and the region. These concerns are closely related, so that one strategy may address multiple objectives. At the same time, housing supply is a regional issue for Santa Clara County and the Bay Area. Without a cooperative regional approach, San José will not be able to fully meet its housing, economic development, and fiscal sustainability goals. By providing adequate housing growth capacity at strategic locations, San José will do its part to address the concerns of housing affordability, reducing commute demand by providing housing supply in close proximity to employment and service uses, and creating high quality, complete urban neighborhoods by focusing new housing growth into higher-density, compact areas around transit facilities.

San José has traditionally provided the bulk of housing in Santa Clara County with a large range in price and the largest number of affordable units. Much of this housing is in the form of low-density neighborhoods. A shortage of commercial and industrial activity and relatively low residential property values have negatively impacted the City's revenue while the inefficient form of its housing supply has raised service costs. This has resulted in fiscal challenges for the City as it attempts to provide services to its resident population. In order to provide and maintain high-quality residential areas, the City must pursue opportunities to improve its fiscal health through the implementation of its policies related to housing.

Goal IP-19 – Housing Development
Implement the *Envision General Plan* Land Use / Transportation Diagram and *Envision General Plan* Goals, Policies and Implementation Actions related to housing development (Housing Program) to meet San José's housing needs and to address State and regional housing production requirements.

Policies – Housing Development

IP-19.1 Through a Major General Plan Review or, as needed, through the Annual General Plan review process, evaluate the Plan's consistency with housing

development goals as determined by the State and regional agencies and take actions as necessary to address their requirements.

IP-19.2 In determining an appropriate Housing Program, maximize City resources towards the area of greatest need and to utilize available State and Federal programs.

Housing Element[1]

The City's Housing Element aligns with the General Plan goals and the City's federal and local housing plan goals to include a range of affordable housing opportunities for low- and moderate-income households, an effective response to homelessness, equitable and complete communities, and sustainable, transit-oriented communities. ~~San José's~~ Local Housing Elements ~~2007-2014 was adopted in June 2009 and was subsequently~~ are periodically required to be certified ~~that year~~ by the State Department of Housing and Community Development (HCD). State certification creates a legal presumption that the Housing Element complies with State law. Housing Element certification maintains San José's eligibility for key infrastructure and housing funds from Federal, State, and regional sources.

State law requires cities to update their Housing Element generally every ~~five~~four to ~~seven~~eight years. The current Housing Element is the result of community input and the analysis of demographic data, housing needs, constraints, and resources for housing development, planned housing supply, and housing preservation needs. The Housing Element ~~addresses housing needs for the period between January 1, 2007 and June 30, 2014. It serves as a starting point for developing~~ includes strategies and actions for implementing the housing ~~goals and~~ policies ~~fo~~f~~r~~ the *Envision San José 2040 General Plan*.

San José has been a leader in providing housing for a growing regional population. ~~The *San José 2020 General Plan* had capacity for approximately 60,000 new housing units. As currently proposed, the *Envision San José 2040 General Plan* will provide capacity for approximately 48,000 new housing units through the conclusion of Horizon 1.~~ For ~~2007-2014~~, the 2014-2022 San José's Regional Housing Needs Allocation (RHNA) projection period, the City's share of housing for the Bay Area Region is ~~34,721~~ 35,080 new housing units~~. O~~ of ~~those 34,721 new housing units~~, which~~13,073~~9233 units should serve ~~low-, very-low, and~~ extremely-low and very-low income households, 5,428 units should serve low-income households, ~~and~~ 6,1~~9~~88 units should serve moderate-income households, and 14,231 units should serve above moderate-income households. Although the City will have adequate capacity to meet the overall RHNA number of housing units, production of the affordable homes will be very challenging because of the loss of affordable housing funding from the City's former Redevelopment Agency, the depletion of State housing resources, reduced federal housing and community development funding, legal challenges to inclusionary housing programs, and the lack of other tools. The Housing Element ~~for 2007-2014~~ addresses how the City can facilitate development of adequate ~~these new~~ housing for each income group ~~homes consistent with affordability requirements~~while also~~planning~~ providing for neighborhoods with parks, schools, and access to transportation, jobs, shopping, and other services.

Housing Element Implementation Program

In the development of the Land Use/ Transportation Diagram, the maps of which are available on the City's web site, those residential and housing goals and policies having spatial or locational dimensions were considered and are, to a large extent, implemented by land use designations and through the process of reviewing development proposals. Other housing goals and policies cannot be effectuated through land use decisions and require program responses as outlined in ~~the following sections~~Appendix 11.

Quantified objectives for housing programs are for the ~~revised~~planning time frame of the Housing Element (January 31, 20~~07~~15 through ~~June 30~~January 31, 20~~14~~23)~~rather than the 1994-2020 time frame of the *San José 2020 General Plan*~~.

~~The following discussion is integrally linked with the goals and policies stated in this Plan.~~ The implementation of ~~the~~ housing ~~and other~~ related goals and policies occurs, in part, through the development review process, as described earlier in this chapter. ~~Technical~~Detailed information regarding housing issues in San José is provided in Appendix ~~5~~11, which also includes a detailed description of the housing programs~~listed below~~ , policies, and actions to implement during the Housing Element planning period in order to address the needs and constraints identified in Appendix 11.

The Housing Element implementation work plan carries over some of the programs from the prior RHNA cycle and also includes new initiatives to address new needs and constraints, to build new partnerships, and to identify new funding opportunities. It also includes potential actions to explore by the City, pending the availability of staff capacity and resources. The implementation work plan is organized according to the following Housing Element goals:

1. Increase, preserve, and improve the supply of affordable housing.
2. Invest in activities to end homelessness.
3. Promote equitable development.
4. Support healthy, sustainable communities and neighborhoods.

This work plan includes items that are already in progress as well as potential new policies and programs to explore as funding becomes available. Funding sources have been noted when plausible, but the ongoing scarcity of housing subsidies, recent legal challenges to inclusionary housing programs, and the uncertainty of timing on new sources make it difficult to project through January 2023.

~~1 Legislation recently enacted (ABX1 26 and 27, Blumenfeld 2011) could significantly impact the viability of redevelopment throughout the state which, in turn, may affect public funding of affordable housing. The current Housing Element, including Appendix C (Housing) is scheduled to be updated in 2014 and should reflect resolution of legilation and litigation relating to redevelopment agencies and funding.~~

~~Summary of Housing Needs Analysis~~

~~In support of the 2007-2014 update of the Housing Element, the City applied available data to build on previous updates. The conclusions of the update indicate a continuation of the trends identified five years earlier. Housing costs remain high in San José and the County as a whole, relative to the State. According to the Santa Clara County Association of Realtors, the median value of a single family home in San José was $560,000 and $350,000 for condominium and townhomes as of August 2008. Clearly such high prices, coupled with high financing costs, can severely constrain the ability of even moderate income families and households to purchase a home. Because of spatial correlations between housing cost and employment centers, the spiraling of prices has also caused an even longer commute time for many households searching for cheaper housing both inside and outside of the region. Such commutes impact the transportation network and degrade the environment.~~

~~San José's population grew from 894,943 in 2000 to 989,496 in 2008- an increase of 94,553 residents. The City of San José includes over half of the county's population, and has grown slightly faster than the county as a whole over the past decade, and accounts for two-thirds of the residential growth in the county. During the last decade the City's population increased 18% while the county's increased by 17%. This growth is expected to continue into the next decade but at a much slower rate.~~

~~Average household size in San José has experienced ups and downs over the last thirty years, but has exhibited relative stability in recent years. According to the 2006 American Community Survey, the average household size in San José is 3.12 persons, compared to 2.92 in the State and 2.6 nationwide. This figure represents a decrease from the average household size in 2000 and a slight increase over the 1990 figure of 3.08 persons per household. The average household size in San José is relatively higher compared to the State and nationwide average. This is partially due to the increase in the number of larger families as well as rising housing costs. According to the 2006 American Community Survey, approximately eight percent of all occupied dwelling units (23,530 units) could be classified as overcrowded with a higher percentage of renters living in overcrowded conditions than owners. As greater numbers of families and households are unable to enter the ownership housing market, they turn to the rental market. The tight housing market has caused vacancy rates to range between 1.0% and 3.6% over the past several years. As further detailed in Appendix C, 53,205 renter households and 81,699 home owner households in San José spent more than 30% of their gross incomes on housing in 2006. Of these households, 18,714 were extremely low-income renter households (incomes less than 30% of the area median income); 14,877 were very low-income renter households (incomes between 30% and 60% of area median); and 10,579 were low-income renter households (incomes between 60% and 80% of area median). These numbers do not include those families who are living doubled-up or who are forced to live in outlying areas and commute to jobs in San José.~~

~~Under State law, the Association of Bay Area Governments (ABAG) determines the fair share allocation of housing need for all Bay Area communities. For San José, the housing need is 34,721 dwelling units between January 2007 and June 2014. Of this~~

~~number, 3,876 are needed for extremely-low income households, 3,875 for very low income households, 5,322 for low income households, 6,198 for moderate income households and 15,450 for above moderate income households. This fair share allocation is limited to the projection of future housing need; it does not take into account households living "doubled-up" or who have been forced to live in outlying areas due to the lack of affordable housing in San José due to limitations of official data sources. However, the City's housing programs are intended to address needs of lower-income households. The City's housing programs also seek to create affordable housing opportunities at the deepest affordability. In addition, the City's Housing Department, under its current Notice of Funding Availability (NOFA) for project developments has a requirement that affordable housing financed by the City must incorporate a minimum of 25% ELI units. Moreover, in accordance with the adopted Five- Year Housing Investment Plan, the Housing Departments must target 30% of its Low and Moderate Income Housing Funds (20% funds) to ELI households.~~

~~Determining an Appropriate Program Response~~
~~The City of San José has traditionally provided the bulk of housing in Santa Clara County with a large range in price variation including the largest number of affordable units. The needs analysis contained in the Housing Appendix, however, clearly indicates a large and complex housing need which exceeds the resources of the City to meet.~~

~~In determining an appropriate program response, the City seeks to maximize its resources towards the area of greatest need and to utilize available State and Federal programs. Recently, however, Federal and State resources which address housing needs have diminished, while needs have increased, particularly for low income rental apartments.~~

~~In order to implement the City's housing programs more effectively, the City Council consolidated the Housing and Neighborhood Development Division of the Department of Neighborhood Preservation with the Housing Development section of the Redevelopment Agency in the fall of 1987 and created the Housing Department. A Mayor's Task Force on Housing was created to develop housing policies to guide the City in addressing affordable housing needs. A comprehensive Housing Needs Assessment was prepared by a consultant and reviewed by the Task Force; together with input from the community, the Housing Needs Assessment formed the basis for the five- year Housing Program. The Mayor's Final Report outlines the following City housing policy goals:~~

- ~~**Goal 1:** Increase the supply of affordable housing, preserve the housing stock and reduce the cost of developing affordable housing.~~
- ~~**Goal 2:** Utilize available resources to address priority needs for housing.~~
- ~~**Goal 3:** Increase the funds available for the preservation and development of affordable housing.~~
- ~~**Goal 4:** Disperse low income housing throughout the City to avoid concentrations of low income households and to encourage racial and economic integration.~~

~~**Goal 5:** Encourage greater involvement of public and private sectors to increase and preserve the stock of affordable housing in San José.~~

~~Based on these policy goals, a series of recommendations was made relating to land use planning, site acquisition, residential development tax exemptions, Single Room Occupancy housing, the conversion of assisted units to market rate rentals, long- term affordability requirements, targeting of funds by income level and need for new or rehabilitated housing, development policies for rental and ownership housing, last resort housing and other issues.~~

~~The City has systematically addressed these issues and has implemented the individual recommendations outlined in the Final Report. These goals continue to shape the program directions implemented as a part of the City's Consolidated Plan.~~

~~The Housing Assistance Program objectives outlined below include the City's funding resources (numerically identified in the text) as well as available Federal and State monies. Because of uncertainties in dollar projections and recent legislative action at the Federal level, these objectives can only be considered as numerical representations of what the City anticipates can be achieved for low and moderate income housing.~~

~~The housing program objectives set forth below represent the results of a number of analyses. The construction activity projections are based on the City's annual construction activity forecasts used in the development of the Capital Improvement Program.~~

~~The other program objectives are based on: 1) the City's experience with affordable housing programs which will be monitored annually and updated in conjunction with the Consolidated Plan goal setting process; 2) the rates of success in implementing the Housing Element program goals incorporated into the General Plan in 1978, 1981, 1983, 1984, 1988, 1989, 1994, and 2003; and, 3) State and Federal Government funding resources available to the City. The objectives for the "Additional Programs" listed on the following pages are based on the need to promote additional housing opportunities and to expand existing programs.~~

~~Housing Assistance Program Objectives~~
~~**Construction Activity Projections.** The City of San José has projected a total dwelling unit production of approximately 24,700 units for the January 2007- June 2014 time frame of the Housing Element. These figures assume an average of 3,800 new building permits approved each year, reflecting the recent trend of housing construction in San José. The City projects approximately 7,300 units of affordable housing production for the fiscal year 2000/ 01 - 2005/06 time frame. Between January 1999 and June 2006, approximately 8,900 affordable housing units were produced.~~

~~**Local Assisted Housing Programs Objectives.** The City of San José's extremely-low, very low, low and moderate income housing goals for the 2005-2010 Consolidated Plan are summarized in Table HE-1 and 2 (see following pages). In addition to the five-year housing production goals shown in Talbe HE-1, the City has goals for the conservation of existing affordable housing units. For example, there are 10,585 mobilehome units in~~

~~San José as of 2006 and all but about 200 of these units are located on sites zoned RM-H Park District) or are under a Planned Development zoning which allows only mobilehome parks as a permitted use. These zoning districts are designed to encourage the preservation of mobilehome parks and give them some continued protection from speculative conversion to other units during the 2007-2014 planning period because of the increased stability provided for mobilehome parks through these zoning districts.~~

~~Table HE-1 indicates that the goals for new construction of assisted housing units includes the acquisition/rehabilitation of "at- risk" units (federally assisted rental units that could be converted to market rate rents). The City's Housing Department will use a variety of programs identified in the Housing Appendix to conserve these units. Over the time period of the Housing Element from July 1, 2009 to June 30, 2014, the City anticipates funding commitments for 2,750 units with an emphasis on Extremely Low- and Very Low-income households. The City does not anticipate allocating funding in order to preserve its at-risk housing units, as this housing stock is primarily owned and managed by non-profit organizations that are committed to preserving the affordability restrictions. Table HE-2 breaks down the production goals according to income levels for identified priority groups.~~

~~In 2009, the City Council adopted an updated Inclusionary Housing Policy that requires that 15% of the residential units built city-wide be affordable. The ordinance will go into effect when the City issues 2,500 residential permits in a rolling 12-month period or in 2013, whichever comes first.~~

~~Table HE-1: Proposed Five-Year Production Goals 2009-2014~~

~~TARGETING~~	~~NEW CONSTRUCTION~~	~~ACQUISITION/ REHABILITATION~~	~~PRESERVATION~~	~~5-YEAR TOTAL~~
~~ELI~~	~~563~~	~~125~~	~~0~~	~~688~~
~~VLI~~	~~1,462~~	~~325~~	~~0~~	~~1,787~~
~~LI~~	~~225~~	~~50~~	~~0~~	~~275~~
~~Mod~~	~~0~~	~~0~~	~~0~~	~~0~~
~~Market~~	~~0~~	~~0~~	~~0~~	~~0~~
~~TOTAL~~	**~~2,250~~**	**~~500~~**	**~~0~~**	**~~2,750~~**

~~Source: City of San José Housing Department, 2008~~

~~Table HE-2: Affordable Housing Production Priority~~

~~Existing and New Programs~~

~~The following actions will be taken in implementing the goals of the City of San José's Five- Year Housing Strategy:~~

~~The Use of the City's 20% Redevelopment Housing Fund~~

~~Under the requirements of California Community Redevelopment Law, as provided in Section 33334.2 of the Health and Safety Code, 20% of the tax increment funds from merged, amended, or newly created redevelopment areas utilizing tax increment financing must be set aside for housing purposes for low and moderate income households. These funds may be used for a variety of purposes such as land or building acquisition, construction financing, subsidies, land improvements, development of plans and paying the principal or interest on bonds and loans. Given the economic downturn, the Housing Department anticipates that its 20% funds will stay even with its FY 2008-09 amount of $37,000,000, and does not expect an increase. The 20% funds are used to finance all aspects of the Housing~~

~~PRIORITY HOUSING NEEDS - HOUSEHOLDS~~	~~INCOME LEVELS # OF HOUSEHOLDS~~	~~PRIORITY NEED LEVEL - HIGH, MEDIUM, AND LOW~~	~~UNMET NEED BASED ON COST BURDEN~~	~~GOALS~~
~~Small Related Renters (0-80%) - 20,974~~	~~0-30%MFI (7,470)~~	~~H~~	~~6,125~~	~~316~~
	~~31-50% MFI (7,365)~~	~~H~~	~~5,523~~	~~700~~
	~~51-80% MFI (6,139)~~	~~M~~	~~2,701~~	~~440~~
~~Large Related Renters (0-80%) - 12,968~~	~~0-30%MFI (4,600)~~	~~H~~	~~3,956~~	~~200~~
	~~31-50% MFI (4,715)~~	~~H~~	~~2,923~~	~~600~~
	~~51-80% MFI (3,653)~~	~~M~~	~~876~~	~~330~~
~~Elderly Renters~~	~~0-30%MFI~~	~~H~~	~~3,723~~	~~200~~

~~(0-80%) - 8,182~~	~~(5,659)~~				
	~~31-50% MFI (1,685)~~	~~H~~	~~1,078~~	~~249~~	
	~~51-80% MFI (838)~~	~~M~~	~~444~~	~~150~~	
~~Other Renter Households (12,533)~~	~~0-30%MFI (4,955)~~	~~H~~	~~3,518~~	~~59~~	
	~~31-50% MFI (3,454)~~	~~H~~	~~2,798~~	~~500~~	
	~~51-80% MFI (4,124)~~	~~M~~	~~2,557~~	~~90~~	
~~Total Owner Households (0-80%) (19,123)~~	~~0-30%MFI (10,755)~~	~~H~~	~~7,528~~	~~591~~	
	~~31-50% MFI (4,715)~~	~~H~~	~~7,118~~	~~620~~	
	~~51-80% MFI (3,653)~~	~~M~~	~~8,190~~	~~719~~	
~~**TOTAL**~~			~~**59,058**~~	~~**5,764**~~	

~~Source: City of San José Department of Housing Consolidated Plan, 2005-2010~~
~~Small Households = Four persons or fewer~~
~~Large Households = Five persons or more~~

- ~~Transit-Oriented Development/Mid- and High-Rise Residential Design Guidelines~~
- ~~Enhanced High-Rise Design Review Process~~
- ~~2007 California Standards Code Outreach and Training~~
- ~~Live Telephone Customer Service~~
- ~~Preliminary Review Application Process~~
- ~~Housing Department Notice of Funding Availability (NOFA) Process and Underwriting Guidelines~~
- ~~Improvements in the Building Division to facilitate streamlining of the permitting process~~
- ~~Elimination of the Planned Development Zoning process requirement for certain Mixed-Use Development projects~~
- ~~Option to Use Discretionary Alternate Use Policies through a Use Permit~~
- ~~2008 Zoning Ordinance Streamlining Amendments~~

~~In addition, implementation of the 2007-2014 Housing Element will require the City to update existing land use policies in the General Plan as well as adopt new ordinances and revisions to the Zoning Ordinance in order to comply with State law. These actions include adopting a Density Bonus Ordinance, establishing a higher-density multi-family residential zoning district, and revising several General Plan land use designations to establish a minimum density of 30 dwelling units per acre. Descriptions of these programs and the relevant General Plan policies that guide their implementation are listed in Figure 23 of the 2007-2014 Housing Element.~~

~~Equal Housing Opportunities~~
~~The City of San José is committed to providing equal housing opportunities for all persons wishing to reside in San José. City policy is to distribute housing units affordable to various income levels throughout the City to create economically diverse neighborhoods. The City has a variety of programs to avoid discrimination and to resolve discrimination complaints.~~

~~The City of San José encourages equal housing opportunities through its rent relief/stabilization program. Apartment tenants and mobilehome residents seeking relief from rent increases may request a public hearing.~~

~~The City funds the Legal Aid Society of Santa Clara County's Housing Project with CDBG monies for the provision of fair housing services to landlords and tenants. Legal Aid provides help with evictions, rental repairs, deposits, rental agreements, leases, rental disputes, mortgage delinquency, home purchase counseling, housing discrimination and other housing related issues. Legal Aid staff is responsible for fair housing counseling, conciliation, fair housing education, referrals, investigations and audits. These responsibilities may extend to monitoring of HUD subsidized complexes on a request basis.~~

P.C. AGENDA: 9-10-14
ITEM: 7.b.
Continued from 8/27/14

Attachment B, Draft 2014-2023 Housing Element, is available on the web:

http://www.sanjoseca.gov/DocumentCenter/View/34553

2014-23 Housing Element Update - Questions (Affordable Housing)

James Reyner <jdreyner@yahoo.com>

Fri 8/29/2014 2:34 PM

Inbox

To:Nusbaum, Jenny <Jenny.Nusbaum@sanjoseca.gov>;

Cc:Chen, Wayne <wayne.chen@sanjoseca.gov>; Marcus, Adam <adam.marcus@sanjoseca.gov>; Emily Holton <emholton@att.net>;

Planning Folks,

Thanks for your presentation on Wednesday evening. As I listened to the discussion, I left with six questions that I would really like you to answer. I know you have a busy schedule on this update, but - if possible - I would appreciate a response by September 8th so that I can take the news to my neighborhood association board of directors' meeting that evening.

1. There are 58 mobile home parks in the city, many offering affordable housing for seniors. What is Planning's position with respect to placing a moratorium on their conversion?
2. An Urban Village should include affordable housing for the working poor (e.g., cooks, janitors, retail sales, tellers)? How is the Housing Element plan linked to the Urban Village planning efforts?
3. We are lagging in trying to meet ABAG affordable housing goals. Does Planning track the number of affordable housing units lost during a year? If the answer is yes, is this number added to next year's allocation?
4. We were told on 8/27/ 2014 that, because of the "bifurcated wage situation," there is a need to counterbalance market forces, if affordable housing is to survive in the city. What actions are in the works to counterbalance these market forces?
5. The public seems to support the idea of improving city senior housing opportunities. What are some of the ways that neighborhood associations can partner with the city to work toward this goal?
6. The Housing Element plan should be updated "as frequently as appropriate". Given that the current revision is to be submitted to HCD by

January 31, 2015, what is the target date for the next update?

Emily Holton, District 1
3361 Olsen Drive
95117

Pilar Lorenzana-Campo <pilar@nonprofithousing.org>

Fwd: San Jose Housing Element - 2015

1 message

Ron Johnson <ronjjj@comcast.net> Thu, May 15, 2014 at 3:56 PM

The following was sent today at 3:30PM. Wayne replied, confirming that he received it.

Ron

Begin forwarded message:

From: Ron Johnson <ronjjj@comcast.net>
Date: May 15, 2014 3:30:30 PM PDT
To: Wayne.chen@sanjoseca.gov, Jenny.Nusbaum@sanjoseca.gov
Cc: Paul.McDougall@hcd.ca.gov
Subject: San Jose Housing Element - 2015

Dear Wayne and Jenny,

This email is being sent on behalf of an ad-hoc committee that will be reviewing and submitting comments on San Jose's 2015 Housing Element. This committee is comprised of affordable housing advocates, legal service providers, and developers. Committee members include: Chad Bojorquez, Craig Castellanet, Diana Castillo, James Charles, Lauren DiMartini, Ron Johnson, Stephanie Little, Pilar Lorenzana-Campo, Melissa Morris, and Fred Yoshida.

In our preliminary discussions we have developed some ideas for programs that we will likely ask the City to include in the housing element as they will further the City's obligation to produce additional affordable housing units, preserve the existing inventory of affordable housing units, and promote fair housing. We are sending these ideas now in the hope that they are useful as you finalize the administrative draft of the housing element.

Our preliminary program suggestions are:

To increase funding for low-income housing:

1. The adoption by the city council of a housing impact fee to provide funds for low-income housing.

2. A nexus study and feasibility study of a commercial impact fee to provide funds for low-income housing.

3. A feasibility study of a land value recapture ordinance, targeted at urban village and other economic development sites.

To remove constraints on the construction of low-income housing:

4. Study policies and programs that will help non-profit developers win tax-credit financing and other competitive low-income housing financing.

5. Adopt affordable housing overlay zones.

To protect elderly, handicapped, and other low-income renters:

6. Revise the city's rent control ordinance to cover as many rental units as the law allows and to include just-cause eviction protection.

7. Adopt an ordinance making discrimination against Section 8 voucher holders illegal.

8. Revise the city's mobile home park conversion ordinance to prevent the closure of parks which provide unsubsidized affordable housing for elderly and/or low- income tenants.

9. Adopt an anti-displacement ordinance, especially for people affected by urban village and other economic developments.

To protect the homeless:

10. Develop programs to provide food and secure temporary shelter, sanitary facilities, trash removal, and transit passes for the homeless.

Sincerely,

Ron Johnson

HOW SANTA CLARA COUNTY'S HOUSING MARKET IS FAILING TO MEET THE NEEDS OF LOW-INCOME FAMILIES

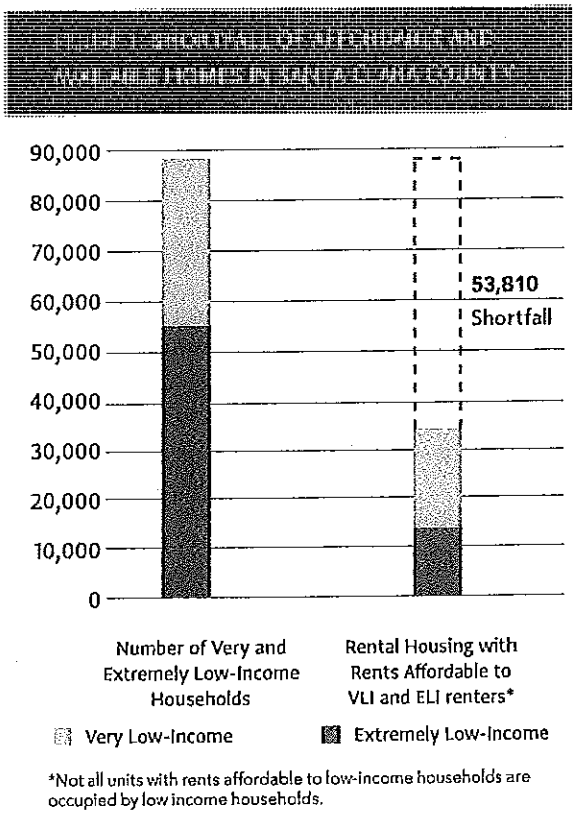
Santa Clara County has the fifth largest shortfall of homes affordable to low-income families in California. Many of those families live in unhealty or unsafe conditions, crowd multiple people into each room, and still pay more than 50 percent of their income in rent. The following report describes the magnitude of the shortfall, highlights those who are affected by cuts to housing programs, and recommends local policy solutions to help mitigate the impact of Santa Clara County's affordable housing crisis.

KEY ELEMENTS OF SANTA CLARA COUNTY'S AFFORDABLE HOUSING MARKET FAILURE:

- There is a **shortfall of 53,810 homes** affordable to Santa Clara County's very low-income (VLI) and extremely low-income (ELI) households.
- **Median rents in Santa Clara County increased by 10% between 2005 and 2012**, while the median income increased by only 1%, driving up the percentage of income that households must spend on rent.
- **Nearly 60%** of very low-income households **pay more than 50% of their income in rent.**

85% of Santa Clara County's very low-income renter households pay more than 30% of income in rent.

SOURCE: NLIHC Analysis of 2012 PUMS data



*Not all units with rents affordable to low-income households are occupied by low income households.

SOURCE: NLIHC Analysis of 2006-2010 CHAS data

MAY 2014

THE HOUSING MARKET HAS FAILED TO MEET THE NEEDS OF AN ENTIRE SEGMENT OF SANTA CLARA COUNTY'S POPULATION

Rent is considered affordable when it consumes no more than 30 percent of household income. In Santa Clara County there are homes with affordable rents for fewer than three out of ten extremely low-income (ELI) renter households—those earning 30 percent or less of the metro area's median income. There are 53,020 ELI households in the county.[1] Very low-income (VLI) households, those who earn up to half of their area's median income, fair only slightly better: there are homes with affordable rents for fewer than four out of every ten VLI households in the county.

More than 50 percent of ELI households are elderly or disabled, while VLI households are more likely to include low-wage workers.[2] In fact, there are 200,950 workers in Santa Clara County earning less than half the county's median income. TABLE 1 provides examples of working VLI adults in Santa Clara County who earn far less than the income required to afford the fair market rent on a two-bedroom apartment.

San Jose recently raised the city's minimum wage. This increase along with proposals to increase the minimum wage in other jurisdictions in the county and at the state level will boost lower-wage workers' incomes. However, the affordable housing shortfall can not be offset by increases in wages of a few dollars.

TABLE 1 WHOLE JOBS DO NOT COST OUT IN THE SANTA CLARA HOUSING MARKET

HUD 50% of Area Median Income (AMI) in Santa Clara Co. for a three person household: $47,250
Total workers earning < 50% AMI: 200,950

Salary needed to afford Fair Market Rent: $65,960

JOB CATEGORY	MEDIAN INCOME IN SANTA CLARA COUNTY
Substitute Teachers	$11,910
Medical Assistants	$27,540
Security Guards	$30,970
Childcare Workers	$28,350
Retail Salespersons	$27,330
Waiters/Waitresses	$19,040

SOURCES: See Endnote 3

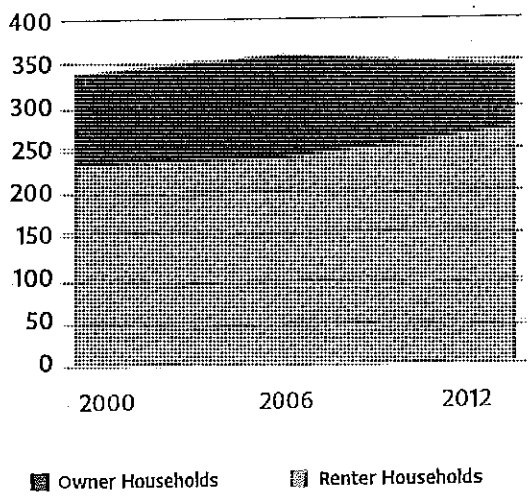
RENTS ARE HIGH AND RISING, ESPECIALLY IN RELATION TO STAGNANT INCOMES

According to a 2014 report by the National Low Income Housing Coalition, Santa Clara County is the country's fifth most expensive metro rental market. Census data shows that inflation-adjusted median household income in Santa Clara County in 2012 was only one percent higher than in 2005. However, inflation-adjusted median rent was ten percent higher. FIGURE 3 shows the imbalance between growth in median rents and median income since 2005.

Together, stagnant wages and steeply increasing housing costs have pushed many low-income households' budgets to the breaking point. According to the California Poverty Measure, the poverty rate in Santa Clara County is 19 percent.[4]

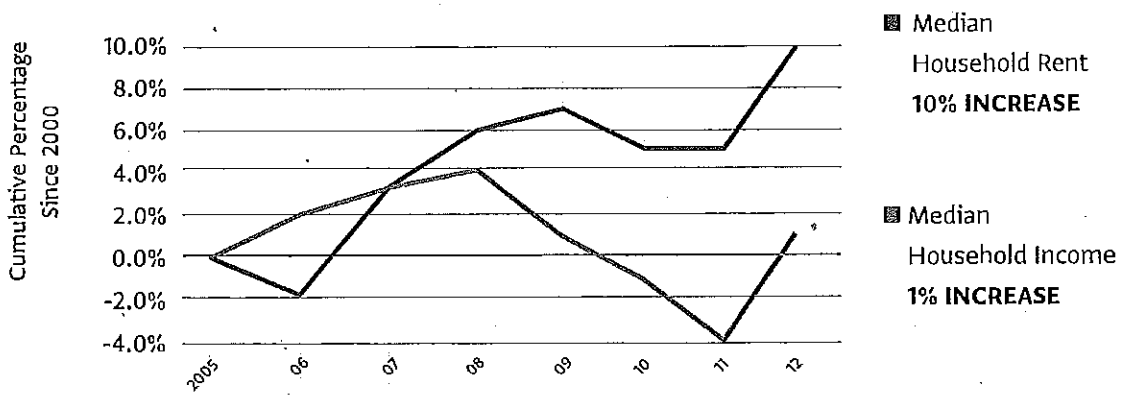
Rents increase in response to demand. More than 38,000 new renter households have entered the Santa Clara market since 2006,[5] many because of displacement during the foreclosure crisis.

FIGURE 3 CHANGE IN OWNER AND RENTER HOUSEHOLDS (in thousands)



SOURCES: 2000 Census, 2006 1-year ACS, 2012 1-year ACS

[illegible]



SOURCE: American Community Survey 2005-2012.

LOCAL, STATE, AND FEDERAL DISINVESTMENT IN AFFORDABLE HOUSING HAS EXACERBATED THE HOUSING MARKET'S FAILURE TO PROVIDE FOR LOW-INCOME FAMILIES

Even as Santa Clara County's shortfall of affordable homes has become more acute, the state has reduced its direct funding for affordable housing dramatically. State Housing Bonds funded by Propositions 1C and 46 are exhausted, meaning the elimination of tens of millions of dollars in investment to provide homes to low- and moderate-income households in Santa Clara. The elimination of Redevelopment funds led to a loss of nearly $57 million annually in local investment in the production and preservation of affordable homes in Santa Clara County.

Exacerbating the state cuts is the simultaneous disinvestment in affordable housing by the federal government. Cuts to HOME and Community Development Block Grants (CDBG) have resulted in the loss of another $8.7 million in funding. TABLE 2 highlights the loss of state and federal funding for affordable homes in Santa Clara County since 2008.

82% DECREASE
in state and federal funding for affordable homes in Santa Clara County since 2008.

[illegible]

FUNDING SOURCES	FY 2007/2008	FY 2012/2013	% CHANGE
State Housing Bonds Prop. 46 and Prop. 1C*	[illegible]	$3,000,000	-88%
Redevelopment Funds for Affordable Housing	[illegible]	$0	-100%
Federal CDBG Funds	[illegible]	$12,929,468	-29%
Federal HOME Funds	[illegible]	$3,747,548	-48%
Total	$107,726,199	$19,677,016	-82%

SOURCES: CHPC tabulations of HCD's Redevelopment Housing Activities Report and HUD's CPD program formula allocations by fiscal year.

**Prop. 46 and Prop. 1C spending for FY 2007/2008 and 2012/2013 provided by HCD.*

RECOMMENDATIONS to the leaders ofthe State of California, Santa Clara County, and local jurisdictions

If California is to rebuild a strong and diverse economy that includes low- and moderate-income households, our state must reinvest in affordable homes and develop responsive policy. Simply allowing a broken housing market to run its course is impoverishing and driving away our low-wage workforce, undermining our GHG-reduction goals, and forcing seniors, veterans, and people with disabilities into our shelters and emergency rooms, costing local governments five to ten times more in service costs.

STATEWIDE Policy Recommendations

1. Replace the exhausted state housing bonds (Propositions 46 and 1C) by:
   - Passing legislation to create a permanent source of funding at the state level for the production and preservation of affordable homes.
   - Making a general fund investment in existing state rental housing production programs.
2. Give local governments tools to replace lost funding and meet obligations to create and preserve affordable homes by:
   - Lowering the voter threshold for local funding of basic infrastructure including transportation, housing, and parks from two-thirds to 55 percent, the same as it is for school bonds.
   - Authorizing a new local Tax Increment Financing (TIF) program to fund investment in basic infrastructure including transportation, housing, and parks.
3. Help California meet its GHG reduction targets by investing a significant portion of Cap-and-Trade auction revenues in the California Department of Housing and Community Development's Transit Oriented Development (TOD) Housing Program[6] and similar programs appropriate for rural areas.

LOCAL Policy Recommendations

1. Increase land available for affordable homes by:
   - Ensuring that Housing Element updates identify an adequate supply of affordable housing development sites competitive for Low Income Housing Tax Credits.
   - Adopting affordable housing requirements for publicly owned surplus land.
2. Fund development of affordable homes by:
   - Setting aside one-time AND recurring residual Tax Increment funds (Boomerang funds) for affordable housing. The State Dept. of Finance estimates these one-time funds in Santa Clara County at $19 million.
   - Creating new or updating existing Housing Impact and Commercial Linkage fees.
   - Using Public Benefits Zoning for affordable housing.
   - Implementing a 1% real estate transfer tax on luxury homes (above $1.5 million in cost).
3. Allow affordable housing development by right for example in affordable housing overlay zones.

For More Information on Affordable Housing in Santa Clara County:

Housing Trust Silicon Valley can be reached at (408) 436-3450 and housingtrustsv.org

Housing Trust Silicon Valley

NPH can be reached at (415) 989-8160 x35 and nonprofithousing.org.

1 National Low Income Housing Coalition analysis of *2006-2010 CHAS data.*
2 National Low Income Housing Coalition. "America's Affordable Housing Shortage and How to End it." Housing Spotlight 3, no. 2, (2013) http://nlihc.org/sites/default/files/HS_3-1.pdf
3 TABLE 1 Sources: CHPC Analysis of U.S. Department of Housing and Urban Development Section 8 Income Limits for 2012 and Bureau of Labor Statistics 2012 Occupational Employment Statistics from Los Angeles-Long Beach-Glendale MSA; National Low Income Housing Coalition. "Out of Reach," 2014.
4 The California Poverty Measure is an alternative to the conventional measure of poverty developed by the Public Policy Institute of California and Stanford that takes into account the social safety net and cost of living. http://www.ppic.org/content/pubs/report/R_10135BR.pdf
5 CHPC Analysis of 2006 1-year ACS and 2012 1-year ACS
6 CHPC has authored and co-authored several reports on the environmental and social benefits of locating affordable homes near transit. A list of reports can be found at http://www.chpc.net/GREEN/Publications.html.

FAIR HOUSING LAW PROJECT

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To: City of San José
From: Diana Castillo, Senior Attorney
Re: Mobilehome Park Conversion Policies
Date: July 31, 2014

MEMORANDUM REGARDING MOBILEHOME PARK CONVERSION POLICIES

I. INTRODUCTION

San José, and the region as a whole, is in the throes of a severe affordable housing crisis. We face one of the most expensive rental markets in the country[1] and an increasing need for affordable housing to support job growth[2] and prevent homelessness.[3] As the City states in its most recent quarterly housing market report:

- Due to high housing costs, San José is 87 percent more expensive than any other place in the country;
- Average rents are up 10 percent year-over-year, with two-bedroom apartments averaging over $2,300 per month;
- Moderate-income working people—from retail workers to firefighters—cannot afford a two-bedroom apartment; and
- Less than one-third of San José's families can afford a median-priced home.[4]

Faced with this crisis, San José cannot afford to lose any of its existing affordable housing. Mobilehomes are an important component of the existing affordable housing stock, with 10,778 mobilehomes in 58 parks throughout the City.[5] These parks and mobilehomes provide a vital source of unsubsidized and affordable housing to San José's residents. In a city that largely seeks to meet its affordable housing needs through subsidized housing, San José's mobilehome parks provide residents, who tend to have modest and/or fixed incomes, with homeownership opportunities[6] and modest regulated rents[7] relative to most apartments in San José. It is estimated that up to 73% of mobilehome owners have low- to extremely-low-income, which means that mobilehomes provide housing for nearly 8,000 of San José's low- to extremely-low income households.[8]

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[1] San José Five Year Housing Investment Plan 2007-2012, p. 24, available at http://www.sanjoseca.gov/DocumentCenter/View/1381.
[2] *Id.* at 16.
[3] *Id.* at 20.
[4] San José Housing Market Update: Q1 2014, pp. 2-8, available at http://www.sanjoseca.gov/DocumentCenter/View/31354.
[5] Memorandum from Leslye Corsigliaon Mobilehome Park Conversions to the Rules and Open Government Committee, Apr. 30, 2014, p. 1, available at http://sanjoseca.gov/DocumentCenter/View/30282.
[6] *Id.* at 1.
[7] Mobilehome Rent Ordinance Summary, Department of Housing, City of San José, January 29, 2014, p.3, available at http://www.sanjoseca.gov/DocumentCenter/View/32825.
[8] Memorandum from Leslye Corsiglia, at 3.

Mobilehome parks are under increasing threat of closure, or have closed, in Santa Clara County. For example, the owner of the Winchester Ranch Mobilehome Park in San José is under contract to sell and seeks to close the Park; Buena Vista Mobilehome Park in Palo Alto is currently facing closure and the adequacy of the owner's relocation benefits proposal is being considered by an administrative hearing officer.[9] Since 1991, five mobilehome parks have closed in the City of Sunnyvale.[10]

City councilmembers expressed concerns at the San José Rules and Open Government Committee Meetings on April 9[11] and May 7, 2014[12] that San José's mobilehome conversion ordinance no longer adequately protects the interests of the City or the residents of San José's mobilehome parks. At the May 7 meeting, the Committee unanimously directed staff to analyze the ordinance and propose General Plan changes for the City Council to discuss regarding a citywide anti-conversion policy and include these proposed changes in the Housing Element.[13] The changes to the ordinance are to be part of City Council's August priority-setting session. Mayor Reed asked the critical question at this meeting: "What can we change in our ordinance? Can we prohibit conversions?"[14]

The answer to these questions is "yes." San José has a duty to conserve and improve the condition of its existing affordable housing stock, which includes addressing ways to mitigate the loss of homes demolished by public or private action.[15] Maintaining San José's existing affordable housing is the most efficient way to fulfill the City's duty to conserve and improve the existing affordable housing stock.

Not only can the City prohibit conversions, it should do so immediately. Conversions can be prevented through a combination of protective actions. San José should incorporate a policy into San José's Housing Element that clarifies and demonstrates the City's commitment to preserving San José's 58 mobilehome parks, including all the acreage therein, so that they may remain a source of affordable housing. This statement of policy should include three programs:

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[9] "New Details: Buena Vista Mobile Home Closure," City of Palo Alto, available at http://www.cityofpaloalto.org/news/displaynews/asp?NewsID=2235&targetid=319.

[10] "Possible Revisions to the Mobile Home Park Conversion Process and Requirements," Council Report Outreach Meeting, City of Sunnyvale, p.4., available at http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CDD/Housing/HUD%20Programs/MOBILE%20HOME%20PARK%20PPT%20presentation.pdf,

[11] Transcript of Rules and Open Government Committee Meeting, April 9, 2014, available at http://sanjose.granicus.com/DocumentViewer.php?file=sanjose_97931164ac2fe29a6d07846bb8df7757.pdf&view=1

[12] Transcript of Rules and Open Government Committee Meeting, May 7, 2014, available at http://sanjose.granicus.com/DocumentViewer.php?file=sanjose_65066a09d95da541139f288d1970dc52.pdf&view=1.

[13] *Id.*

[14] Transcript of Rules and Open Government Committee Meeting, May 7, 2014. The Mayor also indicated a lack of interest in making minor adjustments to the conversion ordinance, giving examples of changing the length of time periods as unsatisfactory. We agree that a substantial overhaul of the ordinance—as well as other policies—is needed.

[15] Cal. Gov't. Code §65583(c)(4).

one to adopt a General Plan designation for exclusive mobilehome park use, another to rezone mobilehome parks to a consistent zoning designation of R-MH, and a final program to amend the conversion ordinance.

II. AMEND THE HOUSING ELEMENT AND ADOPT MOBILEHOME PARK PRESERVATION PROGRAMS

It is in San José's interest to amend the Housing Element to reflect the City's policy of preserving mobilehome parks in order to fulfill the City's duty to conserve the existing affordable housing stock. Specifically, the Housing Element should include the following among the City's goals, policies, and quantified objectives:

1. The City recognizes mobilehome parks as an important source of affordable housing for San José residents at a variety of income levels; and
2. The City adopts a policy against the closure and conversion of mobilehome park lands to other uses in order to preserve mobilehome parks as a valuable housing resource for the community.

To effectuate these policy goals, the City should incorporate three programs, detailed below, in its Housing Element:

1. Adopt a **General Plan designation** exclusively for mobilehome park use and amend the General Plan to apply this designation to all mobilehome parks;
2. **Rezone mobilehome parks** to a consistent zoning designation of R-MH and apply this designation to all mobilehome parks; and
3. **Amend the mobilehome conversion ordinance** to be consistent with the City's policy of mobilehome park preservation.

We recommend that the City **use San José's existing industrial lands policy** as a context and example for an effective anti-conversion policy relating to mobilehome parks. This policy enables the City to preserve its valuable employment lands in order to promote economic growth. The vehicle for this policy is a series of clear statements in San José's General Plan which integrates the industrial lands policy with many of the General Plan's broad goals and policies.[16] Council should take a similar approach here, using the General Plan's Housing Element as the vehicle for preserving mobilehome parks.

We also recommend a **mobilehome park "no net loss" policy** similar to the City's industrial no net loss policy to ensure that San José does not lose parks as a source of unsubsidized affordable housing.[17] Sunnyvale and Santa Cruz serve as examples for two

[16] Envision San José 2040 General Plan, Chapter 1, pp. 17, 29, and 42; Chapter 2, pp. 4 and 19; and Chapter 6, pp. 5 and 11; available at https://www.sanjoseca.gov/DocumentCenter/Home/View/474.
[17] San José Housing Element Update 2007-2014, C73 and C75, available at http://www.sanjoseca.gov/DocumentCenter/View/1374.

approaches to a "no net loss" policy. Together Sunnyvale's Housing Element[18] and General Plan[19] take an approach that preserves the amount of mobilehome park acreage within the City through the City's policy to "maintain at least 400 acres of mobile home park zoning." Sunnyvale currently has 413.45 acres of mobilehome park zoning, effectually making the "400 acre" policy a uo net loss policy.[20] Alternatively, Santa Cruz affects a "no net loss policy" by preserving its current number of mobilehomes through a similar provision in its Housing Element, which expresses the goal to "Maintain current mobilehome [...] conversion regulations to preserve 360 mobilehomes in parks in the community."[21] San José should adopt a policy protecting either acreage or units to preserve the current stock of affordable mobilehome housing.

A. Create a Mobilehome Park Designation in the General Plan

Currently, San José has no General Plan designation for mobilehome parks. Although most mobilehome parks are designated as "Residential Neighborhood," others do not have residential designations.[22] These other parks carry designations for industrial and commercial uses.[23] The City should make the creation of a mobilehome park designation in the General Plan a priority by committing to adopting it within one year; this commitment should be made more concrete by establishing milestones, including dates for drafting of staff memos and meeting dates for commissions, committees, and City Council to consider this issue. The City should then apply this approved designation to all mobilehome parks, demonstrating its intention that mobilehome park lands are reserved for exclusive mobilehome park use.

B. Update Zoning on all Mobilehome Parks

San José has an R-MH mobilehome zoning district which reserves some lands for mobilehome park uses.[24] Currently, one third of the City's 58 mobilehome parks are not zoned R-MH.[25] Updating the zoning on mobilehome parks would both demonstrate the City's commitment to mobilehome preservation and also enable consistent regulation of R-MH lots.

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[18] Sunnyvale Housing and Community Revitalization Element, pp. 94, 104, and 113, available at http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CDD/Housing/Final%20Housing%20Element%20-%20Sunnyvale.pdf.
[19] Sunnyvale General Plan, Consolidated in 2011, Section 5-10, available at http://ecityhall.sunnyvale.ca.gov/cd/GeneralPlan.pdf.
[20] Sunnyvale Report to Mayor and Council, No. 13-090, Attachment A, available at http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CouncilReports/2013/13-090.pdf.
[21] City of Santa Cruz 2007-2014 Housing Element, Section 6-45, available at http://www.cityofsantacruz.com/Modules/ShowDocument.aspx?documentid=33630.
[22] City of San José, San José General Plan Map. February 3, 2014, available at https://maps.google.com/gallery/details?id=zLATztx267ok.kKIN6ctRSWZc&hl=en.
[23] Three parks are designated as Combined Industrial/Commercial, 5 are Heavy Industrial, 2 are Light Industrial, 3 are Neighborhood/Community Commercial, and 45 are Residential Neighborhood and Urban Residential. Many of these General Plan Designations are inconsistent with the land's zoning designations.
[24] San José Municipal Code § 20.30.010(C)(4).
[25] 39 parks are zoned R-MH, 2 are Light Industrial, 2 are High Industrial, 4 are zoned R-1(PD), and 11 are A(PD). City of San José, San José Land Use Zoning Map. February 3, 2014, available at https://maps.google.com/gallery/details?id=zLATztx267ok.kVtwQ6CBAW10&hl=en.

The City should update every mobilehome park to the R-MH designation to help ensure that these lands may only be used as mobilehome parks.

The City should demonstrate its commitment to implementing this program through a series of steps. City staff should immediately bring this rezoning matter before the City's priority setting study session to ensure that adequate resources are dedicated to this matter and that the requested action is completed within two years. Milestones, including dates for meetings and presentation of staff memos for committees and City Council to consider this issue, should be created to demonstrate the City's commitment to completing this program action within two years.

III. STRENGTHEN AND UPDATE THE MOBILEHOME CONVERSION ORDINANCE

Using the examples and lessons from other cities' conversion ordinances, San José can substantially amend its conversion ordinance to protect the City's affordable housing stock and ensure that residents are adequately protected from displacement. First, San José should clarify the current relocation assistance requirements by making them mandatory minimum requirements, making explicit that they are not optional. Second, San José should amend its ordinance to include conditional approval, which will give the Council more power to approve only those applications that are truly in the best interests of the City. Finally, San José should create more accountability for conversion applicants once the application has been approved.

A. Make Relocation Assistance Mandatory

The current San José ordinance that provides relocation and purchase assistance requires that the City make any permit granted subject to a plan of relocation and purchase assistance; but for potentially impacted residents the ordinance is not the model of clarity. The ordinance's use of language, like what "may"[26] be included fails to inform residents about what should and will be required in the plan. Residents would be better protected and park owners would have more certainty if San José amended the ordinance to make such assistance mandatory. Sunnyvale has taken this approach in its conversion ordinance, which includes many of the protections in the San José ordinance; however, the protections are mandatory.[27]

These protections should include a requirement on the part of the conversion applicant to provide a relocation specialist to help residents explore local housing options and ease access to accessibility improvements for residents with disabilities who are forced to move by the conversion. A specialist assists both residents and park owners by helping residents move out as quickly and easily as possible and into the best options available for them. Since many residents of mobilehome parks may be seniors and/or people with disabilities, accessing real estate options could be challenging. Having a relocation specialist would help meet those needs. Both

[26] San José Municipal Code § 20.180.630.
[27] Sunnyvale Municipal Code § 19.72.080(a).

Sunnyvale[28] and Palo Alto[29] currently provide for a relocation specialist in their conversion ordinances.

B. Prevent the Loss of Affordable Housing and Displacement of Mobilehome Park Residents

Currently, San José's ordinance neither addresses the loss of affordable housing that will likely result from a mobilehome park closure, nor the possibility that current residents will be unable to find alternative housing. To address these flaws, San José should amend the ordinance to make approval of mobilehome park closures conditional on a set of requirements that ensure the public's interests are not compromised.

Jurisdictions with these kinds of conditional tests include Sonoma County[30] and Santa Cruz County[31]; the latter has a comprehensive, seven-element conditional test that must be satisfied before approval of a park conversion, requiring that:

- Sufficient mobile home space availability exists within the County of Santa Cruz to accommodate the mobile homes displaced by the conversion;
- Conversion will not result in the displacement of low income individuals or households who cannot afford rents charged in other parks;
- That the age, type, and style of mobile homes within the park proposed for conversion can be accepted into other parks within the County of Santa Cruz;
- If the conversion is to another residential use, that the tenants of the mobile home park will have first opportunity to occupy the units and the construction schedule will not result in long-term displacements;
- The proposed conversion is consistent with the County General Plan;
- The proposed conversion is pursuant to the public health, safety and welfare; and
- The conversion will not result in a shortage of housing opportunities and choices.

We believe that San José should adopt a similar framework. These conditions directly support the purposes of the mobile home conversion ordinance chapter[32] and address the most

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[28] *Id.* at § 19.72.060.
[29] Palo Alto Municipal Code § 9.76.030(m).
[30] Sonoma County, Municipal Code § 26C-332.2.
[31] Santa Cruz County Code § 13.30.050.
[32] The stated purpose of the Ordinance is to "make adequate provision for the housing needs of all economic segments of the community," to "provide a reasonable balance between mobilehomes and other types of housing," and to "reduce and avoid the displacement of long-term residents, particularly senior citizens, the handicapped,

pressing concerns surrounding mobilehome conversion: the maintenance of the affordable housing stock and the protection of vulnerable residents.

C. Include Provisions to Ensure Compliance from Mobilehome Park Owners

While strengthening the Ordinance's protections is important, it would provide little actual relief to residents if there were no consequence for park owners who fail to comply. San José should amend the ordinance to include provisions that will ensure that park owners comply with their obligations.

For example, Seal Beach provides that no resident need vacate their mobilehome lot until the park owner has performed the mitigation duties.[33] Sunnyvale's ordinance clearly sets out the time period within which relocation assistance, termination of tenancy, and payment must occur.[34] Palmdale requires compliance with relocation assistance as a condition for approval of conversion and also includes in their ordinance a section on "Measures to Prevent Avoidance of Relocation Assistance Obligations."[35] These measures:

- State that any eligible resident who relocates after the application is submitted is eligible for relocation assistance even if they relocate before a final decision on the conversion by City Council;
- Require the park owner to send a copy of the City conversion ordinance to each resident; and
- Prohibit the park owner from requiring residents to sign any waivers of their rights under the conversion ordinance and void any such waivers.[36]

San José should look to these other cities and adopt similar measures to ensure that its ordinance is not a paper tiger. The City of San José should make this program a priority, with a goal to amend the mobilehome conversion ordinance within 6 months of adoption of the housing element.

IV. CONCLUSION

We cannot afford to lose any more affordable housing or put seniors and families on the street. To meet its duty to conserve and improve the condition of San José's existing affordable housing stock, the City should clarify and strengthen its policy to preserve its 58 mobilehome parks, including all the acreage within these parks, so that they may remain as an affordable housing option for residents. We ask that the City include the preceding policy and program suggestions in its Housing Element.

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those who are of low income, and families with minor children, who may be required to move from the community due to a shortage of replacement mobilehome housing." San José Municipal Code § 20.180.010(B).

[33] Seal Beach Municipal Code § 12.05.050

[34] Sunnyvale Municipal Code § 19.72.140

[35] Palmdale Municipal Code § 91.07 (G)

[36] *Id.*

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June 30, 2014

SENT VIA EMAIL: wayne.chen@sanjoseca.gov

Wayne Chen
Director of Policy & Planning
Department of Housing
City of San Jose
200 East Santa Clara St, 12th Floor
San Jose, CA 95113

Re: San Jose's Housing Element (2014-2022) Administrative Draft Request for Incorporation of Policy and Program Suggestions

Dear Wayne,

We understand that the Housing Department continues to develop programs to be included in San Jose's Housing Element (2014-2022) Administrative Draft. Ron Johnson, a member of our advocacy consortium, previously wrote to you in May. In his email, Ron requested that the City of San Jose include a program to "revise the city's mobile home park conversion ordinance to prevent the closure of parks serving elderly and/or low-income tenants" under this section "to protect elderly, handicapped, and other low-income renters." We take this opportunity now to expand upon Mr. Johnson's prior program suggestions and ask that you consider and incorporate the following.

As you are aware, San Jose has a duty to conserve and improve the condition of its existing affordable housing stock, which includes addressing ways to mitigate the loss of dwelling units demolished by public or private action. Cal. Gov't. Code § 65583(c)(4). San Jose has 58 mobilehome parks that contain 10,719 mobilehomes.[1] These parks and mobilehomes have provided and continue to provide a vital source of unsubsidized and affordable housing for San Jose's residents. Though mobilehome park residents tend to have modest and/or fixed incomes, mobilehomes offer these residents homeownership opportunities and, relative to most apartments in San Jose, modest regulated rents. Mobilehome parks are under increasing threat of closure or have closed in Santa Clara County. For example, the owner of the Winchester Ranch Mobilehome Park in San Jose is under contract to sell and seeks to close the Park; Buena Vista Mobilehome Park in Palo Alto is currently facing closure, and the adequacy of the owner's relocation benefits proposal is being considered by an administrative hearing officer;[2] and, since

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[1] "Mobilehome Resource Guide," City of San Jose, Housing Department, p. 13, https://www.sanjoseca.gov/DocumentCenter/View/1151

[2] "New Details: Buena Vista Mobile Home Closure," City of Palo Alto, http://www.cityofpaloalto.org/news/displaynews.asp?NewsID=2235&targetid=319.

1987, five mobilehome parks have closed in the City of Sunnyvale.[3]

To meet its duty to conserve and improve the condition of San Jose's existing affordable housing stock, we ask that the City incorporate a policy in its Housing Element that clarifies and demonstrates its commitment to preserving San Jose's 58 mobilehome parks,[4] including all the acreage within these parks, so that they may remain a source of affordable housing. Specifically, the Housing Element should include among the City's goals, polices and quantified objectives a firm statement that:

1. **The City recognizes mobilehome parks as an important source of affordable housing for San Jose residents at a variety of income levels.**
2. **The City adopts a policy against the conversion of mobilehome park lands to other uses in order to preserve mobilehome parks as a valuable housing resource for the community.**[5]

To effectuate these policy goals, we ask that the City incorporate three programs, detailed below, in its Housing Element:

1. **Adopt a General Plan designation for exclusive mobilehome park use, and amend the General Plan to apply this designation to all mobilehome parks.** Presently, San Jose has no General Plan designation for mobilehome parks. Although most mobilehome parks are designated as "Residential Neighborhood," others do not have residential designations. Designations of these other parks include industrial and commercial uses.[6] Within one year, the City should make the issue of creating a mobilehome park designation a priority by committing its resources, directing its staff (including those in the Housing and Planning Departments), presenting it to its committees and commissions for their analyses, and then to the City Council for approval. Finally the City should apply this approved designation to all mobilehome parks, demonstrating its intention that mobilehome park lands are reserved for exclusive mobilehome park use.

2. **Rezone mobilehome parks to a consistent zoning designation of R-MH and apply this designation to all mobilehome parks.** The city has a R-MH mobilehome zoning district which reserves these land for mobilehome parks uses. San Jose Municipal Code § 20.30.010(c)(4). Currently, one third of the city's 58 mobilehome parks are <u>not</u> zoned R-MH.[7] The City should update the zoning district of every mobilehome park to R-MH

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[3] "Possible Revisions to the Mobile Home Park Conversion Process and Requirements," Council Report Outreach Meeting, City of Sunnyvale, http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CDD/Housing/HUD%20Programs/MOBILE%20HOME%20PARK%20PPT%20presentation.pdf, p. 4.

[4] Mobilehome parks are often called Trailer Parks. Our intention is to include trailer parks under the city's protection.

[5] Such a policy has analogs elsewhere in the General Plan, including the General Plan's stated policy against the conversion of industrial lands to residential use. *See* Envision San Jose 2040 General Plan, chapter 1, page 42.

[6] Three parks are designated as Combined Industrial/Commercial, 5 are Heavy Industrial, 2 are Light Industrial, 3 are Neighborhood/Community Commercial, and 45 are Residential Neighborhood and Urban Residential. Many of these General Plan designations are inconsistent with the land's zoning designation.

[7] 39 parks are zoned R-MH, 2 are Light Industrial, 2 are High Industrial, 4 are zoned R-1(PD) and 11 are A(PD).

mobilehome park district so that these lands remain for mobilehome park uses. The City should take the following steps to implement this program and demonstrate its commitment to implement it. City staff should immediately bring this rezoning matter before the City's priority setting study session to ensure that adequate resources are dedicated to this matter and that the requested action is completed within two years. Further, City staff, including the Planning Department, the Housing and Community Development Department, and the Housing Department, should work together to effect this change. Milestones, including meeting dates and presentation of staff memos for committees and City Council to consider this issue, should be created to demonstrate the City's commitment to affecting this program within two years.[8]

3. **Amend the mobilehome conversion ordinance consistent with the City's policy of mobilehome park preservation.** The City's initial Housing Element (2014-2022) Administrative Draft, which was briefly available to members of the public in May, stated that City "staff will explore the possibility of updating the Mobile Home Park Conversion Ordinance as part of the Housing Element implementation program in order to assess and potentially address concerns about displacement and the likely inability of affected persons to find affordable replacement housing, and the continued preservation of the mobile home housing stock."[9] This draft will be superseded by a subsequent draft that will be available to the public. As such, we urge the City of San Jose to specify that it will dedicate staff resources to amending its mobilehome conversion ordinance to ensure that it is consistent with its policy of preserving San Jose's 58 mobilehome parks.

   The City of San Jose should make this program a priority; and we propose that the mobilehome conversion ordinance be amended within 6 months of adoption of the housing element. The mobilehome conversion ordinance should be amended because the current ordinance is nearly 30 years old; land uses, affordability, and San Jose's housing stock have changed considerably since the ordinance was first adopted. Other communities have amended their ordinances in various ways to discourage the conversion of mobile home parks and to strengthen protections for mobilehome park residents. Specific examples include the provision of a relocation specialist (Sunnyvale), minimum relocation assistance (Sunnyvale), approval conditional on certain findings (Sonoma and Santa Cruz Counties), and clear obligations after approval of the application (Palmdale, Sunnyvale, and Seal Beach).

Again, to meet its duty to conserve and improve the condition of San Jose's existing affordable housing stock, the City should clarify and strengthen its policy to preserve its 58 mobilehome parks, including all the acreage within these parks, so that they may remain as an affordable housing option for residents. We ask that the City include the preceding policy and program suggestions into the City's San Jose's Housing Element (2014-2022). The City of San Jose is empowered to do this, and it has taken similar and effective measures to preserve its industrial lands.

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[8] We acknowledge that the process of rezoning is a multi-step process that includes a planning staff review, an environmental review, and a number of public, planning commission, and city council hearings, and propose a two year timeline in recognition of these requirements.

[9] "San Jose Housing Element (2014-2022) Administrative Draft," City of San Jose, April 2014, p. V-12.

Thank you for your attention and consideration. Please contact me if you have any questions regarding the contents of this letter.

Sincerely,

/s/

Diana E. Castillo
Senior Attorney

San Jose: Draft housing element

Pilar Lorenzana-Campo <pilar@nonprofithousing.org>

Mon 6/2/2014 5:36 PM

Inbox

To:Chen, Wayne <wayne.chen@sanjoseca.gov>; Nusbaum, Jenny <Jenny.Nusbaum@sanjoseca.gov>;

Hello, Wayne and Jenny.

I email to inquire about the draft housing element. Do you have a sense of when a public draft will be available? Do you plan to make the document available as part of an upcoming public meeting (e.g. Planning Commission, City Council, etc). Any information would be much appreciated.

Best,
Pilar

Pilar Lorenzana-Campo
Regional Policy Manager
Non-Profit Housing Association of Northern California
pilar@nonprofithousing.org

369 Pine Street, Suite 350
San Francisco, CA 94104
(408) 215-8925

On Thu, May 15, 2014 at 3:56 PM, Ron Johnson <ronjjj@comcast.net> wrote:

The following was sent today at 3:30PM. Wayne replied, confirming that he received it.

Ron

Begin forwarded message:

From: Ron Johnson <ronjjj@comcast.net>
Date: May 15, 2014 3:30:30 PM PDT
To: Wayne.chen@sanjoseca.gov, Jenny.Nusbaum@sanjoseca.gov
Cc: Paul.McDougall@hcd.ca.gov
Subject: San Jose Housing Element - 2015

Dear Wayne and Jenny,

This email is being sent on behalf of an ad-hoc committee that will be reviewing and submitting comments on San Jose's 2015 Housing Element. This committee is comprised of affordable housing advocates, legal service providers, and developers. Committee members include: Chad Bojorquez, Craig Castellanet, Diana Castillo, James Charles, Lauren DiMartini, Ron Johnson, Stephanie Little, Pilar Lorenzana-Campo, Melissa Morris, and Fred

Yoshida.

In our preliminary discussions we have developed some ideas for programs that we will likely ask the City to include in the housing element as they will further the City's obligation to produce additional affordable housing units, preserve the existing inventory of affordable housing units, and promote fair housing. We are sending these ideas now in the hope that they are useful as you finalize the administrative draft of the housing element.

Our preliminary program suggestions are:

To increase funding for low-income housing:

1. The adoption by the city council of a housing impact fee to provide funds for low-income housing.

2. A nexus study and feasibility study of a commercial impact fee to provide funds for low-income housing.

3. A feasibility study of a land value recapture ordinance, targeted at urban village and other economic development sites.

To remove constraints on the construction of low-income housing:

4. Study policies and programs that will help non-profit developers win tax-credit financing and other competitive low-income housing financing.

5. Adopt affordable housing overlay zones.

To protect elderly, handicapped, and other low-income renters:

6. Revise the city's rent control ordinance to cover as many rental units as the law allows and to include just-cause eviction protection.

7. Adopt an ordinance making discrimination against Section 8 voucher holders illegal.

8. Revise the city's mobile home park conversion ordinance to prevent the closure of parks which provide unsubsidized affordable housing for elderly and/or low- income tenants.

9. Adopt an anti-displacement ordinance, especially for people affected by urban village and other economic developments.

To protect the homeless:

10. Develop programs to provide food and secure temporary shelter, sanitary facilities, trash removal, and transit passes for the homeless.

Sincerely,

Ron Johnson

San Jose Housing Element - 2015

Ron Johnson <ronjjj@comcast.net>

Thu 5/15/2014 3:30 PM

To:Chen, Wayne <wayne.chen@sanjoseca.gov>; Nusbaum, Jenny <Jenny.Nusbaum@sanjoseca.gov>;

Cc:Paul.McDougall@hcd.ca.gov <Paul.McDougall@hcd.ca.gov>;

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Sincerely,

Ron Johnson

Melissa A. Morris
Senior Attorney, Public Interest Law Firm Law Foundation of Silicon Valley
152 North Third Street, Third Floor
San Jose, CA 95112
Direct line: (408) 280-2429

CONFIDENTIALITY NOTICE: This email message is legally privileged and confidential. If you are not the intended recipient, please destroy the email after advising by reply that you erroneously received it.

From: Melissa Morris
Sent: Monday, November 11, 2013 9:32 PM
To: district1@sanjoseca.gov; district2@sanjoseca.gov; district3@sanjoseca.gov; district4@sanjoseca.gov; district5@sanjoseca.gov; district6@sanjoseca.gov; district7@sanjoseca.gov; rose.herrera@sanjoseca.gov; district9@sanjoseca.gov; district10@sanjoseca.gov; mayoremail@sanjoseca.gov
Cc: James Zahradka; Kyra Kazantzis
Subject:

Dear Mayor and City Councilmembers,

As you consider implementation and funding strategies for its Urban Villages during the study session tomorrow, the Law Foundation of Silicon Valley urges you to ensure that the inclusion and preservation of affordable housing, as well as preventing the displacement of low-income communities and communities of color, be made priorities for the development of San Jose's Urban Villages. The Urban Villages cannot be the livable, walkable neighborhoods that they are intended to be if no one—or no one other than the most wealthy members of our community—can afford to live in them. Just as the City should be strategic and thoughtful about the Urban Villages' design, their relationship to local and regional transit systems, and their mix of uses, the City should implement policies to ensure that every Urban Village has housing that is affordable to residents at a variety of income levels. One available tool to facilitate the production of affordable housing citywide, a housing impact fee, will be considered by Council on December 10, but the City should also consider other means to guarantee that affordable housing is a key component in the development of the Urban Villages.

Along the same lines, the City should adopt policies to prevent the displacement of low-income and minority residents from the Urban Villages. While the Urban Village strategy has the potential to revitalize neighborhoods and to utilize the City's land resources more efficiently, it will likely lead to the large-scale displacement of lower-income residents who currently live and work in the Urban Village areas unless the City includes proactive anti-displacement policies in its Urban Village implementation. Some families may face the actual loss of their homes through redevelopment—e.g., they will be evicted so that their homes can be replaced with new uses; others may be economically displaced as land values rise and they can no longer afford to remain in their neighborhoods. Such displacement has already begun. For example, the owners of Winchester Ranch Mobile Home Park, located in the Valley Fair/Santana Row and Vicinity Urban Village Boundary Area, have notified park residents of their intention to

close the park so that the land can be sold to a developer and redeveloped. The closure of this park would mean the loss of over 100 affordable homes and the displacement of over 100 seniors, many of whom have disabilities. Likewise, the redevelopment of the Flea Market Urban Village has already caused the closure of a portion of the San Jose Flea Market, limiting economic opportunities for the local vendors who rely on the Flea Market for their livelihood.

Proactive affordable housing and anti-displacement strategies can also help the City to meet its legal obligations. As you know, San Jose's Housing Element for the next revision will be due to the State in January 2015, and its share of the Regional Housing Needs Allocation is substantial (9,233 units affordable to very low-income households, 5,428 units affordable to low-income households, 6,188 units affordable to moderate-income households, and 14,231 units affordable to above-moderate income households). Because the General Plan envisions much of the City's development during the cycle occurring in the Urban Villages, the City must ensure that such development includes homes that are affordable to lower-income households to meet the requirements of state housing element law.

Along the same lines, exclusion—whether by action or inaction—of affordable housing from Urban Villages will have serious fair housing implications for the City. The City's Analysis of Impediments to Fair Housing Choice identified the lack of affordable housing as one of the most significant barriers to housing choice for racial minorities and other groups protected by federal fair housing law. The Urban Villages are designed to be areas of "high opportunity," but, if they do not have affordable housing, then racial minorities, people with disabilities, and other groups who disproportionately need affordable housing will be effectively excluded. As such, the inclusion of affordable housing in the Urban Villages will be essential for San Jose to fulfill its federal mandate to affirmatively further fair housing.

Finally, a thoughtful approach to affordable housing and anti-displacement will make the Urban Villages—and San Jose—more competitive for certain funding sources. For example, VTA's current OBAG funding criteria award points for proximity to affordable housing, and, based on the language of Plan Bay Area, future OBAG funds are likely to be tied to affordable housing and anti-displacement goals.

For these reasons, we urge the Council to make affordable housing development and anti-displacement strategies key aspects of the City's Urban Village implementation. We look forward to the Council's discussion tomorrow and to working with the City on an ongoing basis to ensure that the Urban Villages are developed in an equitable manner.

Thank you,

Melissa A. Morris
Senior Attorney, Public Interest Law Firm Law Foundation of Silicon Valley
152 North Third Street, Third Floor

San Jose, CA 95112
Direct line: (408) 280-2429

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Index of Revisions to the Draft Housing Element

Page	Section	Change	Reason for Change
1,2	Chapter 1	Added background language on the General Plan 2040.	Mayor Reed requested the incorporation of this text.
2	Chapter 1	Added table comparing Santa Clara County City's RHNA allocations for 2014-2023 period.	Mayor Reed requested the incorporation of this table.
19	Chapter 1	Added summary of public meetings, and commission and council hearings.	This input was not yet available when the draft was published.
2	Chapter 2	Added text regarding the need for additional analysis and environmental clearance if more housing capacity was added beyond 2035.	Mayor Reed requested clarifying language regarding alignment of housing capacity in chapters 2 and 3.
2	Chapter 3	Added text regarding the need for additional analysis and environmental clearance if more housing capacity was added beyond 2035.	Mayor Reed requested clarifying language regarding alignment of housing capacity in chapters 2 and 3.
4	Chapter 3	Added text acknowledging that a regional solution is needed to achieve future RHNA goals.	Mayor Reed requested the incorporation of this text.
3	Chapter 3	Added comparison of Santa Clara County RHNA progress (San Jose vs. other cities) from 2007-2014.	Mayor Reed requested this analysis.
5	Chapter 3	Added text acknowledging that a regional solution is needed to achieve future RHNA goals.	Mayor Reed requested the incorporation of this text.
24,25	Chapter 3	Added data from the Annual Action Plan on homelessness response.	Mayor Reed requested the incorporation of this text.
1	Chapter 4	Added text regarding "jobs first" principle and examples	Mayor Reed requested the incorporation of this text.
5	Chapter 4	Added text regarding San José as a leader in affordable housing. Nearly 2,000 units of affordable housing were built in downtown since 1988.	Mayor Reed requested the incorporation of this text.
7	Chapter 4	Added text on recent market driven examples of housing and employment concurrently.	Mayor Reed requested the incorporation of this text.
21	Chapter 4	Added text relating to residential housing impact fee.	Mayor Reed requested the incorporation of this text and staff added additional text for clarification.

3	Chapter 5	Added text regarding 8,000 units of North San Jose residential that could be unlocked over the next 8 years if commercial/industrial development occurs as intended.	Mayor Reed requested the incorporation of this text.
3	Chapter 7	Added text regarding impact fee and who it may impact.	Mayor Reed requested the incorporation of this text.
P1, Line 1	Appendix D	Added new item: Monitor SJ jobs to housing fit.	Councilmember Rocha requested incorporation of this text.
P1, Line 8	Appendix D	Added text: 2014 timeframe to Housing Impact Fee item.	Councilmember Rocha requested incorporation of this text.
P3, Line 15	Appendix D	Added text: Include identification of opportunities to develop parcels owned by either agenda with affordable housing.[Coordinate with VTA]	Councilmember Rocha requested incorporation of this text.
P4, Line 16	Appendix D	Added new item: Use GP major reviews to assess and fine-tune Urban Village strategy.	Councilmember Rocha requested incorporation of this text.
P5, Line 17	Appendix D	Added new item: Establish a citywide GP goal for production of affordable housing.	Councilmember Rocha requested incorporation of this text.
P5, Line18	Appendix D	Added text: Explore strategies to produce affordable housing in Urban Villages…	Councilmember Rocha requested incorporation of this text.
P6, Line 21	Appendix D	Changed text: Protect mobile home parks…	Councilmembers Liccardo, Kalra, and Herrera requested incorporation of this text.
P9, Line 28	Appendix D	Added new text: Reduce instances of homelessness and overcrowding by stabilizing at-risk tenants	Councilmember Rocha requested incorporation of this text.
P10, Line 37	Appendix D	Added text: Protect the affordability of rental homes…	Councilmember Rocha requested incorporation of this text.
P10, Line 38	Appendix D	Added text: Explore the feasibility of creating a Local Source of Income Ordinance …	Councilmember Rocha requested incorporation of this text.
	Appendix F	Added Appendix F to include letters from the public and memos from City Staff.	This input was not yet available when the draft was published.