City of San José
Housing & Community Development Commission

District 1 — Justin Lardinois
District 3 — Barry Del Buono
District 5 — Ruben Navarro
District 7 — Victoria Partida
District 9 — Julie Quinn
Mayor — Nhi Duong

(VC) Alex Shoor — District 2
Shavell Crawford — District 4
(C) Andrea Wheeler — District 6
Vacant — District 8
Roberta Moore — District 10
Martha O'Connell — CAAC MR
Ryan Jasinsky — CAAC ML

*Commissioners are appointed by corresponding Council Members, but do not represent the Council District.

MEETING AGENDA
5:45 PM **SEPTEMBER 12, 2019**
CITY HALL WING ROOMS 118-119

APPROX TIME	**AGENDA ITEM** *The time schedule shown below is approximate and intended only to notify the Commission of the approximate amount of time staff expects each item might take. Please note that items may be heard before or after the times shown.*

5:45 **I.** **Call to Order & Orders of the Day**
Item VII. 2 Commission Workplan to be heard after New Business items.

5:47 **II.** **Introductions**

5:50 **III.** **Consent Calendar**
A. Approve the Minutes for the Meeting of August 8, 2019
ACTION: Approve the August 8, 2019 action minutes

B. Approve the Minutes for the Annual Retreat of August 24, 2019
ACTION: Approve the August 24, 2019 action minutes

5:55 **IV.** **Reports and Information Only**
A. Chair
B. Director
C. Council Liaison

6:10 **V.** **Open Forum**
Members of the Public are invited to speak on any item that does not appear on today's Agenda and that is within the subject matter jurisdiction of the Commission. Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Commission.

VI. Old Business

6:15 **A. Adopt Commission's Accomplishments for 2018-19 (K. Clements, Housing Department)**
ACTION: Review, discuss, and adopt the Housing and Community Development Commission's FY 2018-19 Accomplishments.

8:20 **B. Adopt Commission's Workplan for 2019-20 (K. Clements, Housing Department)** (TO BE HEARD AFTER NEW BUSINESS)
ACTION: Review, discuss, and adopt the Housing and Community Development Commission's FY 2019-20 Workplan, for consideration by the City Council's Community and Economic Development Committee at its September 23, 2019 meeting.

VII. New Business

6:20 **A. Commendations for Commissioners Fitzgerald and Tran (K. Clements, Housing Department)** (No memo)
ACTION: None.

6:30 **B. Presentation: Code of Conduct Review (Council Policies 0-15 and 0-4) (R. Henninger, Housing Department)** (No memo)
ACTION: None.

6:45 **C. Homelessness Annual Report (K. Hemphill, Housing Department)**
ACTION: Review the homelessness annual report for Fiscal Year 2018-19 and recommend that the City Council approve the report.

7:25 **D. Public Hearing for the FY 2018-2019 Consolidated Annual Performance Evaluation Report (CAPER) (R. Lopez, Housing Department)**
ACTION: Hold the second of three public hearings on the use of federal funds from the U.S. Department of Housing and Urban Development (HUD) in the FY 2018-2019 Consolidated Annual Performance Evaluation Report (CAPER), and recommend that the City Council approve the FY 2018-2019 CAPER.

7:50 **E. Updates on Development of the Affirmatively Furthering Fair Housing Plan and the Five-Year Consolidated Plan for 2020-25 (J. Joanino & R. Lopez, Housing Department)**
ACTION: Review the Department's reports and workplans for developing the Affirmatively Furthering Fair Housing Plan and the Five-Year Consolidated Plan governing the use of federal funding from the U.S. Department of Housing and Urban Development over the 2020-25 period, and give feedback to staff.

9:00 **VIII. Open Forum**

Members of the Public are invited to speak on any item that does not appear on today's Agenda and that is within the subject matter jurisdiction of the Commission. Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Commission.

9:10 **IX. Meeting Schedule**

The next regular Commission meeting is scheduled to be held on Thursday, October 10, 2019, at 5:45 p.m. in Wing Rooms 118-120 at San José City Hall, 200 E. Santa Clara St., San José, CA 95113.

Potential items for October:

- Inclusionary Housing Ordinance changes
- Ellis Act Potential Changes & ARO Tenant Demographics
- Rent Stabilization Programs Annual Report
- Administrative Citations for Tenant Protection and Housing Payment Equality Ordinances
- Mobilehome Park Land Use Changes (or in Nov.)

Note that staff expects that a December Commission meeting *will* be needed this year, so the date will be December 12, 2019.

9:15 **X. Adjournment**

The City of San José is committed to open and honest government and strives to consistently meet the community's expectations by providing excellent service, in a positive and timely manner, and in the full view of the public.

HOUSING & COMMUNITY DEVELOPMENT COMMISSION

AMENDED MEETING ACTION MINUTES

SEPTEMBER 12, 2019

MEMBERS PRESENT:	Andrea Wheeler	Chair	
	Alex Shoor	Vice Chair	
	Barry Del Buono	Commissioner	
	Martha O'Connell	Commissioner	
	Shavell Crawford	Commissioner	*Arrived 6:17 PM*
	Nhi Duong	Commissioner	*Arrived 6:41 PM*
	Ryan Jasinsky	Commissioner	
	Justin Lardinois	Commissioner	
	Roberta Moore	Commissioner	*Arrived 6:01 PM*
	Ruben Navarro	Commissioner	
	Victoria Partida	Commissioner	
	Julie Quinn	Commissioner	
MEMBERS ABSENT:	District 8 – VACANT	Commissioner	
STAFF PRESENT:	Helen Chapman	Council Liaison	
	Kristen Clements	Housing Department	
	Selena Copeland	Housing Department	
	Robert Lopez	Housing Department	
	Adam Marcus	Housing Department	
	Viviane Nguyen	Housing Department	

(I) Call to Order & Orders of the Day

Chair Wheeler called the meeting to order at 5:46 PM.

(II) Introductions – Commissioners and staff introduced themselves.

(III) Consent Calendar

A. Approve the Minutes for the Meeting of August 8, 2019
ACTION: Approve the August 8, 2019 action minutes

Commissioner Lardinois made the motion to approve the August 8, 2019 minutes, with a second by Commissioner O'Connell. The motion passed unanimously (9-0).
Yes: Navarro, Del Buono, Shoor, Wheeler, O'Connell, Jasinsky, Quinn, Lardinois, Partida (9)
Absent: Crawford, Moore, Duong (3)

B. Approve the Minutes for the Annual Retreat of August 24, 2019
ACTION: Approve the August 24, 2019 action minutes

Vice Chair Shoor made the motion to approve the August 8, 2019 minutes, with a second by Commissioner Navarro. The motion passed unanimously (9-0).

Yes: Navarro, Del Buono, Shoor, Wheeler, O'Connell, Jasinsky, Quinn, Lardinois, Partida (9)
Absent: Crawford, Moore, Duong (3)

(IV) Reports and Information Only

A. **Chair**: Chair Wheeler provided an update on the new administrative changes to conducting the Commission meeting.

B. **Director**: Ms. Kristen Clements provided an update on the six Housing Department items agendized for City Council on September 24th, the District 8 Commissioner recruitment, and the upcoming City Council study session on displacement in San José.

C. **Council Liaison:** Ms. Helen Chapman also noted the Housing Department's several items agendized at City Council on September 24th.

(V) Open Forum

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(VI) Old Business

A. **Adopt Commission's Accomplishments for 2018-19 (K. Clements, Housing Department)**
ACTION: Review, discuss, and adopt the Housing and Community Development Commission's FY 2018-19 Accomplishments.

Commissioner Del Buono made the motion to pass the amended Commission accomplishments which clarified the Commissioner-initiated items, with the second by Commissioner Navarro. The motion passed unanimously (10-0).
Yes: Navarro, Del Buono, Shoor, Wheeler, O'Connell, Jasinsky, Quinn, Lardinois, Partida, Moore (10)
Absent: Crawford, Duong (2)

B. **Adopt Commission's Workplan for 2019-20 (K. Clements, Housing Department)**
(TO BE HEARD AFTER NEW BUSINESS)
ACTION: Review, discuss, and adopt the Housing and Community Development Commission's FY 2019-20 Workplan, for consideration by the City Council's Community and Economic Development Committee at its September 23, 2019 meeting.

Commissioner O'Connell made the motion to have a brief overview of each commissioner-initiated idea before voting, an appeal from the current proposal to vote without having a brief overview, with a second by Commissioner Jasinsky. The motion failed 5-6-1.
Yes: Crawford, Duong, Partida, O'Connell, Jasinsky (5)
No: Navarro, Moore, Del Buono, Shoor, Quinn, Lardinois (6)

Abstain: Wheeler (1)

Commissioner Jasinsky made the motion to consolidate commissioner-initiated idea items 4 and 5, with a second by Vice Chair Shoor. The motion passed unanimously (12-0).
Yes: Navarro, Del Buono, Shoor, Wheeler, O'Connell, Jasinsky, Quinn, Lardinois, Partida, Moore, Duong, Crawford (12)

Commissioner Crawford made the motion to add the top four scoring commissioner-initiated ideas to the draft Workplan and approve the Workplan, with a second by Commissioner Del Buono. The four items are:

- **Board and Care Regulations and Properties**
- **Mental Health Proposition 2 Funding**
- **Additional Density Bonus for Affordable Housing**
- **Nonprofit Housing Co-ops First Opportunity to Buy Affordable Housing Properties**

The motion passed 11-1.

Yes: Moore, Crawford, Del Buono, Duong, Shoor, Wheeler, O'Connell, Jasinsky, Quinn, Lardinois, Partida (11)
No: Navarro (1)

All commissioner initiated items:

- **Board and care regulations** - 85% of shelters in San Jose are composed of senior citizens and with a review of regulations and development, we can properly care for our elderly community members.
- **Mental Health -** Leverage prop 2 mental health housing bond through collective collaboration with County of Santa Clara.
- Additional city-authorized density bonus on affordable housing projects
- Give nonprofit housing coops the first opportunity to buy affordable housing by condition before the owner sells it
- **Provide RV Parking with Services -** Create a safe parking program for RVs. Allocate 1 or more acres of the Fairground, a similar location, such as an abandoned motor lodge for RV Parking or purchase an existing RV rental company. Provide case workers as is done with Safe Parking. Other than this, can start with no services. As budget permits, provide water, sewer, and electrical hookup. Monitor for illegal activity to protect and keep the area safe. Eventually, add bathrooms with showers, sinks, and toilets. Can charge a fee on a sliding scale based on income and service offering
- **Educate Rental Providers -** Bring back Project Blossom with Jodi Marshall. Project Blossom teaches Rental Providers what's required and how to provide the best service possible.

- **Right to counsel for low-income tenants:** https://www.stout.com/en/experience/cost-benefit-analysis-for-nyc-right-to-counsel-legislation/
- **Benefits for mobile home park residents displaced by park conversions:** The residents of Winchester Ranch were able to negotiate buyouts and replacement housing after their park is closed. The action would be to institutionalize a similar requirement for future mobile home park conversions.
- **Explore different in-lieu fee structures for the Inclusionary Housing Ordinance:** Explore how the current requirement could be tweaked to incentivize developers to build affordable units rather than pay the fee. Two ideas I immediately have are different fee amounts, or making the fee option require an exemption by city council, as Milpitas does.
- **Inclusionary housing ordinance update:** Not using "clustering" as an incentive for development of affordable units
- Next steps re: vacant properties - both our continued work + the City's study of the issue as a possible tax
- **Mobilehome park replacement housing ordinance** (in other words, can we turn the Winchester Ranch Mobile Home Park negotiated agreement into a model for policy?)
- Funding worker-owned businesses through CDBG funding https://nonprofitquarterly.org/program-to-promote-employee-ownership-in-communities-of-color-scores-early-wins/
- Tiny homes - request a report back and explore possible replication to other sites in the City
- Land owned by City of SJ within 0.5 miles of transit must be built or sold if it has sat empty for 10 years
- Tie ARO (rent stabilization) to the income of tenant instead of year unit was built.
- Protect families from eviction if the child is on juvenile probation.

(VII) New Business

A. Commendations for Commissioners Fitzgerald and Tran
(K. Clements, Housing Department) (No memo)
ACTION: None.

Ms. Clements and Ms. Chapman provided commendations to former Commissioner Michael Fitzgerald to recognize his years of service to the Commission representing owners and managers of residential rent-stabilized properties. (Commissioner Tran was not present.)

B. Presentation: Code of Conduct Review (Council Policies 0-15 and 0-4)
(R. Henninger, Housing Department) (No memo)
ACTION: None.

Ms. Henninger presented portions of City Policies 0-15 and 0-4 concerning expectations for commissioners' conduct.

C. **Homelessness Annual Report (K. Hemphill, Housing Department)**
ACTION: Review the homelessness annual report for Fiscal Year 2018-19 and recommend that the City Council approve the report.

Commissioner Lardinois made a motion to recommend City Council to accept staff recommendation with the Commissioner's comments, with a second by Commissioner Crawford. The motion passed (12-0).

Yes: Navarro, Del Buono, Shoor, Wheeler, O'Connell, Jasinsky, Quinn, Lardinois, Partida, Moore, Duong, Crawford (12-0).

D. **Public Hearing for the FY 2018-2019 Consolidated Annual Performance Evaluation Report (CAPER) (R. Lopez, Housing Department)**
ACTION: Hold the second of three public hearings on the use of federal funds from the U.S. Department of Housing and Urban Development (HUD) in the FY 2018-2019 Consolidated Annual Performance Evaluation Report (CAPER), and recommend that the City Council approve the FY 2018-2019 CAPER.

Commissioner Crawford made the motion to recommend the CAPER with the Commissioners' comments, with a second by Commissioner Quinn. The motion passes (12-0).

Yes: Navarro, Del Buono, Shoor, Wheeler, O'Connell, Jasinsky, Quinn, Lardinois, Partida, Moore, Duong, Crawford (12-0).

E. **Updates on Development of the Affirmatively Furthering Fair Housing Plan and the Five-Year Consolidated Plan for 2020-25 (J. Joanino & R. Lopez, Housing Department)**
ACTION: Review the Department's reports and workplans for developing the Affirmatively Furthering Fair Housing Plan and the Five-Year Consolidated Plan governing the use of federal funding from the U.S. Department of Housing and Urban Development over the 2020-25 period, and give feedback to staff.

Mr. Marcus and Mr. Lopez presented the presentation on Affirmatively Furthering Fair Housing Plan and the Five-Year Consolidated Plan for 2020-25. Commissioners gave comments and asked questions. No formal action was taken.

(VIII) Open Forum
Members of the Public are invited to speak on any item that does not appear on today's Agenda and that is within the subject matter jurisdiction of the Commission. Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited

when appropriate. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Commission.

(IX) Meeting Schedule

The next regular Commission meeting is scheduled to be held on Thursday, October 10, 2019, at 5:45 p.m. in Wing Rooms 118-120 at San José City Hall, 200 E. Santa Clara St., San José, CA 95113.

Potential items for October:

- Inclusionary Housing Ordinance changes
- Ellis Act Potential Changes & ARO Tenant Demographics
- Rent Stabilization Programs Annual Report
- Administrative Citations for Tenant Protection and Housing Payment Equality Ordinances
- Mobilehome Park Land Use Changes (or in Nov.)

Chair Wheeler requested commissioners to verify whether meeting dates of December 5 and December 12, 2019, would be possible, with the determination for a December Commission meeting date to be agendized at the Commission's October meeting.

(X) Adjournment

Chair Wheeler adjourned the meeting at 10:05 PM.

The City of San José is committed to open and honest government and strives to consistently meet the community's expectations by providing excellent service, in a positive and timely manner, and in the full view of the public.

You may speak to the Commission about any discussion item that is on the agenda, and you may also speak during Open Forum on items that are not on the agenda and <u>are within the subject matter jurisdiction</u> of the Commission. Please be advised that, by law, the Commission is unable to discuss or take action on issues presented during Open Forum. Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the Commission unless listed on the agenda, which has been posted not less than 72 hours prior to meeting.

HCDC AGENDA: 9-12-19
ITEM: III-B

HOUSING & COMMUNITY DEVELOPMENT COMMISSION
ANNUAL RETREAT MINUTES
AUGUST 24, 2019

MEMBERS PRESENT:	Andrea Wheeler	Chair
	Alex Shoor	Vice Chair
	Martha O'Connell	Commissioner
	Barry Del Buono	Commissioner
	Ruben Navarro	Commissioner (Arrived at 9:52 AM)
	Shavell Crawford	Commissioner
	Roberta Moore	Commissioner
	Ryan Jasinsky	Commissioner
	Justin Lardinois	Commissioner
MEMBERS ABSENT:	Julie Quinn	Commissioner
	Victoria Partida	Commissioner
	Nhi Duong	Commissioner
STAFF:	Viviane Nguyen	Housing Department
	Selena Copeland	Housing Department
	Kristen Clements	Housing Department
	Sergio Jimenez	Councilmember - District 2

(a) Call to Order/Orders of the Day— Chair Wheeler opened the meeting at 9:05 AM.

(b) Introductions—Commissioners, staff, and audience introduced themselves.

(c) Announcements
Ms. Kristen Clements gave a brief overview of the logistics and agenda.

(d) Priorities and Issues Facing San José in 2019-20
(S. Jimenez, Councilmember)
Councilmember Sergio Jimenez, Commission liaison, made a brief presentation and then took questions from the Housing Commissioners on their priorities and issues regarding housing and community development for the coming year.

(e) Overview of Housing Department Priorities for 2019-20
(J. Morales-Ferrand, Housing Department)
Ms. Morales-Ferrand provided the Commission with the Housing Department's priorities for the coming year.

(f) Overview of Housing & Community Development Commission Functions, Powers, and Duties (K. Clements, Housing Department)
Ms. Clements gave an overview of the Commission's functions, powers, and duties as outlined by the San José Municipal Code and Council Policy 0-4.

(g) Housing & Community Development Commission Draft 2018-19 Accomplishments (K. Clements, Housing Department)

The Commission made the motion to approve the Housing & Community Development Commission Draft FY 2018-19 Accomplishments, with caveat that staff confirm that all commissioner-initiated items are included. The motion passed unanimously (9-0).
Yes: Wheeler, Shoor, Crawford, Lardinois, Navarro, Del Buono, Moore, Jasinsky, O'Connell
No: None

(h) Workplan Cycle
(K. Clements, Housing Department)

Ms. Clements provided the Commission an overview of its annual workplan cycle.

(i) Review and Commissioner Input on 2019-20 Preliminary Draft HCDC Workplan
(K. Clements, Housing Department)

After reviewing the prepared draft Workplan and discussing edits, Chair Wheeler asked Commissioners if they could stay past adjournment time to get through a discussion and prioritization of potential commissioner-initiated ideas. As the majority of commissioners reflected their desire to adjourn on time, Chair Wheeler made the motion at 12:44 PM to end the meeting, and have commissioners submit to Housing Department staff their ideas for commissioner-initiated items on which to continue discussion at the next regular meeting on Thursday, September 12, 2019, with a second by Commissioner Jasinsky. The motion passed 8-1.
Yes: Wheeler, Shoor, Crawford, Lardinois, Navarro, Del Buono, Jasinsky, O'Connell
No: Moore

(j) Open Forum

None

(k) Adjournment

Chair Wheeler adjourned the meeting at 12:47 PM.

Housing & Community Development Commission
Draft Accomplishments for FY 2018-19

#	Objective for FY 2018-19	Actions	Commission Action
1.	Voting for Chair and Vice Chair for FY 2019-20 June 13, 2019	Vote for positions of Chair and Vice Chair, nominees being Andrea Wheeler for Chair and Alex Shoor for Vice Chair, and any other Commissioners nominated at the June Commission meeting, to serve in Fiscal Year 2019-20 commencing with the August 2019 Commission meeting. (No memo.) June 13, 2019	The Commission voted for Andrea Wheeler for the Chair position. The motion passed unanimously (9-0). Yes: Tran, Quinn, Jasinsky, O'Connell, Wheeler, Shoor, Fitzgerald, Navarro, Del Buono The Commission voted for Alex Shoor for the Vice Chair Position. The motion passed unanimously (9-0). Yes: Tran, Quinn, Jasinsky, O'Connell, Wheeler, Shoor, Fitzgerald, Navarro, Del Buono June 13, 2019
2.	Housing Payment Equality Ordinance (formerly known as the Source of Income Discrimination Ordinance) and Update on Santa Clara County Housing Authority Rental Subsidy Program Improvements June 13, 2019	1) Review the staff report and provide feedback on the draft housing payment equality ordinance including, but not limited to, staff's recommended provisions on the definition of source of income, prohibited activities, applicability, and enforcement; and 2) Accept staff recommendation of a limited position to research subsidy program incentives for participation and program improvements. June 13, 2019	Vice Chair Shoor made the motion to approve staff report and recommendation of a limited position to research subsidy program incentives for participation and program improvements, with second by Commissioner Navarro. The motion passed (8-1). Yes: Tran, Quinn, O'Connell, Wheeler, Shoor, Fitzgerald, Navarro, Del Buono No: Jasinsky June 13, 2019
3.	Tenant Preference to Prevent Displacement June 13, 2019	Review the staff report, provide input to staff, and make possible recommendation to the City Council to approve an ordinance based on this framework for a preference for	Commissioner Tran made the motion to accept the staff report, with a second by Commissioner Quinn. The motion passed unanimously (9-0). Yes: Tran, Quinn, Jasinsky, O'Connell, Wheeler, Shoor, Fitzgerald, Navarro, Del Buono

		applicants to affordable apartments in order to help prevent displacement. June 13, 2019	June 13, 2019
	Tenant Preferences for Anti-Displacement – Draft Definition of Population January 17, 2019	Accept the report and offer feedback to staff on the definition of the population to be covered by City's forthcoming Anti-displacement Tenant Preference policy. January 17, 2019	Vice Chair Shoor made the motion to accept the report and stated recommendations, with a second by Commissioner Navarro. The motion passed unanimously (7-0). January 17, 2019
4.	Update on Status of Work on a Citywide Anti-Displacement Strategy June 13, 2019	Consider staff update on Anti-displacement work and make possible recommendation to staff on outreach and/or priorities to examine. June 13, 2019	No action taken. June 13, 2019
5.	Ellis Act Ordinance Re-control Provisions August 8, 2019	It is recommended that the Commission 1. Review the staff report on: a. Research on Ellis Act Ordinance's existing re-control provisions including conversations with developers and lenders, b. Updated research from other communities regarding the re-control provisions in other Ellis Act ordinances in order to assess the extent they may make new	Commissioner Tran made a motion to not make any amendments to the current Ellis Act re-control provisions, with a second by Commissioner O'Connell. The motion passed 7-1. Yes: Tran, Quinn, Lardinois, Jasinsky, O'Connell, Wheeler, Shoor No: Duong August 8, 2019

		residential projects more difficult to build, as requested from the February 5, 2019 City Council meeting, and 2. Make recommendations to the City Council on potential changes to the Ellis Act Ordinance including: a. Modifications to the base requirement for 50% re-control of new units capped to seven times apartments demolished, and b. Consideration of new options to meet requirements for re-control: i. Re-control waiver if 15% of new units are affordable onsite and displaced low-income tenants are offered a right to return at prior rents escalated by the Consumer Price Index, and ii. Onsite Affordable Housing Incentive where developers receive credit towards their 50% re-control requirement by providing onsite affordable housing on a three to one basis. August 8, 2019	

	Research Related to the Ellis Act Ordinance's Recontrol Provisions March 7, 2019	1) Review information on staff research on the Ellis Act Ordinance's recontrol provisions; 2) Make possible recommendation to the City Council on potential revisions of the Ellis Act Ordinance, including compliance alternatives regarding in-lieu payments or restricted affordable housing units; and, 3) Possibly authorize creation of an Ad Hoc Subcommittee with the purpose being to draft a letter to the City Council on this subject, and to return to the Commission with a letter for its consideration at a future meeting. March 7, 2019	Commissioner O'Connell made a motion to create an Ad Hoc Subcommittee comprising of Commissioner Tran, Chair Wheeler, Vice Chair Shoor, with the purpose being to draft a letter to the City Council and return at the March 14, 2019 meeting, with a second by Commissioner Lardinois. The motion was approved unanimously (9-0). March 7, 2019
	Amendments to the Procedures for Removal of Apartments from the Rental Market (Ellis Act Ordinance) November 8, 2018	Recommend the City Council approve an ordinance amending Part 11 of Chapter 17.23 of Title 17 of the San José Municipal Code ("Ellis Act Ordinance") to: a) Include non-rent stabilized two unit buildings ("duplexes") under the provisions that allow non-rent stabilized buildings withdrawing from the rental market to utilize the Ellis Act Ordinance after providing 120-day notification to their tenants	Commissioner Lardinois made the motion to subject all of the units that City Council chooses to apply to the Tenant Protection Ordinance to also be subject to the Ellis Act Ordinance, with a second by Commissioner Del Buono. The motion passed unanimously (8-0). November 8, 2018

		and the City and providing relocation consultant services to their tenants; b) Amend Ellis Act Ordinance's reporting obligations to require the relocation specialist to submit a monthly report to the director after the City receives a notice of intent to withdraw; and c) Amend the Ellis Act Ordinance's reporting obligations to allow the Owner to provide a copy of the notice of intent to return removing the requirement to submit a report to the Director. November 8, 2018	
6.	2018-2019 Rent Stabilization Program Fourth Quarterly Report for the Apartment Rent Ordinance, Tenant Protection Ordinance, and Ellis Act Ordinance August 8, 2019 2018-2019 Rent Stabilization Program	Review the report and provide possible recommendations. August 8, 2019 Review the report and provide possible recommendations.	No action taken. August 8, 2019 No action taken. August 8, 2019

	Fourth Quarterly Report for the Mobilehome Rent Ordinance August 8, 2019	August 8, 2019	
	Rent Stabilization Program Reports for FY 2018-19 Third Quarter for Apartments and Mobilehomes April 11, 2019	Review information from the Rent Stabilization Program's FY 2018-19 Third Quarter reports for apartments and mobilehomes. April 11, 2019	Information only. April 11, 2019
	Rent Stabilization Program Reports for 2018-19 First and Second Quarters for Apartments and Mobilehomes January 17, 2019	1) Review information from two Rent Stabilization Program quarterly reports for apartments and mobilehomes, and 2) Hold a commissioner-initiated discussion on evictions tracking and possibly authorize creation of an Ad Hoc Subcommittee with the purpose being: to compile and discuss additional information on this subject, to potentially draft a letter to the City Council on State legislation changes that could help city staff better track evictions in all mobilehome parks, and to return	Chair Wheeler moved to form an ad hoc committee to last no longer than six months to meet with the representatives from the City of San Jose, Housing Department, and GSMOL to discuss the parameters of tracking mobilehome resident evictions, and to return to the Commission with their results within six months, with a second by Commissioner O'Connell. The motion passed 6-1. Yes: Navarro, Quinn, Shoor, Wheeler, O'Connell, Lardinois No: Jasinsky Commissioners Jasinsky, Wheeler, and O'Connell will be on the ad hoc committee on mobilehome resident evictions. January 17, 2019

		with information and any letter for consideration by the Commission at a future meeting. January 17, 2019	
	Rent Stabilization Program Quarterly Reports for Apartments and Mobilehomes December 13, 2018	Review information from the Rent Stabilization Program quarterly reports for apartments and mobilehomes (Informational only). December 13, 2018	Commissioner O'Connell made the motion to defer VI-A to the January 2019 meeting, with a second by Commissioner Tran. Motion passed unanimously by roll call vote (8-0). December 13, 2018
7.	Rent Stabilization Program Fees April 11, 2019	It is recommended that the Commission: a) Review the proposed fee structure for Fiscal Year 2019-2020 for the Rent Stabilization Program, as stated below; and, b) Recommend its approval to the City Council: 1) Annual Apartment Rent Control Fee: increase from $77.30 to $83.50 per unit; 2) Annual Apartment Non-Rent Control Fee: increase from $6.20 to $8.00 per unit; Housing & Community Development Commission,	Commissioner Tran made the motion to approve the Annual Apartment Rent Control Fee increase from $77.30 to $83.50 per unit, with a second by Commissioner Quinn. The motion passed unanimously (9-0). Commissioner Jasinsky made the motion to approve the Annual Apartment Non-Rent Control Fee: increase from $6.20 to $8.00 per unit, with a second by Commissioner Del Buono. The motion passed unanimously (9-0). Commissioner O'Connell made the motion to approve the Annual Mobilehome Rent Control Fee: decrease from $25.70 to $23.00 per unit, with the amendment in the memo from "increase" to "decrease," with a second by Commissioner Jasinsky. The motion passed unanimously (9-0). Commissioner Jasinsky made the motion to approve fees in connection with withdrawal of a building under the Ellis Act Ordinance

		3) Annual Mobilehome Rent Control Fee: increase from $25.70 to $23.00 per unit; 4) Fees in connection with withdrawal of a building under the Ellis Act Ordinance: increase from $2,258 to $2,354 per unit for up to ten units and decrease from $872 to $826 per unit for over ten units. April 11, 2019	increase from $2,258 to $2,354 per unit for up to ten units and decrease from $872 to $826 per unit for over ten units, with a second by Commissioner Quinn. The motion passed unanimously (9-0) April 11, 2019
8.	Housing Trust Fund Budget FY 2019-20 April 11, 2019	That the Housing and Community Development Commission, acting as the Housing Trust Oversight Committee, recommend that the Director of Housing approve the following expenditure plan for the Housing Trust Fund for $1,972,088 for Fiscal Year 2019 – 2020. April 11, 2019	Commissioner Del Buono made the option to approve the Housing Trust Fund Budget, with a second by Commissioner Quinn (8-0). Yes: Del Buono, Fitzgerald, Wheeler, O'Connell, Quinn, Tran, Lardinois, Jasinsky Note: Commissioner Duong exited during this vote count. April 11, 2019
9.	Annual Progress Report on the Implementation of the San José General Plan Housing Element and the Housing Success or to the Redevelopment Agency Annual Report	It is recommended that Commission: 1) Review the Calendar Year 2018 Annual Progress Report on the Implementation of the San José 2014-23 Housing Element; 2) Review the Fiscal Year 2017-18 Housing Successor to the Redevelopment Agency Annual Report; and, 3) Make possible recommendations to the	Vice Chair Shoor made a recommendation to explore opening up the San José General Plan from two to four times or more as permitted, for affordable housing projects developments, with a second by Commissioner Tran. The motion passed (5-4). Yes: Navarro, Del Buono, Shoor, Tran, Lardinois No: Wheeler, Duong, O'Connell, Fitzgerald Vice Chair Shoor made a recommendation that for 100% affordable housing projects built within 0.5 mile of transit options, parking minimum requirements are eliminated by the City, with a second by

	March 7, 2019	City Council on policy implications relevant to the reports. March 7, 2019	Commissioner Tran. The motion passed (7-2). Yes: Del Buono, Shoor, Tran, Lardinois, Wheeler, Fitzgerald, Duong No: O'Connell, Navarro Chair Wheeler recommended to look into options to provide transits to its residents directly, to serve residential or work areas, with a second by Commissioner Lardinois. The motion failed (2-6-1). Yes: Wheeler, Lardinois No: Tran, O' Connell, Duong, Fitzgerald, Navarro, Del Buono Abstain: Shoor March 7, 2019
	General Plan 2040 Text Amendments and Other Changes regarding Affordable Housing December 13, 2018	Provide input on draft letter and approve submission of final letter of Commission support for the four proposed General Plan Text Amendments and other changes as written considered by the Commission at its November 2018 meeting concerning mobilehome parks, housing preservation, and affordable housing to the Planning Commission and City Council, as timing allows. December 13, 2018	Commissioner Navarro made the motion to approve the letter, with a second by Commissioner Lardinois. The motion passed 10-0-1. Yes: Wheeler, Shoor, Tran, Quinn, Lardinois, Navarro, Del Buono, Duong, O'Connell, Fitzgerald No: None Abstain: Thompson December 13, 2018
	General Plan 2040 Text Amendments and Other Changes regarding Affordable Housing November 8, 2018	Review information on proposed General Plan amendments regarding affordable housing and mobilehome park preservation issues and make possible recommendation to provide	Commissioner O'Connell made the motion to support these four proposed General Plan Text Amendments and other changes as written to the Planning Commission and City Council (if timing allows) and for Housing Staff to develop a letter of support, with a second by Commissioner Del Buono. The motion passed 8-2.

		comments to staff, the Planning Commission, and/or the City Council. November 8, 2018	Yes: Fitzgerald, Duong, Del Buono, O'Connell, Jasinsky, Lardinois, Wheeler, Navarro No: Shoor, Tran November 8, 2018
10.	Affordable Housing Investment Plan Update March 14, 2019	Review the staff report on the Update of the FY 2017/18 - FY 2021/22 Housing Investment Plan for expenditure of affordable housing funds, and make possible recommendation to the City Council. March 14, 2019	Chair Wheeler made the motion to accept the report with the recommendation, except the funding for the acquisition and rehabilitation and missing middle, with a second by Commissioner Tran. The motion passed unanimously (9-0). Yes: Navarro, Fitzgerald, Duong, Wheeler, O'Connell, Quinn, Lardinois, Tran, Shoor Commissioner Tran made the motion to approve staff's recommendation for funding acquisition and rehabilitation, with a second by Commissioner O'Connell. The motion passed (8-1). Yes: Navarro, Fitzgerald, Duong, O'Connell, Quinn, Lardinois, Tran, Shoor No: Wheeler Commissioner Tran made the motion to adopt staff recommendation for the missing middle, with a second by Commissioner Navarro. The motion approved unanimously (9-0). March 14, 2019
11.	Housing Crisis Workplan Update March 14, 2019	Review staff's report on progress in implementing the City Council-approved 2018 Housing Crisis Workplan, and make possible recommendation to the City Council. March 14, 2019	Information only. March 14, 2019

12.	Annual Action Plan Funding Strategies 2019-2020 February 14, 2019	1) Hold a public hearing on funding priorities for the Fiscal Year 2019-2020 Annual Action Plan for the use of federal funds from the U.S. Department of Housing and Urban Development, and 2) Provide Housing Department staff with input on the Annual Action Plan funding. February 14, 2019	Information only. February 14, 2019
	FY 2017-2018 Annual Action Plan Substantial Amendment January 17, 2019	1) Hold a public hearing on the proposed Substantial Amendments to the Fiscal Year 2017-2018 Annual Action Plan to fund a new activity not previously described in that Action Plan in order to expend $124,764 in remaining grant funding on homelessness prevention programs, and 2) Recommend to the City Council that it approve the proposed Substantial Amendment to the Fiscal Year 2017-2018 Annual Action Plan. January 17, 2019	Commissioner Quinn moved to approve the staff recommendation, with a second by Commissioner Navarro. The motion passed unanimously (7-0). January 17, 2019
13.	Status Update on Google-related Actions	Receive update on the City Council's consideration of Google-related actions for the Diridon Station Area	No action taken. December 13, 2018

	December 13, 2018	regarding housing and community development-related issues December 13, 2018	
14.	Annual Homeless Report and Homeless Emergency Assistance Program (HEAP) November 8, 2018 Annual Homeless Programs Update and HEAP Expenditure Plan October 11, 2018	Review additional budget information for homeless programs (Information Only). November 8, 2018 It is recommended that the Housing and Community Development Commission review the annual homeless report and make possible recommendations to the Housing Department staff and City Council regarding the proposed community-wide funding priorities for the Homeless Emergency Aid Program (SB 850). October 11, 2018	Ms. Clements provided additional budget information contained in the Annual Homeless Report and HEAP memo to the Neighborhood Services and Education Committee on November 8, 2018. November 8, 2018 Commissioner Del Buono made the motion to accept the report, with a friendly amendment by Chair Wheeler for Housing Department Staff to return with the final version of the Annual Homeless Programs Update draft with amendments per Commission's recommendations. This motion was seconded by Commissioner Thompson. The motion passed unanimously. October 11, 2018
15.	Winchester Mobilehome Park Closure and Evictions November 8, 2018	Review interpretation of Policy 6-33 regarding evictions per Commission question (Information Only). November 8, 2018	Ms. Clements provided an update on the interpretation of Policy 6-33. November 8, 2018

16.	Actions Related to the Tenant Protection Ordinance: Inclusion of Duplexes, Criminal Activity, and Domestic Violence November 8, 2018	Recommend to the City Council: A. Approve an ordinance amending Part 12 of Chapter 17.23 of Title 17 of the San José Municipal Code to: a) Include duplexes under the Tenant Protection Ordinance; b) Add a provision to require the posting of a notice summarizing the requirements of the Tenant Protection Ordinance including prohibiting retaliation, harassment, and intimidation against tenants based upon their immigration status; c) Add a provision to the criminal activity cause for eviction stating if the tenant is acquitted or the criminal charges which caused termination of tenancy are dismissed, the tenant is permitted to return to the rental unit if the tenant household still resides in the rental unit and consents to the return; d) Add a provision to the unapproved holdover subtenant cause of action to exempt victims of domestic violence; e) Add a provision to require a statement in the notice that the notice is served in good faith and include a reference to the Rent Stabilization Program for referral	Commissioner O'Connell made the motion to recommend that the Tenant Protection Ordinance apply to non-owner occupied duplexes, with a second by Commissioner Tran. Commissioner Fitzgerald made the motion to amend Commissioner O'Connell's motion if the Tenant Protection Ordinance applies to non-owner duplexes, a probationary period of six months apply to all new tenants, with a second by Commissioner Duong. Motion failed 4-5. Yes: Fitzgerald, Duong, O'Connell, Jasinsky No: Del Buono, Lardinois, Shoor, Wheeler, Tran The original motion moved by Commissioner O'Connell passed 7-1-1. Yes: Duong, Del Buono, O'Connell, Lardinois, Shoor, Wheeler, Tran No: Fitzgerald Abstain: Jasinsky Chair Wheeler made the motion to recommend City Council to direct Housing Staff to investigate extending a probationary period to all units covered by the Tenant Protection Ordinance at a future date and return to the Commission for further discussion, with a second by Commissioner Lardinois. The motion passed 6-3. Yes: Fitzgerald, Duong, Del Buono, Jasinsky, Lardinois, Wheeler No: O'Connell, Shoor, Tran Vice Chair Shoor made the motion to include all duplexes in the Tenant Protection Ordinance as recommended by Housing Staff, with a second by Commissioner Del Buono. The motion failed 2-7. Yes: Del Buono, Shoor No: Fitzgerald, Duong, O'Connell, Jasinsky, Lardinois, Wheeler, Tran Commissioner Lardinois made the motion to recommend to City Council that the Noticing of Rights is presented with the lease at the

		information (including homeless prevention); and B. Provide recommendations to the City Council extending the Non-Rent Control fee to duplexes on a pro-rata basis for 2018-2019. November 8, 2018	beginning of tenancy with a friendly amendment by Chair Wheeler to replace Staff recommendation of "summarizing" to "listing" of rights under the Tenant Protection Ordinance on the Noticing of Rights, with a second by Commissioner Jasinsky. The motion passed unanimously (9-0). Commissioner Tran made the motion to recommend approve staff recommendation to add a provision to the criminal activity cause for eviction stating if the tenant is acquitted or the criminal charges which caused termination of tenancy are dismissed, the tenant is permitted to return to the rental unit if the tenant household still resides in the rental unit and consents to the return, with a second by Commissioner Duong. The motion passed unanimously 9-0. Commissioner Jasinsky made the motion to reject Staff recommendation to add a provision under the unapproved holdover subtenant cause of action to exempt victims of domestic violence, with a second by Commissioner O'Connell. The motion passed 7-1. Yes: Fitzgerald, Duong, Del Buono, O'Connell, Jasinsky, Wheeler, Tran No: Lardinois Commissioner Lardinois made the motion for Housing Staff to return with additional options to City Council to protect survivors of domestic violence, with a friendly amendment by Chair Wheeler to explain that the Commission objected to the unlawful tenancy rights without contract, with a second by Commissioner Jasinsky. The motion passed 8-0-1. Yes: Fitzgerald, Duong, Del Buono, O'Connell, Jasinsky, Lardinois, Wheeler, Tran No: None Abstain: Shoor Commissioner Tran made the motion to support Staff recommendation to include a statement in the notice that the notice

			is served in good faith and include a reference to the Rent Stabilization Program for referral information (including homeless prevention), with a second by Commissioner Lardinois. The motion passed unanimously (9-0). Commissioner Tran made the motion to recommend to City Council to extend the Non Rent Control fee to non-owner occupied duplexes on a pro-rata basis for 2018-2019, with a second by Commissioner Del Buono. The motion passed unanimously (8-0). November 8, 2018
17.	Statewide Ballot Initiatives September 13, 2018	Review and discuss statewide ballot propositions 1, 2 5, and 10 related to the Commission's jurisdiction per SJMC Part 28 – and possibly authorize creation of an Ad Hoc Subcommittee, consistent with Council Policy 0-4, with the purpose being: to meet, compile and discuss additional information on one or more of the listed ballot measures; to potentially draft a letter to the City Council; and to return with information and any letter for consideration by the Commission at a future meeting. September 13, 2018	Commissioner Tran made the motion to recommend that the City Council endorse Proposition 2, with a second by Vice Chair Shoor. The motion passed unanimously (11- 0). Motion: Commissioner Lardinois made the motion to recommend that the City Council oppose Proposition 5, with a second by Commissioner Thompson. The motion fails by roll call vote 4-7. Yes: Lardinois, Quinn, Thompson, Shoor No: Tran, Jasinsky, O'Connell, Wheeler, Duong, Del Buono, Navarro Commissioner Tran made the motion to defer to ad hoc committee for further research to return next month to the Commission for potential action, with a second by Commissioner Lardinois. The motion passes 7-4. Yes: Lardinois, Tran, Wheeler, Shoor, Duong, Del Buono, Navarro No: Quinn, Thompson, Jasinsky, O'Connell Chair Wheeler made the motion to form an ad hoc committee comprised of Chair Wheeler and Commissioner Tran to research Proposition 5 to return at next Housing and Community Development

			Commission meeting in October for possible position, with a second by Commissioner Navarro. The motion passes unanimously (11-0). Vice Chair Shoor made the motion to support Proposition 10, with a friendly amendment by Commissioner Thompson that recommend that the City Council endorse it, with a second by Commissioner O'Connell. The motion passes 9-2. Yes: Lardinois, Tran, Quinn, Thompson, O'Connell, Wheeler, Shoor, Del Buono, Navarro No: Jasinsky, Duong Commissioner Tran made the motion to write a letter with the following language "Housing and Community Development Commission recommend that the City Council endorse Proposition 2 and Proposition 10," with a second by Wheeler. The motion passes 10-1. Yes: Lardinois, Tran, Quinn, Thompson, Jasinsky, O'Connell, Wheeler, Shoor, Del Buono, Navarro No: Duong September 13, 2018
18.	Potential Commercial Impact Fee for Affordable Housing October 11, 2018	Consider information and discuss potential policy recommendations regarding the creation of a commercial impact fee for affordable housing, and possibly create an Ad Hoc Committee for the next six months consistent with Council Policy 0-4 with the purpose being to: meet, compile, and discuss additional information on this topic;	Commissioner Tran made the motion to recommend to City Council to direct Housing Department Staff to conduct and engage in a nexus and feasibility study, with a second by Commissioner Del Buono. The motion passed 8-4. Yes: Tran, Lardinois, Quinn, Wheeler, Shoor, Duong, Del Buono, Navarro No: Jasinsky, O'Connell, Fitzgerald, Thompson October 11, 2018

		possibly draft a letter to the City Council; and to return with information and any letter for consideration at a future Commission meeting. October 11, 2018	
19.	Consolidated Annual Performance and Evaluation Report (CAPER) September 13, 2018	Hold a Public Hearing for the FY 2017-18 Consolidated Annual Performance and Evaluation (CAPER) and possible recommendation to City Council to approve CAPER. September 13, 2018	Commissioner Del Buono made the motion to approve the CAPER, with friendly amendment by Chair Wheeler, to accept with recommended improvements for readability and indicate effectiveness of program, with a second by Commissioner Thompson. The motion passed unanimously (11-0) September 13, 2018
20.	Regional Housing Needs Allocation Subregion September 13, 2018	Report on City Council's discussion of potentially joining a Regional Housing Needs Allocation Subregion (Information only). September 13, 2018	The Commission heard the Regional Housing Needs Allocation Subregion presented by Mr. Adam Marcus. September 13, 2018
21.	City Response to the Santa Clara County Civil Grand Jury Report on the Affordable Housing Crisis September 13, 2018	None (Information only). September 13, 2018	The Commission heard the City Response to the Santa Clara County Civil Grand Jury Report on the Affordable Housing Crisis presented by Mr. Adam Marcus. September 13, 2018

22.	City's Affordable Housing Investment Plan September 13, 2018	Report on the City Council's discussion of the City's plan for available resources and priorities for funding and supporting affordable housing. (Information only). September 13, 2018	The Commission heard the City's Affordable Housing Investment Plan presented by Ms. Kristen Clements. September 13, 2018
23.	General Obligation Bond Expenditure Plan for Affordable Housing - Measure V September 13, 2018	ACTION: None (Information only) September 13, 2018	The Commission heard the General Obligation Bond Expenditure Plan for Affordable Housing presented by Ms. Kristen Clements. September 13, 2018
Commissioner Initiated Items*			
24.	Policy 0-4 regarding Commissioners' Use of their Titles and Process for Possible Future Edits June 13, 2019*	1) Review and edit a draft letter prepared by Chair Wheeler to the City Council regarding the City Council's prioritization of staff work on potential edits to Policy 0-4; and, 2) Make possible motion for staff to submit the letter on behalf of the Commission. Commissioner O'Connell made the motion to consider and edit the letter drafted by Chair Wheeler and approve with amendments, with a second by Commissioner Tran. The motion passed 8-0-1. June 13, 2019*	Commissioner O'Connell made the motion to consider and edit the letter drafted by Chair Wheeler and approve with amendments, with a second by Commissioner Tran. The motion passed 8-0-1. Yes: Tran, Quinn, O'Connell, Wheeler, Jasinsky, Shoor, Fitzgerald, Navarro No: None Abstain: Del Buono June 13, 2019*

25.	Potential Policy/Program for Affordable Housing that Encourages Transportation Mobility – Commissioner-initiated Item June 13, 2019*	1) Consider information presented by Commissioner Shoor and discuss potential policy recommendations regarding affordable housing policies or programs that encourage transportation mobility; 2) Possibly authorize the creation of an ad hoc subcommittee to do further research and/or to draft a letter for staff to submit to the City Council, and return with information and any letter for consideration by the Commission at a future meeting. June 13, 2019*	Chair Wheeler made the motion to form an ad hoc committee and return to the Commission within six months with further recommendation either at the retreat or next Commission meeting, with a second by Vice Chair Shoor. The motion passed (5-3). Yes: Tran, Wheeler, Shoor, Del Buono, Fitzgerald No: Quinn, Navarro, O'Connell Note: Commissioner O'Connell volunteered to be on the ad hoc committee. June 13, 2019*
26.	Ad hoc committee Report-back on Ellis Act Recontrol Provisions March 14, 2019*	Discuss the report back of the ad hoc committee on Ellis Act recontrol provisions, review the committee's draft letter to Council and authorize submittal of the letter as amended consistent with Policy 0-4, or request the ad hoc committee to return to the Commission with a letter to the City Council on this subject for approval at a future meeting. March 14, 2019*	Commissioner Shoor made the motion to replace the world "meaningless" with "the council devalues our input as well as the inputs of the residents in San Jose" with a second by Commissioner Duong. The motion failed (3-6). Yes: Fitzgerald, Duong, Shoor No: Navarro, O'Connell, Quinn, Lardinois, Tran, Wheeler Commissioner Lardinois moved to accept the letter, with a second by Commissioner Tran. The motion passed (8-1). Yes: Navarro, Duong, O'Connell, Quinn, Lardinois, Tran, Shoor, Wheeler

			No: Fitzgerald March 14, 2019*
27.	Ad hoc committee Report-back on Mobilehome Resident Evictions Tracking April 11, 2019*	Discuss the report back of the ad hoc committee on tracking mobilehome resident evictions, and authorize the ad hoc committee to return to Commission with a letter to the City Council on tracking mobilehome resident evictions for approval within six months of the ad hoc committee's January 17, 2019 formation date. April 11, 2019*	Chair Wheeler provided an update that the ad hoc committee had a conference call to discuss the issue regarding tracking of the mobilehome evictions, including perspective from the attorney from Golden State Manufactured Homeowners League (GSMOL) regarding tracking evictions. Commissioner Jasinsky provided information that the State provisions 798.56 already provides seven just causes for residents. In addition, the proposed legislation AB 3366 (Stone) will provide additional protections. Commissioner O'Connell expressed the importance of evictions tracking and that anecdotal information is not sufficient. Commissioner O'Connell made a motion to authorized Chair Wheeler to draft a letter tracking mobilehome evictions and return to the next HCDC, with a second by Commissioner Lardinois. The motion passed (8-1). Yes: Del Buono, Fitzgerald, Duong, Wheeler, O'Connell, Quinn, Tran, Lardinois No: Jasinsky April 11, 2019*
28.	Mobilehome Park Conversion Policy 6-33 Regarding Evictions Monitoring December 13, 2018	Consider writing a letter to City Council to request additional scrutiny of evictions at mobilehome parks subject to potential conversions in land use. December 13, 2018	Commissioner O'Connell made the motion to approve the letter as amended, with a second by Commissioner Lardinois. The motion passed unanimously (10-0). December 13, 2018

29.	Station Area Advisory Group (SAAG) Status Update November 8, 2018	Hold Commission-initiated discussion on the Diridon Station Area SAAG civic engagement process status and on its housing and community development-related issues, and make possible recommendation to provide input on these issues to staff or the City Council identified through the SAAG process. November 8, 2018	Commissioner Fitzgerald made the motion to defer this item for the next agenda, with a second by Commissioner Del Buono. The motion failed 2-6. Yes: Fitzgerald, Del Buono No: Duong, O'Connell, Lardinois, Wheeler, Tran, Shoor Commissioner Tran made the motion for stakeholders to evaluate the benefits of a Commercial Impact Fee for businesses in any part of the Diridon Station Area, with a second by Commissioner Lardinois. The motion passed 6-0-2. Yes: Duong, Del Buono, Lardinois, Wheeler, Tran, Shoor No: None Abstain: O'Connell, Fitzgerald Commissioner Shoor made the motion to recommend to City Council that it require that all housing in the Diridon Station Area developed by Google or its affiliates would be completed within 10 years of conveyance of the City sites to Google, with a second by Commissioner Tran. The motion passed 6-1-1. Yes: Shoor, Lardinois, Jasinsky, Del Buono, Duong, Tran No: Fitzgerald Abstain: O'Connell Chair Wheeler made the motion that Housing Staff draft a letter on behalf of the Commission recommending these three issues from the August 29, 2018 Station Area Advisory Group Outcomes: 1) "ensure that at least 25% of housing units are offered at below-market rates for lower-income households (ranging from extremely low to moderate)," 2) "build Inclusionary Housing units on-site, rather than pay in lieu fees or build off-site," and 3) "the ultimate goal is no direct/indirect displacement from San Jose, and no increase in homelessness," as the highest priority issues from the Station Area Advisory Group suggestion and delegate the letters' signature to the

			Chair, with a second by Commissioner O'Connell. The motion passed unanimously 8-0. November 8, 2018
30.	Potential Policy Concerning Family Affordable Housing October 11, 2018	Consider report and draft letter from Ad Hoc Committee on a Potential Policy Concerning Family Affordable Housing and take possible action, including amending or approving the draft letter, to recommend a policy supporting affordable housing for families for possible City Council consideration. October 11, 2018	Commissioner Thompson made a motion to approve the letter as revised and send to City Council, with a second by Commissioner O'Connell. The motion passed unanimously. October 11, 2018
31.	Statewide Ballot Propositions October 11, 2018	Consider report from Ad Hoc Committee on Statewide Proposition 5, the Property Tax Transfer Initiative, and take possible action including recommending that the City Council take a position on Proposition 5 and drafting a letter to the City Council communicating that recommendation October 11, 2018	Commissioner Thompson made a motion to recommend that the City Council take a "no" position on Proposition 5, with a second from Commissioner Quinn. The motion passed (10-2). Yes: Tran, Lardinois, Quinn, Wheeler, Shoor, Fitzgerald, Del Buono, Thompson, Navarro, Duong No: Jasinsky, O'Connell October 11, 2018
32.	Winchester Mobilehome Park Closure and Evictions October 11, 2018*	Consider information, discuss potential policy or program recommendations, and make possible recommendations related to the potential closure of Winchester Mobilehome Park to:	Commissioner Tran made the motion to request the Office of the City Attorney to clarify City Council 6-33 Section D, "no unjust or unreasonable evictions should have occurred and no residents should have coerced to sell without relocation benefits" applies to evictions prior to the conversion, with second by Commissioner Del Buono. The motion passed unanimously.

		1) request staff provide additional information on evictions and land use entitlement actions; and, 2) create an Ad Hoc Committee for the next six months consistent with Council Policy 0-4 with the purpose being to: research, meet and discuss additional information about the evictions and conversion status at Winchester Ranch, and possibly draft a comment letter, and to return with information and any letter for consideration at a future Commission meeting. October 11, 2018*	Commissioner Jasinsky made the motion to request Housing Department Staff to have additional monitoring of evictions in Mobilehome parks expecting to conversion, subject to Standards for Program of Relocation and Purchase Assistance, with a second by Commissioner O'Connell. The motion passed unanimously. October 11, 2018*
33.	Strategies to Reduce Meeting Length January 17, 2019*	Hold a commissioner-initiated discussion on strategies to reduce meeting length, including establishing a meeting adjournment time (curfew) for Commission meetings, and possible recommendation to staff to return with a resolution establishing a curfew for the Commission's regular meetings, subject to an override to be defined. (No memo) January 17, 2019*	The Commission's suggestions to reduce meeting length were as follows: 1. When there are new topics (especially with new commissioners), Housing Staff will facilitate a phone conference call in advance of the meeting. 2. Study the materials beforehand. 3. Regularly hold December meetings. 4. Create guidelines to limit public comment from 2 minutes to 1 minute, and include in the amendment in the agenda to inform the public about the change. 5. Defer commissioner-initiated discussion items in the Orders of the Day if there are a lot of items on the agenda. 6. Review meeting packets ahead of time and send questions to Housing Staff, who will send out questions and answers to all commissioners.

			7. Once every six months, hold two meetings a month and save the date in advance. 8. Inform staff and commissioners of planned commissioner departure times from meetings in advance. 9. Commissioners may make the motion at any point in the meeting. 10. Staff should consider sending meeting materials earlier. 11. Have staff send presentations in advance (perhaps 2-3 days electronically before). January 17, 2019*
34.	Potential Policy Concerning Family Affordable Housing September 13, 2018*	Consider information and discuss potential policy recommendations regarding the creation of affordable housing opportunities for families and possibly authorize creation of an Ad Hoc Subcommittee, consistent with Council Policy 0-4, the purpose of the subcommittee is: to meet, compile and discuss additional information on the creation of affordable housing opportunities for families, and to potentially draft a letter to the City Council; and to return with information and any letter for consideration by the Commission at a future meeting. September 13, 2018*	Vice Chair made the motion to form an ad hoc committee consisting of Commissioner Del Buono and Vice Chair Shoor to discuss the topic of family affordable housing and to do further research, return for future discussion and possible action at a future meeting no later than March 13, 2019, with a second by, Commission Thompson. The motion passes unanimously (11-0). September 13, 2018*
35.	Ad hoc Committee Report-back on Potential Vacant Residential and	1) Review, edit and approve the draft letter to the City Council prepared by the ad hoc committee regarding vacant residential properties;	Commissioner Tran made the motion to accept the draft letter as amended, with a second by Commissioner Navarro. The motion passed (6-1-1).

	Commercial Properties June 13, 2019*	2) Make a possible motion for staff to submit the letter on behalf of the Commission; 3) Discuss the report back of the ad hoc committee regarding vacant commercial land and buildings; and, 4) Authorize the ad hoc committee to return to the Commission at a future meeting with a draft letter to the City Council regarding potential strategies for vacant commercial properties, or otherwise amend the draft letter on residential properties to include the Commission's comments on commercial properties. June 13, 2019*	Yes: Tran, Quinn, Wheeler, Shoor, Navarro, Del Buono No: Fitzgerald Abstain: O'Connell June 13, 2019*

Housing & Community Development Commission

REVISED DRAFT Workplan for FY 2019-20

HCDC AGENDA: 9-12-19
ITEM: VI-B

#	Topics for FY 2019-20	Actions	HCDC Function, Power, Duty	Type of Item	Tentative Date
1.	**Adopt Commission FY 2018-19 Accomplishments**	Review, discuss, and adopt HCDC's FY 2018-19 Accomplishments based on work completed at Annual Retreat	Administrative	Governance	Sep 2019
2.	**Adopt Commission FY 2019-20 Workplan**	Review, discuss, and adopt HCDC's FY 2019-20 Workplan based on work completed at Annual Retreat	Administrative	Governance	Sep 2019
3.	**Annual Homeless Report**	Review report and provide input on overall budget, policies, and programs to address homelessness	Existing program	Report	Sep 2019
4.	**Consolidated Annual Performance and Evaluation Report (CAPER)**	Hold a public Hearing for the FY 2018-19 Consolidated Annual Performance and Evaluation (CAPER) and make possible recommendation to City Council to approve report	Federal funds	Hearing	Sep 2019
5.	**Assessment of Fair Housing and Five-year Consolidated Plan**	Review reports on process to create AFH Plan and new Five-year Consolidated Plan and make possible recommendations	Federal funds	Plans	Sep 2019
6.	**Ellis Act Ordinance Recontrol Provisions and Apartment Rent Ordinance Demographic Study**	Review report updating information on tenant demographics in apartments subject to the Apartment Rent Ordinance and review potential changes to Ellis Act Ordinance recontrol provisions and make possible recommendations	Ellis Act Ordinance	Policy	Nov 2019
7.	**Mobilehome Park General Plan Land Use Actions**	Review Planning Commission-approved GP land use actions regarding mobilehome park designations and make possible recommendation to provide comments	Revised policies	Plan	Oct/Nov 2019
8.	**Administrative Citations for Tenant Protection Ordinance and Housing Payment Equality Ordinance overseen by the Rent Stabilization Program**	Review proposed administrative citations for Tenant Protection Ordinance and Housing Payment Equality Ordinance overseen by the Rent Stabilization Program and make possible recommendations	Revised program	Policy Program	Oct/Nov 2019

San José Housing & Community Development Commission

REVISED DRAFT Workplan for FY 2019-20

#	Topics for FY 2019-20	Actions	HCDC Function, Power, Duty	Type of Item	Tentative Date
9.	**Inclusionary Housing Framework Revisions**	Review proposed revisions to the Inclusionary Housing Ordinance and related programs and make possible recommendations	Existing program	Policy	Oct 2019
10.	**Anti-Displacement Draft Strategy**	Review draft Anti-Displacement Strategy and make possible recommendation	Policies	Report	Nov 2019
11.	**Moderate-income Housing Strategy**	Review report of consultant report on Moderate-income housing strategies on proposed strategies to meet the housing needs of moderate-income residents in San José and make possible recommendation	New program	Plan	Dec 2019
12.	**Affordable Housing Siting (Dispersion) Policy**	Provide input on proposed updates to the City's Dispersion Policy for siting affordable housing and make possible recommendation	Revised policy	Policy	Jan 2020
13.	**HCDC Workplan Amendments**	Review amended 2019-20 HCDC Workplan and make possible recommendation for submission to the Community and Economic Development Committee (if necessary)	Governance	Plan	Jan 2020
14.	**Diridon Affordable Housing Implementation Plan**	Review draft Plan and make possible recommendation	New plan	Plan	Jan 2020
15.	**Annual Housing Element Report**	Review annual progress report on the Housing Element and make possible recommendation	Housing goals	Report	Feb 2020
16.	**Housing Crisis Workplan**	Review progress report on implementation of prioritized items in the Housing Crisis workplan and make possible recommendation	Housing goals	Report	Feb 2020

San José Housing & Community Development Commission

REVISED DRAFT Workplan for FY 2019-20

#	Topics for FY 2019-20	Actions	HCDC Function, Power, Duty	Type of Item	Tentative Date
17.	**New Five-year Consolidated Plan and FY 2020-21 Annual Action Plan Funding Priorities**	Hold a Public Hearing and review funding priorities for 2020-25 Consolidated Plan and FY 2020-21 Annual Action Plan and make possible recommendation	Federal funds	Hearing	Feb/Mar 2020
18.	**Assessment of Fair Housing Draft Plan**	Review draft plan on housing challenges and community needs and make possible recommendation	New plan	Plan	Mar 2020
19.	**Rent Stabilization Program Budget (Fee) Recommendations**	Review and discuss the RSP annual fee structure and staffing levels concerning Mobilehomes and Apartments and make possible recommendation	Fees for ARO & Mobilehome Rent Ordinance	Fee Report	Mar 2020
20.	**Draft Five-year Consolidated Plan and FY 2020-21 Annual Action Plan**	Hold a Public Hearing and review draft 2020-25 Consolidated Plan and FY 2020-21 Annual Action Plan and make possible recommendation	Federal funds	Hearing	Apr 2020
21.	**Housing Trust Fund Budget**	Review and provide input on proposed expenditures for FY 2020-21 from the Housing Trust Fund for homeless programs and make possible recommendation	Local funds	Plan	Apr 2020
22.	**Commission Nominations**	Nominate and select Chair and Vice Chair for FY 2020-21	Governance	Administra-tion	May/June 2020
23.	**Quarterly and Annual Reports**	Review quarterly and annual reports on the Rent Stabilization Program including the Apartment Rent Ordinance, Ellis Act Ordinance, Tenant Protection Ordinance, and Mobilehome Rent Ordinance programs and make possible recommendations	Report on ARO & Mobilehome Rent Ordinance	Report	Quarterly, Annual

San José Housing & Community Development Commission

REVISED DRAFT Workplan for FY 2019-20

#	Topics for FY 2019-20	Actions	HCDC Function, Power, Duty	Type of Item	Tentative Date
24.	**Soft Story Program Framework and Ordinance**	Review draft soft story program framework and ordinance and make possible recommendation	New program	Program	TBD
25.	**Commercial Impact Fee**	Review report on Commercial Impact Fee Nexus Study and Feasibility Study and make possible recommendation	Local funds	Report	TBD
26.	**Regional Housing Needs Allocation Subregion**	Review the status of potential formation of a Regional Housing Needs Allocation Subregion (informational) and make possible recommendation	New policies	Strategy	TBD
27.	**Policy 0-4 and 2.08 Amendments**	Review changes to the versions circulated by the Clerk's office and make possible recommendation	Administrative	Governance	TBD
28.	**Amended Commission Bylaws**	Review, make possible changes, and approve amended Commission Bylaws	Administrative	Governance	TBD
29.	**Outreach Authorization for Commissioners**	Consider, and by motion, authorize identified Commissioners to use their titles in seeking public input on items within the purview of the Commission subject to Council Policy 0-4 for FY 2020-21 and to report back to the Commission after the conclusion of such meetings	Administrative	Governance	TBD after changes to Policy 0-4 finalized
30.	**Reports on Housing Data**	Review reports on housing data	Report	Report	As required
31.	**Proposed State/Federal Legislation**	Discuss and make possible recommendations on proposed legislation and ballot measures pertaining to subjects under the purview of the Commission, per Policy 0-4	New, revised policies	Policy	As required

#	Topics for FY 2019-20	Actions	HCDC Function, Power, Duty	Type of Item	Tentative Date
32.	**Topics related to Chapters 17.22 and 17.23 of the San José Municipal Code**	Discuss items related to SJMC Chapters 17.22 and 17.23 regarding the Mobilehome Rent Ordinance and related regulations and take possible action	New, revised programs and policies	Program Policy	As needed
33.	**Topics related to Chapter 20.180 of the San José Municipal Code**	Discuss items related to SJMC Chapter 20.180 regarding mobilehome parks and related policies and take possible action	New, revised programs and policies	Policy	As needed
Commissioner-initiated Items*					
34.	**Commission-initiated discussions under the purview of Commission***	Hold Commissioner-initiated discussions on existing or potential programs or policies or regulations related to housing and community development policies and programs, and to Parts 17.22 and 17.23 of the SJMC including the Apartment Rent Ordinance, the Mobilehome Rent Ordinance, the Ellis Act Ordinance, and the Tenant Protection Ordinance, Part 5.10 Housing Payment Equality Ordinance, and take possible action	New, revised programs and policies	Program Policy	As needed
35.	**Potential Policy or Program on Affordable Housing that Encourages Transportation Mobility***	Continue the Commissioner-initiated discussion on potential policy or program to foster affordable housing creation that encourages transportation mobility and take possible action	New, revised programs or policies	Program Policy	TBD

San José Housing & Community Development Commission

REVISED DRAFT Workplan for FY 2019-20

#	Topics for FY 2019-20	Actions	HCDC Function, Power, Duty	Type of Item	Tentative Date

Note*: Starred items are researched and prepared by the Commissioners. Staff is only responsible for distribution unless capacity exists to provide additional information. These items will be agendized and prioritized around the Commission's regular workload. The proposed agendized items may be subject to change.

Non-governance items that possibly relate to Mobilehomes (directly and/or indirectly):

xx – General Plan land use changes

xx – Annual Housing Element report

xx – RSP budget

xx – Anti-displacement Strategy

xx – Affordable Housing Siting (Dispersion) policy

xx – Potential Policy or Program on Affordable Housing that Encourages Transportation Mobility*

xx – Proposed State/Federal Legislation

xx – Quarterly and Annual reports

xx – Commission-initiated discussions under the purview of Commission*

xx – Topics related to Chapters 17.22 and 17.23 of the San José Municipal Code

xx - Topics related to Chapter 20.180 of the San José Municipal Code

Note*: Starred items are researched and prepared by the Commissioners. Staff is only responsible for distribution unless capacity exists to provide additional information. These items will be agendized and prioritized around the Commission's regular workload. The proposed agendized items may be subject to change.

HCDC Workplan Finalization
Voting on Commissioner-initiated Ideas

To be transparent about commissioner-initiated ideas that the Commission wants to work on in 2019-20, we want to err on the side of identifying the ideas on the Commission's Workplan.

Definition of "commissioner-initiated ideas:"

1. These items are researched and prepared by the Commissioners.
2. Staff is only responsible for distribution unless capacity exists to provide additional information.
3. These items will be agendized and prioritized around the Commission's regular workload, and will typically be last on agendas.
4. Given the Commission's heavy existing workload, it is unlikely that more than 3 to 5 commissioner-initiated ideas could be heard in a fiscal year.

Note that two ideas submitted were separated off from voting as they pertain to other items already on the Commission's Workplan. (Ideas will be conveyed separately to staff for a response.)

Voting: To finalize ideas of commissioner-initiated items for the Workplan, the following is the voting procedure that Commissioners will use at the 9/12/19 meeting:

1. Commissioners originating the idea will get 1 minute to explain each idea. There will be no questioning by other commissioners, no clarifying questions, and no discussion - just 1 minute for the author to state his/her case.
2. Commissioners present at the meeting for this item will vote on paper ballots.
3. Each commissioner will have 5 votes to spend. Votes can be spread out among ideas, or clustered on favorite ideas.
4. Staff will collect and tabulate ballots during the meeting.
5. Ideas must earn a threshold score of at least 3 votes for ideas to get onto the Workplan.
6. Winning ideas will be identified.
7. Public comment will be taken.
8. Commissioner discussion will occur.
9. A commissioner will need to make a motion to approve the final draft 2019-20 Workplan including the qualifying commissioner-initiated items in order of their score.
10. Final draft Workplan will be adopted with motion that staff include qualifying commissioner-initiated items.
11. Qualifying ideas will go onto to the Workplan in order of their score and get taken onto agendas in order as time permits over the year.

HCDC List of Commissioner-initiated Ideas

Vote	#	Commissioner Initiating Idea	Idea
	1	**Roberta Moore**	Provide RV Parking with Services Create a safe parking program for RVs. Allocate 1 or more acres of the Fairground, a similar location, such as an abandoned motor lodge for RV Parking or purchase an existing RV rental company. Provide case workers as is done with Safe Parking. Other than this, can start with no services. As budget permits, provide water, sewer, and electrical hookup. Monitor for illegal activity to protect and keep the area safe. Eventually, add bathrooms with showers, sinks, and toilets. Can charge a fee on a sliding scale based on income and service offering.
	2	**Roberta Moore**	Educate Rental Providers Bring back Project Blossom with Jodi Marshall. Project Blossom teaches Rental Providers what's required and how to provide the best service possible.
	3	**Alex Shoor**	Next steps re: vacant properties - both our continued work + the City's study of the issue as a possible tax
	4	**Alex Shoor**	Mobilehome park replacement housing ordinance (in other words, can we turn the Winchester Ranch Mobile Home Park negotiated agreement into a model for policy?)
	5	**Justin Lardinois**	Benefits for mobile home park residents displaced by park conversions The residents of Winchester Ranch were able to negotiate buyouts and replacement housing after their park is closed. The action would be to institutionalize a similar requirement for future mobile home park conversions.
	6	**Alex Shoor**	Funding worker-owned businesses through CDBG funding https://nonprofitquarterly.org/program-to-promote-employee-ownership-in-communities-of-color-scores-early-wins/
	7	**Alex Shoor**	Right to counsel for low-income tenants https://www.stout.com/en/experience/cost-benefit-analysis-for-nyc-right-to-counsel-legislation/
	8	**Alex Shoor**	Additional city-authorized density bonus on affordable housing projects

HCDC List of Commissioner-initiated Ideas

Vote	#	Commissioner Initiating Idea	Idea
	9	**Alex Shoor**	Tiny homes - request a report back and explore possible replication to other sites in the City
	10	**Alex Shoor**	Land owned by City of SJ within 0.5 miles of transit must be built or sold if it has sat empty for 10 years
	11	**Alex Shoor**	Tie ARO (rent stabilization) to the income of tenant instead of year unit was built
	12	**Alex Shoor**	Protect families from eviction if the child is on juvenile probation
	13	**Alex Shoor**	Give nonprofit housing coops the first opportunity to buy affordable housing by condition before the owner sells it
	14	**Shavell Crawford**	Board and care regulations. 85% of shelters in San Jose are composed of senior citizens and with a review of regulations and development, we can properly care for our elderly community members.
	15	**Shavell Crawford**	Mental Health. Leverage prop 2 mental health housing bond through collective collaboration with County of Santa Clara.

Suggested ideas that fit within an existing Workplan item scope – not for voting

N/A	1	**Justin Lardinois**	Explore different in-lieu fee structures for the Inclusionary Housing Ordinance Explore how the current requirement could be tweaked to incentivize developers to build affordable units rather than pay the fee. Two ideas I immediately have are different fee amounts, or making the fee option require an exemption by city council, as Milpitas does.
N/A	2	**Ryan Jasinsky, Martha O'Connell**	Inclusionary housing ordinance update Using "clustering" as an incentive for development of affordable units

Commissioner name: _____

3. Commission Secretaries will be expected to follow the standardized "Action Minutes" format provided by the City Clerk.

4. Draft Action Minutes shall be posted within 10 days after the meeting.

SECTION IV: CODE OF CONDUCT

A. MEMBERS OF BOARDS AND COMMISSIONS

1. All Boards and Commissions
All Commissioners should conduct meetings in a dignified and courteous manner. No bias or prejudice against any individual or group of people should be manifested by any Commissioner or condoned by any Commission.

The following Code of Conduct applies to all Boards and Commissions.

a. All Commissioners shall be professional, respectful and courteous to staff and the public.
b. When speaking or writing publicly on matters within the purview of his or her Commission, unless a Commissioner has been authorized to speak on behalf of the Commission or the Commissioner is speaking on behalf of a position that the Commission has taken by formal action, the Commissioner should make very clear that he or she is speaking on his or her own behalf and not on behalf of the Commission.
c. No Commissioner shall use his or her Commission title or speak or write as a Commissioner except when speaking on behalf of the Commission. Except when a Commissioner is speaking on behalf of the Commission, no Commissioner shall identify him or herself as a Commissioner without making clear that he or she is not speaking on behalf of the Commission.
d. City business cards shall be provided to those Commissioners where requested by the Commission, as approved by the Commission Secretary based on Commission needs for community outreach. Information in the business cards must contain at a minimum: the name of the Commissioner, the title of the Commissioner, and the name of the Commission. Department staff will determine the additional information to be pre-printed on the business card. Such cards shall only be used when the Commissioner is on official business.
e. City email addresses shall be provided to all Commissioners. Such email addresses shall only be used for official City business. Commissions shall not use private email addresses for City business.
f. Use of City stationery must be limited to official Commission business. All correspondence concerning the Commission's business should be processed by the Commission Secretary.
g. Commission recommendations to the City Council must be recommendations of the Commission as a whole, and not subject to undue influence by Council Liaison, Council Member, City staff, or any outside agency.
h. Individual Commissioners are free to discuss any issues and concerns with the Council Liaisons, Council District representative or any Council office. However,

Commissioners cannot assign themselves as "liaison" to the various Council members and must take care that contact with Council members does not result in a prohibited seriatim meeting of either the Council or the Commission under the Brown Act.

i. Commissions may not interview candidates for political office or make endorsements of such candidates. Individual Commissioners must not use their Commission title in making personal political endorsements, including using the title for identification purposes only.

j. Commissioners individually or Commissions as a whole are free to recommend candidates for appointment to any City Board or Commission, including their own, to the City Council, Council Appointment Advisory Commission, Council Liaison or individual Council members.

k. Commissions may not independently support or oppose state or federal legislation, but instead shall be free to make recommendations on legislation to the City Council through the Rules and Open Government Committee.

l. Commissioners are prohibited from using their position as a commissioner to promote themselves for personal gain.

m. Only the City Council has the authority to designate the City's representatives with non-City entities. Commissions may not appoint or invite anyone to act as the City's representative or to advocate a particular cause or viewpoint on behalf of the Commission with any non-City entity. Commissions, however, are free to seek the advice or input of others in the course of making their recommendations to the Council.

n. Commissioners who are members of an organization which is in litigation against the City on issues related to the work of the Commission should not participate in any Commission discussion or review of matters affecting the organization if they are an officer of the organization, a named litigant in the lawsuit or disqualified because of a conflict of interest. Litigation includes an administrative enforcement action, lawsuit in a court of law or a claim filed with the City or Successor to the Redevelopment Agency.

o. All conflicts of interest and circumstances giving rise to a perceived conflict of interest should be avoided. Commissioners must avoid the appearance of favoritism towards people and organizations with whom a Commissioner is affiliated. For example, if a Commissioner serves as a volunteer board member for a service organization, the Commissioner must not vote on any matter which will directly affect that organization. The exception to abstention based on organizational affiliation applies where the Commissioner was appointed as a representative of the organization such as the Housing and Community Development Commission.

p. Commissioners may not contact consultants or others under contract with the City directly, outside of a Commission meeting, unless so authorized by City Administration.

q. Commissions should only take actions within their authority, duties and responsibilities as specifically set forth in the City's Municipal Code. Assigned legal staff will advise on legal issues related to jurisdiction and authority as required.

r. Commissioners shall not act as mediators or facilitators between the parties on matters that come before them. Any facilitation must be part of the public process and as requested or required by the City Council.

s. Commissions shall place items on the Council agenda in accordance with the Council Rules for the Conduct of its Meetings Resolution. Commissions should not request of Council Members to place items on a Rules and Open Government Committee or City Council Agenda.

t. The Chair, as defined by San José Municipal Code Section 2.08.070(B), shall preside at the meetings. The responsibility of the Chair is to make sure that each meeting is conducted in accordance with the San José Municipal Code, the approved Bylaws, this Code of Conduct, and Robert Rules of Order, and that matters before the Commission are dealt with in an orderly, efficient manner.

2. Quasi-Judicial Commissions

Commissions which sit as hearing bodies and take administrative actions, including the Planning Commission, Civil Service Commission, Board of Fair Campaign and Political Practices and Appeals Hearing Board must be diligent to ensure that a hearing is fair and impartial.

a. Commissioners should not have ex parte conversations with anyone on the subject, outside of the hearing. If a Commissioner has a communication with a party or a party's representative regarding the subject matter, facts or the issues of an administrative action pending before the Commission, the communication shall be disclosed on the record of the administrative action or proceeding before the action is heard.

b. Any visit to the site or other information gained outside of the hearing must be stated on the record. Commissioners should disqualify themselves if there is any appearance of bias.

c. Commissioners should not make any public comment on a matter pending before them until after the Commission has rendered a decision.

B. COUNCIL MEMBERS

1. Council Liaisons

The Council Liaison is the Council Member who is specifically assigned to be the liaison between the City Council and the Commission. The primary role of the Liaison is that of facilitator of communications between the Commission and the Council. A Council Member who is appointed to sit as a member of a Board or Commission is not a liaison for purposes of this Policy.

a. Definition of the Role

The Council Liaison shall facilitate communications between the Commission and the Council. The Liaison should not be an advocate for the Commission, give direction or influence a decision of the Commission. The Liaison may, however, assist and provide guidance to Commissions with their workplans or agendas.

b. Purpose

The Council Liaison acts as:

1) Spokesperson on behalf of the Council when so directed by the Council.

2) Contact person, if the Commission or an individual Commissioner wants such a channel of communication.

3) Monitor for the Commission to identify procedural and structural issues relating to the effective functioning of the Commission for Council.

c. Participation Expectation

HCDC AGENDA: 9-12-19
ITEM: VII-C

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

FROM: Kelly Hemphill

SUBJECT: **HOMELESSNESS ANNUAL REPORT**

DATE: September 5, 2019

Approved | Date

RECOMMENDATION

Review the homelessness annual report for Fiscal Year 2018-19 and recommend that the City Council approve the report.

BACKGROUND

Homelessness, as well as the lack of available housing for extremely low income populations, continues to be a pressing issue for the City of San José, the County of Santa Clara and the region. According to the U.S. Department of Housing and Urban Development's (HUD) 2018 Annual Homeless Assessment Report, among the 48 Major City Continuums of Care, the County of Santa Clara has:

- the fifth largest homeless population;
- the third largest unsheltered homeless population;
- the fourth largest chronically homeless population;
- the fourth largest homeless veteran population; and
- the largest unaccompanied homeless youth (under 25) population.

An end to homelessness means that every community will have a systemic response in place that ensures homelessness is prevented whenever possible or is otherwise a rare, brief, and non-recurring experience.

To end homelessness, a community-wide coordinated approach to delivering services, housing, and programs is needed. In 2014, the Housing Department and its partners worked towards a comprehensive, regional response to homelessness. With Destination: Home serving as the coordinating partner, leaders from the City, County, Santa Clara County Housing Authority (Housing Authority), Santa Clara Valley Water District, service providers, philanthropic institutions, community groups, and business organizations, created the Community Plan to End

Homelessness in the County of Santa Clara, which was endorsed by the City Council in February 2015. The Community Plan to End Homelessness is a five-year, community-wide roadmap to ending homelessness. This plan contains three strategies:

- Develop innovative strategies and transform systems to house homeless persons.
- Build housing for homeless persons and those at risk of homelessness.
- Create client-centered strategies with different responses for different levels of need and different populations.

This report will provide information on recent efforts to update the five-year Community Plan to End Homelessness. The extensive collaborative process includes updating the Plan's framework, which will include three new strategies, or pillars, and will be explained in this report.

In alignment with the current Community Plan to End Homelessness, this homelessness annual report provides an update on the Housing Department's prioritized approaches to address the homeless crisis effectively, efficiently and collaboratively. It's important to note, this report only summarizes the City funded homeless programs and does not entail the complimentary work the County is doing in these same priority program areas. The report highlights progress on the Housing Department's three main homeless approaches:

1. *Housing Based Solutions:* Affordable housing opportunities either through rental subsidies, the development of permanent affordable housing, and/or supportive services to attain and maintain permanent housing.
2. *Interim Housing*: Temporary sheltering solutions with a bridge to permanent housing.
3. *Crisis Response Interventions:* Street-based services to homeless persons, such as outreach and engagement and case management, emergency shelter, mobile laundry and showers, and a Homeless Concerns Hotline.

ANALYSIS

Permanent housing that is affordable is the solution to ending homelessness, which is the prioritized strategy in the Community Plan to End Homelessness. The Housing Department's system of care through the three main homeless approaches provides a continuum of services to meet the needs of San José's homeless population.

While there has been considerable progress in investing in new housing opportunities and support for homeless individuals and families in San José, meeting the immediate housing needs of homeless men, women, and children remains a challenge. The 2019 Homeless Census found that there were 6,097 homeless individuals in San José on a given night. Over eighty-four percent (84%) were unsheltered, which means that they were counted on the streets, in encampments, in vehicles, or other areas not meant for human habitation. The census was conducted in January 2019 and found an increase of forty percent (40%) over San José's 2017 homeless count, which totaled 4,350 homeless individuals. Homeless individuals surveyed in San José reported:

- 83% lived in Santa Clara County when they became homeless;
- 88% would accept permanent affordable housing if it was available;
- 30% stated job loss as the primary cause of their homelessness;
- 68% said the inability to afford rent as the primary obstacle to obtaining housing; and
- 47% reported having at least one disabling physical or mental condition.

The numbers of homeless veterans and families were nearly unchanged since 2017 despite the overall increase in the homeless population, indicating programs targeting those groups are gaining traction. There was a significant increase in homeless individuals counted in vehicles from three percent (3%) in 2017 to seventeen percent (17%) in 2019.

The diagram below illustrates the coordinated response system, with the support of the County of Santa Clara, to provide housing opportunities to homeless individuals and families.

Outlined below are the three strategies that represent the range of programming administered by the Housing Department that address long-term housing and immediate needs for homeless individuals and families in San José.

1. Housing Based Solutions

Housing based solutions provided financial support and supportive services to prevent households from becoming homeless (keeping households from entering the shelter system), as well as supportive services and/or rental subsidies for homeless individuals and families. By moving people quickly into permanent housing and supporting people in keeping their housing, homelessness in San José can be reduced. Below is a chart that provides an overview of the City-funded housing based solutions in operation in FY 2018-19.

Service	Provider	Description	Households served or housing created
Homeless Prevention	Destination: Home	Financial assistance, such as rent payments and flexible funds, to keep households housed	626 households
	Bill Wilson Center		26 households
Rental Subsidies	The Health Trust	Ongoing permanent supportive housing through the Housing for People with AIDS Program	257 households
	Next Door and The Health Trust	Ongoing permanent supportive housing through the Housing for People with AIDS Program who are survivors of violence	57 households
	The Health Trust, PATH and Bill Wilson Center	Time-limited rental subsidies and supportive services for homeless individuals and families	161 households
Supportive Services	County of Santa Clara	Intensive case management and support for chronically homeless persons in the Care Coordination Project, a county-wide permanent supportive housing program	191 households
Affordable Housing Developments		Permanent supportive housing development	549 apartments in the pipeline
	Numerous Housing Providers (see page 7 for a complete list.)	Access to subsidized and affordable units in the City's housing portfolio for Rapid Rehousing Program participants through the Transition in Place Program	97 apartments

Homelessness Prevention

The Community Plan to End Homelessness includes as a strategy preventing homelessness before it happens. The Housing Department continued to partner with Destination: Home to extend the two-year $750,000 Homelessness Prevention contract that was funded through the General Fund and ended in March 2019. Contributing $4,000,000 from the Homeless Emergency Aid Program (HEAP), a one-time flexible block grant program through the State of California, the contract was amended and extended through March 2021. The goal of the Program is to provide financial assistance, and other needed services, to prevent families County-wide from being evicted, losing their homes, or becoming homeless. In FY 2018 – 19, the Homelessness Prevention Program prevented 626 families from becoming homeless with 95% of families remaining stably housed while receiving prevention services. Of that number, 446 (72%) families were living in San José. The average amount received per family was $4,284 in financial assistance. Destination: Home proposed to be serve 200 households in the extended contract through March 2021.

In FY 2018-19, the Housing Department partnered with Bill Wilson Center (BWC) to implement a Homeless Prevention Program to address the needs of individuals and families, including survivors of domestic/intimate partner violence, who are at risk of becoming homeless. Awarding $247,761 from the federal Emergency Solutions Grant, the Program provided 26 unduplicated at risk households with relocation and rental assistance, intensive case management and stabilization services.

Rental Subsidies

The provision of time-limited or ongoing rental subsidies, coupled with varying levels of supportive housing, is a national best practice and a proven solution to achieving housing stability and self-sufficiency for the greatest number of homeless individuals and families.

Rapid rehousing programs help individuals and families to quickly exit homelessness by getting them housed. Rapid rehousing programs help households find appropriate rental housing, solve some of the common challenges to securing housing, and pay for housing for a limited period of time while stabilize in permanent housing and eventually take over the cost of their rent. Rapid rehousing is a critical strategy in the Community Plan to End Homelessness.

In FY 2018-19, the Housing Department continued to partner with The Health Trust, PATH and Bill Wilson Center (along with their collaborative partners Family Supportive Housing and Next Door) to administer the Rapid Rehousing Program. There were 161 households (361 individuals) enrolled in the City's Rapid Rehousing Program with the shared goal of successfully exiting the Program to permanent housing. Of the 54 individuals and families who exited the Rapid Rehousing Program last FY, eighty-three percent (83%) exited to a permanent housing destination. In addition to the City funded program, there are 22 rapid rehousing programs within the local Continuum of Care.

Also, the Housing Department has on-going rental subsidy programs under the federal Housing Opportunity for People with AIDS Program (HOPWA). Administered by The Health Trust, the Program provided financial assistance and supportive services to 257 households in FY 2018 – 19. Also with funds from HOPWA and under the Violence Against Women Act (VAWA), The Health Trust and Next Door provided subsidies and services to 57 households who were survivors of domestic violence, dating violence, sexual assault and stalking.

Finally, in 2017, the Housing Department partnered with Destination: Home to develop and implement an Employment Initiative, which is an employment engagement system focused on homeless men and women in County-wide rapid rehousing programs. Contributing $300,000 from the Housing Trust Fund, the two-year pilot program resulted in 251 individuals being placed in fulltime living wage jobs (of which 72 individuals were supported with City funds). In FY 2018 – 19, the Housing Department partnered with Destination: Home to extend the employment initiative vision that was outlined in the Community Plan to End Homelessness in another two-year contract through June 30, 2021.

Supportive Services

The Care Coordination Project (CCP) is a community-wide effort centralizing the care of the County's most vulnerable and long-term homeless residents by bringing together all services and benefits that participants need to obtain and maintain housing, including drug and alcohol rehabilitation, mental health services, government benefits and housing resources. The City partnered with the County Office of Supportive Housing providing funding for salaries and related costs of nine intensive case managers and other supportive services. Each intensive case manager maintained active case loads of no more than twenty (20) chronically homeless or newly housed participants, with a total capacity of one hundred eighty (180) participants. At the end of the FY 2018 – 19, 191 participants were enrolled in the program of which 161 were stably housed. The goal of eighty percent (80%) of housed participants would remain housed for at least 12 months was exceeded with an outcome of ninety-five percent (95%).

Affordable Housing

Transition in Place Program
Identifying suitable and affordable housing for homeless and formerly homeless participants in the City's Rapid Rehousing Programs is challenging. In response, the City developed a Transition in Place (TIP) housing program that increases access to affordable apartments for extremely low-, very low-, and low-income households. The City utilizes a variety of strategies to create a dedicated pool of affordable apartments, including paying for rehabilitation costs on existing apartments, subsidizing the development costs of new construction, or incorporating the preference in deals as a consideration for renegotiation, re-syndication or refinancing.

Participants in the Rapid Rehousing Program benefitted from the existing portfolio of dedicated apartments. The City's contractual partners referred eligible participants to available apartments. Those referred (based on unit turnover) came with a maximum of a 12-month rental subsidy, a case manager, employment history and some level of recent housing history. The goal of the TIP

program was for those referred to become self-sufficient within a short period of time. The table below displays the program partners in FY 2018 – 19.

Developer/ Owner	Property	Number of TIP Units
First Community Housing	Creekview Inn	10
Abode/Housing for Independent People	Scattered sites	31
Arbor Park Community	Arbor Park	7
Affirmed Housing Group	Fairways	9
Eden Housing	Eden Palms	8
Village at Willow Glen Housing Partners	Willow Glen	13
Charities Housing	Metropolitan South	9
Charities Housing	Sunset Square	10
Total Housing Opportunities		**97**

Permanent Supportive Housing
Permanent supportive housing is the proven, cost effective solution to homelessness for those with chronic disabling conditions. With twenty-five percent (25%), or 1,553 people, counted as chronically homeless in San José in the most recent biennial homeless count, long-term support is critical to ensure their stability. The Housing Department prioritized developments that included supportive housing apartments in their projects. Given the priority to house homeless individuals, staff worked with developers to ensure the City-funded projects include supportive housing opportunities for chronically homeless tenants.

The Housing Department prioritized the development of affordable housing apartments with several projects under construction and in the pipeline. The completion of one housing development in FY 2018 – 19. The table below summarizes the status, funding, and housing capacity of developments completed, under construction or in predevelopment in FY 2018 – 19. It also includes developments that require no City commitment at this time because they are funded by other agencies such as the County of Santa Clara or the Housing Authority of Santa Clara County.

Developer/ Owner	Council District	Property	PSH	TIP	City Funding	Timeframe
Charities Housing	7	The Metropolitan (South Phase)	0	9	$6,778,290	Completed
Santa Clara County Housing Authority	6	Laurel Grove Family	20	0	$0	2019
First Community Housing	3	Second Street Studios	134	0	$19,415,713	2019
Charities Housing	7	Renascent Place	160	0	$0	2019

PATH Ventures/Affirmed Housing Group	3	Villas on the Park	83	0	$8,760,000	2019
First Community Housing	3	North San Pedro Studios	49	0	$2,400,000	2020
First Community Housing	6	Leigh Avenue Seniors	23	23	$9,000,000	2020
Housing Authority	6	Park Avenue Seniors	0	20	$0	2020
Charities Housing	6	Page Street	27	0	$7,176,640	2021
Resources for Community Development	5	Quetzal Gardens	25	0	$9,984,212	2021
First Community Housing	3	Roosevelt Park	0	40	$9,415,000	2021
		Total Housing Opportunities	**521**	**92**	**$72,929,855**	

2. Interim Housing

Interim Housing programs offer temporary housing options, while those connected to longer term housing opportunities through either individualized case management support or a rental subsidy coupon or voucher, were searching for permanent housing. Interim housing is a relatively new strategy in San José intended to be a bridge to a permanent housing solution.

The Plaza
The Plaza temporarily houses both City and County-funded Rapid Rehousing Program participants while they actively work with an assigned Case Manager and search for permanent housing. From January 2018 – June 30, 2019, 73 individuals stayed at The Plaza, of which 79% have exited the Program to permanent housing destinations.

Bridge Housing Communities/Council Priority #18 Sanctioned Encampments
On December 18, 2019, the City Council approved the Housing Department's recommendations to move forward with construction of two Bridge Housing Communities (BHC) on land to be leased to the City by the Valley Transportation Authority (VTA) and Caltrans. After the Plaza, BHC will be the second Interim Housing opportunity in San Jose. BHC is designed to temporarily house both City and County-funded Rapid Rehousing Program participants while they actively search for permanent housing. Each site is designed to accommodate 40 homeless individuals. The development of BHC will utilize $2.2 Million in HEAP funds.

Given the complexity and unprecedented nature of developing and operating a BHC, negotiating terms and conditions for each of these agreements required significantly more time than originally projected. Below is a brief description and status of each of the key agreements:

- VTA lease agreement – The lease agreement between the City and VTA for the Mabury road site was finalized in May and executed at the end of June. In addition to the Lease agreement, staff negotiated and executed a license agreement for an adjacent VTA parcel required to access the City's sewer connection.

- Caltrans Lease Agreement – As a large State agency charged with developing and maintaining the States roadways, developing acceptable terms and conditions for a housing use has been challenging for both the City and Caltrans. Adding to the challenges, the lease agreement must comply with requirements under the Federal Highway Administration, State Fire Marshal, and Department of Toxic Substance Control. While negotiations continue to progress, as of the end of August, terms and conditions have not been finalized. If the City and Caltrans can come to terms before the end of September, it is possible that the agreement can be finalized and executed within 30 days.

- Site Development Agreement – While the general terms and conditions of the site development agreement with Habitat for Humanity were approved by City Council in December, a significant amount of detail was left for final negotiations. Between January and April, Housing Department staff coordinated with other City departments and Habitat to finalize the project design and scope. Concurrently, staff worked with Habitat and the City Attorney's Office (CAO) to finalize the agreement. The agreement with Habitat was finalized in May and executed in late June.

- Operating Agreement – Although not yet under agreement, HomeFirst remains fully committed and has continued to work with staff to plan and finalize the operation and service provisions for both BHC's. Concurrently, staff has been coordinating with HomeFirst and the CAO to finalize the operating and service provision of the agreement. The terms and conditions have been finalized and staff anticipates execution of the agreement by mid-September.

Habitat began construction of the Mabury Road site on July 2, 2018. Habitat's revised schedule anticipates the first site being completed by November 1, 2019. In preparation for the November opening, HomeFirst will begin taking applications for the BHC from both City and County Rapid Rehousing Program Participants in late September. As described above, coordination with Caltrans is much more complex than with VTA. Once the lease agreement with Caltrans is executed, staff anticipates a one to two-month review period of the BHC construction plans and approximately three to four-month construction timeline once Habitat can begin work at the Caltrans site. Given the holiday season and potential weather delays, completion of the second site is anticipated in January/February 2020.

Given the delays in developing and implementing BHC in San José, Assembly member Ash Kalra recently authored AB 1745. The bill seeks to extend AB 2176, which authorizes San José's Bridge Housing Communities, to January 2025. AB 2176 currently sunsets on January 1, 2022. This bill is currently in the Senate appropriations committee, which has until August 30 to send the bill forward to the Senate floor.

3. Crisis Response Interventions

Eighty-four percent (84%) of persons experiencing homelessness in San José are unsheltered. As a result, the Housing Department funded, managed, and coordinated a variety of street-based Crisis Response Interventions programs, including a means by which homeless individuals and families could call for individualized resources, services and care, as well as a mechanism for constituents to report homeless concerns and encampments. Below is a chart providing a brief overview of City-funded or City-managed Crisis Response Interventions programs in operation in FY 2018 – 19.

Service	Description	Grantee/Operator	Numbers
Outreach and mobile case management	Street outreach, engagement, assessment and referral in downtown San José and in target areas, including City libraries	PATH	416 unduplicated individuals were assessed for housing opportunities (VI-SPDAT)
	Street and encampment outreach, engagement, assessment and referral throughout San José, including the management of the Homeless Helpline	HomeFirst	879 unduplicated individuals were engaged for services and 545 assessments conducted (VI-SPDAT);
Emergency Shelter	Temporary shelter in City-owned facilities during inclement weather through the Overnight Warming Locations (OWL)	HomeFirst	417 unduplicated individuals received shelter
	Temporary shelter in places of assembly through the Temporary and Incidental Shelter Program	N/A	12 faith based and non-profit organizations registered with the City to provide shelter
	The first LGBTQ-friendly shelter through the New Haven Inn	County of Santa Clara	75 unduplicated individuals received shelter
Mobile Hygiene	Mobile showers and laundry six days per week throughout San José	Project WeHope	1,303 unduplicated individuals served
Safe Parking	Safe place for individuals and families to park overnight at three City-owned facilities	LifeMoves	223 unduplicated individuals served
Homeless Concerns Hotline	Coordinated response to community concerns	Housing Department	6,498 calls

	regarding homeless persons and encampments		

Most of the Crisis Response Interventions programs managed by the Housing Department are unique to the City of San José. The Crisis Response Interventions programs exist to provide temporary housing and essential basic needs services for unsheltered individuals and families in San José until permanent housing is secured. The overall goal of the Crisis Response Interventions programs is to ensure engagement and assessment, using the Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT), to connect people to the most appropriate housing opportunities. The City's Crisis Response Interventions programs have completed the most assessments and entered the results into the community-wide Homeless Management Information System, which is the database in which all referrals for housing originate. See **Attachment A** for more details on the City's Crisis Response Interventions programs.

While there has been considerable progress in investing in new housing opportunities and support for homeless individuals and families in San José, meeting the immediate housing needs of homeless men, women, and children remains a challenge. One of the biggest challenges the community currently faces is the influx of individuals and families residing in their vehicles and recreation vehicles (RVs). While there has been an increase in implementing safe parking in San José, including the recent adoption of a Safe Parking Ordinance, there are not enough places to safely park and sleep overnight. This is demonstrated in the data received during the 2019 Homeless Census and Survey, which reported a 14% increase in vehicle dwellers. Further, the outreach teams have found that the large majority of vehicle dwellers are not receptive to emergency beds or supportive services because they consider their vehicles their homes; they are simply requesting places to park them throughout San José. It is critical to work on solutions for vehicle dwellers in the upcoming fiscal year and in our coordinated strategic planning processes. An update on safe parking is scheduled to be presented at the City Council meeting on September 10, 2019.

Encampment Abatement

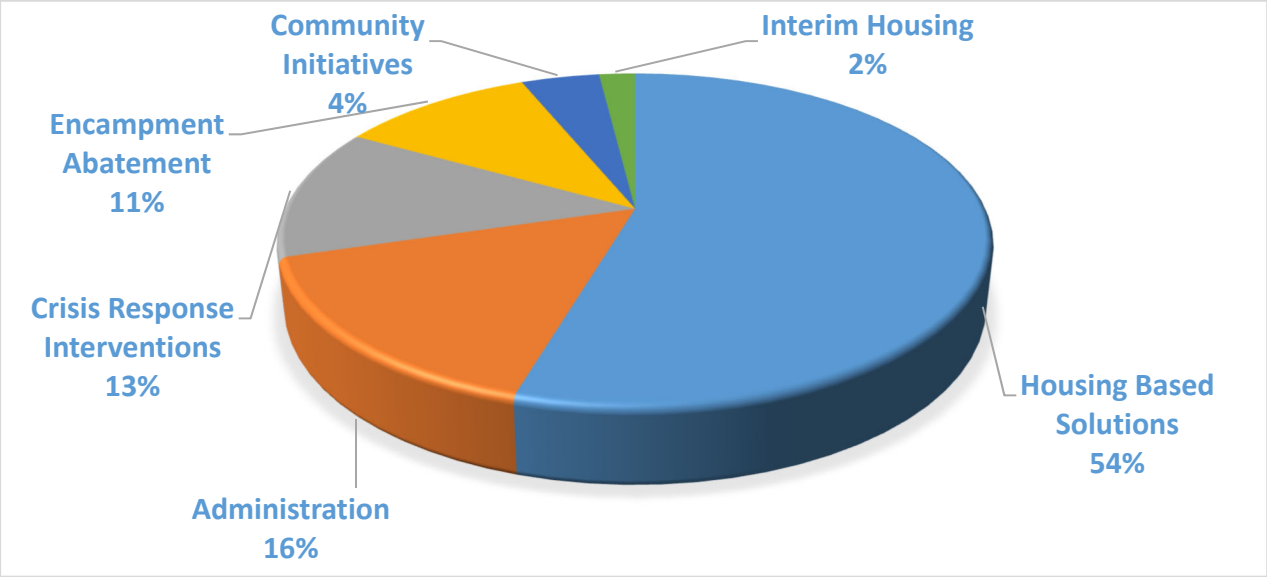
The removal of encampments requires significant coordination across a variety of agencies and City Departments to ensure that those living in encampments are offered appropriate assistance, that their possessions are properly managed, and that operations conducted are effective and efficient. The overall goal for the Housing Department as the lead on the Encampment Abatement Program is to connect individuals at encampment sites with assistance and resources. The City contracts with Tucker Construction to abate the sites and maintains a Memorandum of Agreement with the Santa Clara Valley Water District. In FY 2018-19, 403 sites were abated throughout San José and 747 tons of debris were removed from those sites. Of the 403 abated sites, 288 were along waterways. Of the 747 tons of debris removed, 519 tons were along waterways. Based on prior City Council direction, the administration is completing a comprehensive review on the abatement program and will complete its analysis before the end of this year.

See **Attachment B** for the City of San José's Homeless Programs Infographic on homeless programs and performance in FY 2018-19.

See **Attachment C** for a glossary of terms used in this report.

Expenditures for Homeless Programs

In FY 2018 – 19, the Housing Department expended $15,649,700 to address homelessness in San José. This represented thirty-six percent (36%) of the Department's total spending. The graph and chart below provide a summary of the FY 2018-19 expenditures for the homeless programs in the Housing Department. This illustrates how funding was prioritized.



Priority/Program	Actual Expenditures
Housing Based Solutions (54%)	$8,544,682
Prevention, rental subsidies, supportive services, affordable housing developments (includes capital)	
Administration (16%)	$2,468,238
Salaries, benefits, non-personal	
Crisis Response Interventions (13%)	$2,000,316
Outreach and case management, emergency shelter, safe parking, mobile hygiene, homeless concerns hotline	
Encampment Abatement (11%)	$1,663,244
Community Initiatives (4%)	$667,007
Local community initiatives include the administration of the Homeless Management Information System	
Interim Housing (2%)	$306,213

Temporary housing to be served as a bridge to permanent housing for those connected to services, such as the Plaza Hotel and Bridge Housing Communities	
TOTAL	**$15,649,700**

Please see **Attachment D** for more details on expenditures by homeless program.

Strategic Planning

Community Plan to End Homelessness

Affordable housing is the solution to ending homelessness and the adopted Community Plan to End Homelessness ("Plan") is the prioritized strategy of the Housing Department and the San José City Council. The Housing Department's system of care through 1) housing based solutions, 2) interim housing, and 3) crisis response interventions, provides a continuum of services to meet the needs of unsheltered individuals and families in San José. Currently, the Housing Department and the City Manager's Office is working with the County of Santa Clara and Destination: Home, as well as multiple stakeholders, to update the Community Plan to End Homelessness for the next five years (2020 – 2025). The framework for the Plan includes three pillars:

1. Increasing the capacity and effectiveness of housing programs;
2. Addressing the root causes of homelessness through system and policy change; and
3. Improving quality of life for unsheltered individuals and creating healthy neighborhoods for all.

The projected timeline for completion of the new Plan is early 2020. The City is the lead agency for Pillar Three and has developed a work plan. Community engagement is a critical piece of the strategic planning process to ensure diverse feedback, and increase investment in the Plan. Feedback will be solicited on the proposed pillars, goals and strategies from key stakeholders, subject matter experts, the community, and consumers in the form of focus groups, community meetings, surveys, and interviews. It should be noted, the Community Plan to End Homelessness will be a high level plan and it will require that the City create a companion plan that will develop specific strategies that the City will implement in support of the overall plan.

Homeless Emergency Aid Program (HEAP)

While contracts for homelessness prevention, capital for Bridge Housing Communities, and the Safe Parking Pilot Program extension have been executed, the remainder will come to City Council for approval in September 2019. The funding from HEAP will be entirely committed in the next fiscal year. The expenditure plan includes 1) implementing a motel voucher program, 2) purchasing a vehicle for the outreach team and two new mobile basic needs trailers, 3) providing rental subsidies and supportive services for foster youth, 4) launching a nightly cold weather season overnight warming location program, and 5) implementing a humane public toilet

program. Per Council direction, progress and performance outcomes will be shared with the Committee twice a year.

In FY 2019-20, the Housing Department will develop a detailed expenditure plan for the anticipated new round of funding from the State of California (the exact amount has not yet been determined) and will bring to City Council for approval this winter.

/s/
KELLY HEMPHILL
Homelessness Response Manager

Attachments:

- Attachment A - Crisis Response Interventions Overview
- Attachment B - Homeless Programs Infographic FY 2018 – 2019
- Attachment C - Glossary of Terms
- Attachment D - Homeless Program Expenditures FY 2018-2019

ATTACHMENT A
CRISIS RESPONSE INTERVENTIONS OVERVIEW

Outreach and Case Management

Outreach teams served to operate as the first responders to San José's unsheltered homeless population. The overall goal of outreach, consistent throughout the local Continuum of Care, was to build trust, meet basic needs, refer people to emergency shelter, and conduct VI-SPDAT assessments in order to populate Homeless Management Information System (HMIS) so that unsheltered persons had access to housing programs and options. Outreach teams usually made the first contact with the most vulnerable people living outside, completed and entered the assessments into the system. The City's two street-based outreach and case management programs had the most impact in reaching the unsheltered population in San José. The programs provided a coordinated response to homeless persons living on the streets and in encampments throughout San José. To support these efforts, the Housing Department contributed $150,000 from the federal Emergency Solutions Grant to the County of Santa Clara to fund HMIS user training, data quality monitoring, maintenance, and reporting.

Using federal Emergency Solutions Grant funds, the City partnered with PATH to operate the Outreach and Case Management Program in targeted areas across San José, including the Downtown, libraries and the project areas identified through the City's Direct Discharge Program. In FY 2018 – 19, PATH served 597 unduplicated individuals. They made 2,704 outreach contacts, provided 1,958 case management sessions, and conducted 416 VI-SPDAT assessments. PATH exceeded their proposed goal that thirty-five percent (35%) of participants contacted via outreach would move from the street to temporary destinations and institutional destinations; the goal was exceeded with an outcome of thirty-seven percent (38%), or 117 individuals, accepting shelter. PATH also assisted 38 households contacted via street, encampment or library outreach in moving to permanent housing destinations.

Using federal Community Development Block Grant funds, the City partnered with HomeFirst to operate a City-wide Outreach and Engagement Program. In FY 2018 – 19, HomeFirst served 879 unduplicated individuals. They made 2,981 outreach contacts, 1,125 case management sessions, and conducted 545 VI-SPDAT assessments. HomeFirst consistently exceeded its goal of placing fifteen percent (15%) of participants in permanent housing or temporary destinations. The program had a centralized Homeless Helpline (408-510-7600) and email address (outreach@homefirstscc.org), which offered individualized services and resources to those seeking assistance. HomeFirst managed the Helpline and received 3,223 calls for assistance.

Emergency Shelter

Emergency shelters provide a temporary place to stay with access to basic needs for approximately 1,000 people across the county each night. However, the Housing Department recognized that there was opportunity to increase emergency beds.

Overnight Warming Locations
On November 27, 2018, the City Council declared a state of emergency due to a shelter crisis, pursuant California Government Code Section 8698. This marked the City's fourth annual shelter crisis. The Housing Department, in partnership with the Department of Parks, Recreation and Neighborhood Services and the San José Public Library, selected the Roosevelt Community Center (Council District 3), Bascom Community Center (Council District 6), Leininger Community Center (Council District 7), and Alum Rock Library (Council District 5) as overnight warming facilities.

During FY 2018 – 19, 417 unduplicated individuals (1,683 duplicated individuals or shelter nights) stayed in one of the four Overnight Warming Locations (OWL) operated by HomeFirst over forty-one (41) nights of activation. Contributing $350,000 from the Housing Trust Fund to HomeFirst, the City coordinated with the County to continue using the following conditions that would trigger inclement weather activation:

- Forecasted overnight low of 40 degrees or lower with a probability of rain less than fifty percent (50%);
- Forecasted overnight low of 45 degrees or lower with a probability of rain of fifty percent (50%) or
  greater; or
- Persistent rainfall forecasted for two or more days.

Temporary and Incidental Shelter Program
On August 22, 2017, the City Council adopted a permanent ordinance (Ordinance No. 29976) amending Title 20 of the San José Municipal Code to revise land use provisions for temporary and incidental shelter of homeless people. The ordinance specified that the shelter use would be incidental to the primary assembly use on the site and occupied less than fifty percent (50%) of the usable square footage of the building primarily used for assembly use on the parcel. The maximum occupancy was identified as 50 persons or as set forth by the Fire Code, whichever was more restrictive. An incidental shelter had to register with the Housing Department, which provided guidance to operators to assess the facility's conformance to applicable Municipal Code regulations and the Housing Department's registration process.

The Housing Department, in partnership with the San Jose Fire Department, provided technical assistance on safe and effective shelter management plans, as well as training and safety inspections. In FY 2018 – 19, eleven faith-based organizations and one non-profit organization registered providing overnight shelter to approximately 50 unduplicated individuals.

Safe Parking
The Safe Parking Pilot Program was implemented in FY 2018 – 19 providing families with a safe place to park in the parking lot of the City-owned Seven Trees Community Center and Library. The City partnered with LifeMoves to serve 223 individuals, which included 98 children under the age of 18, in its first year of operation with ninety-four percent (94%) moving into shelter or permanent housing.

On November 27, 2018, the City Council approved expanding the Safe Parking Pilot Program contract with LifeMoves to operate at two additional City-owned sites, using HEAP funding. Operating at Southside Community Center and Roosevelt Community Center, the two sites increased capacity by 50 vehicles on any given night. With a total of 67 spots available each evening, the overall goal was to provide safe locations for households living in their vehicles to sleep and receive individualized services, including housing search and placement. Since the inception of safe parking at the two new sites in May 2019, the majority of the participants have accepted supportive services. LifeMoves has assisted four individuals with shelter and two with permanent housing placement.

Mobile Hygiene
The Mobile Hygiene Program provided unsheltered persons throughout San José with access to mobile shower and laundry facilities. The City partnered with Project WeHOPE to deploy its Dignity On Wheels mobile shower and laundry trailer to six strategic sites throughout the city. The sites were selected in coordination with several partners, including the County and providers within the Crisis Response Interventions programs with the intent to leverage and enhance each other's services. In FY 2018 – 19, Dignity On Wheels assisted 1,303 unduplicated homeless individuals who received 5,602 showers and 1,643 laundry loads.

Homeless Concerns Hotline
When the Housing Department receives a call through the Homeless Concerns Hotline (408-975-1440) or email (homelessconcerns@sanjoseca.gov), a team of outreach workers and/or case managers are deployed to the site to connect the homeless individuals to housing, and offer emergency shelter, transportation, and other comprehensive supportive services. Every visit is recorded in a database which helps the Housing Department understand how many encampments are in San José and which ones get most complaints. The database is also used to determine which encampments get cleaned through the Encampment Abatement Program. The hotline received 6,498 calls and emails in FY 2018 – 19.

ATTACHMENT B
HOMELESS PROGRAMS INFOGRAPHIC FY 2018 – 2019

City of San José
Homelessness Response Program

Results and Accomplishments in FY 2018–2019

961
Vulnerability assessments conducted by homeless outreach workers in San José

75
Individuals served through the New Haven Inn, the first LGBTQ-focused shelter in San José

6,498
Calls to the Homeless Concerns Hotline to report a homeless encampment or concern for a homeless individual

278
Homeless veterans permanently housed in San José; **92** through the "All the Way Home" Program

157 households
368 individuals
Attained permanent housing through City-funded Rapid Rehousing Program

91%
Of formerly homeless individuals remained housed 6 months after exiting a City-funded program

Out of **646** county-wide families that avoided becoming homeless through the Homelessness Prevention Program...

446 were in San José
Approximately 1,300 family members

2019 San José Homeless Census & Survey

6,097 individuals experience homelessness in San José on any given night...

84% are unsheltered

25% are chronically homeless

47% reported having a mental or physical disability

68% could not obtain housing due to inability to afford rent

83% lived in Santa Clara County when they became homeless

88% WOULD accept permanent affordable housing if available

Services Delivered

105 shelter beds provided each night by 12 organizations under the Temporary & Incidental Shelter Ordinance

223 individuals served in City-owned Safe Parking Pilot Program sites

5,602 showers provided to homeless individuals

San José Housing Department 200 E. Santa Clara St. 12th Floor, San José, CA 95113 • 408-535-3860 • sjhousing.org

ATTACHMENT C
GLOSSARY OF TERMS

Annual Homelessness Assessment Report (AHAR):
The AHAR is the annual report that HUD submits to the U.S. Congress. The report provides nationwide estimates of homelessness, including information on the demographic characteristics of homeless persons, service use patterns, and the capacity to house homeless persons. The report is based primarily on HMIS data.

Care Coordination Project (CCP):
The CCP is a multi-agency initiative to coordinate, prioritize and deliver permanent supportive housing to the Santa Clara County's most chronically homeless individuals and families. OSH manages and oversees the project. The program began in 2011 and provides affordable, permanent housing to chronically homeless individuals and families. Based on the philosophy of Housing First, the program provides permanent rental subsidies and appropriate supportive services, including intensive case management services, to the program clients. The system prioritizes the clients based on their needs. To be eligible under the program, a household needs to be chronically homeless with a disability – either behavioral or physical. Services are also prioritized for vulnerable individuals based on high utilization of healthcare and/or criminal justice services.

Community Development Block Grant (CDBG):
The CDBG program was created by the Housing and Community Development (HCD) Act of 1974. CDBG is federally funded by the United States Department of Housing and Urban Development (HUD) to assist lower income and special needs persons to address housing and community development needs.

Continuum of Care (CoC):
A community plan to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximum self-sufficiency. The CoC is a broad group of stakeholders dedicated to ending and preventing homelessness in Santa Clara County. The key CoC responsibilities are ensuring community-wide implementation of efforts to end homelessness, as well as ensuring programmatic and systemic effectiveness.

Coordinated Assessment/Coordinated Entry:
Coordinated assessment/coordinated entry is a consistent, community-wide intake process to match people experiencing homelessness to existing community resources that are best fit for their situation. Santa Clara County uses coordinated assessment for permanent supportive housing and rapid rehousing programs. In Santa Clara County's coordinated assessment system, all homeless people complete a standard assessment tool (the Vulnerability Index-Service Prioritization Decision Assessment Tool or VI-SPDAT) that considers the household's situation and identifies the best type of housing to address their situation. A community queue of eligible households is generated from the standard assessment. Coordinated assessment/coordinated entry maximizes the use of available resources and minimizes the time and frustration people spend

while trying to find assistance. It also identifies and quantifies housing and service gaps and thereby enables effective and efficient systems planning.

Emergency Solutions Grant (ESG):
Formerly known as the Emergency Shelter Grant, the HUD Emergency Solutions Grant provides funding for homelessness prevention and re-housing as well as emergency shelter.

Housing Opportunities for Persons with AIDS (HOPWA):
HOPWA is the only Federal program dedicated to the housing needs of people living with HIV/AIDS. Under the HOPWA Program, HUD makes grants to local communities, States, and nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS and their families.

Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act):
The HEARTH Act of May 2009 amends and reauthorizes the earlier McKinney-Vento Homeless Assistance Act. The HEARTH Act puts a greater focus on performance and flexibility.

Homeless Management Information System (HMIS):
HMIS is a secure online database that stores data on all homelessness services provided in the Santa Clara County.

Home Investment Partnership Program (HOME):
The HOME program is federally funded by the HUD to provide decent affordable housing to lower income households. Eligible activities under HOME include new construction, acquisition and rehabilitation of rental subsidies for low-income tenants.

Housing First:
Housing First is an approach that prioritizes housing homeless individuals prior to beginning other types of intervention strategies. In the past, homeless people were expected to get clean and sober, find a job, or commit to treatment before receiving help to find a home. Studies have shown, however, that most people need housing before they can work on other personal issues. In most cases, a home provides the stability for people to find and keep a job more easily, stay sober, take better care of themselves and pursue other personal goals. The Housing First approach is especially successful for people experiencing chronic homelessness who have higher service needs who may not have been able to maintain housing in the past. Housing First results in long-term housing stability and improved physical and behavioral health. This approach also reduces the use of crisis services such as emergency rooms, hospitals and jails. The Santa Clara County CoC fully adopted the Housing First approach in 2010.

HUD:
HUD is the U.S. Department of Housing and Urban Development. In addition to the City's formula allocation of funds each year, the County of Santa Clara Office of Supportive Housing receives more than $20 million from HUD each year for the HUD-CoC, CBDG-HOME and other programs. HUD Veterans Affairs Supportive Housing Program (HUD-VASH): The HUD-VASH program combines HUD's Housing Choice voucher (HCV) – rental assistance for

homeless veterans and their families with case management and clinical services provided by the Department of Veterans Affairs (VA) at its medical centers and in the community.

Measure A:
In November 2016, Santa Clara County voters approved Measure A, a $950 million affordable housing bond. The housing bond provides the County with an unprecedented opportunity to partner with cities, residents, and the affordable and supportive housing community to address the housing needs of the community's poorest and most vulnerable residents. Bond funds will help finance 4,800 new affordable housing opportunities for vulnerable populations including veterans, seniors, the disabled, people experiencing homelessness, low and moderate income individuals and families, foster youth, victims of abuse, and individuals suffering from mental health or substance abuse illnesses.

Permanent Supportive Housing (PSH):
PSH provides permanent housing and supportive services to homeless individuals and families. The target population for permanent supportive housing program are chronically homeless individuals with a disability. The program focuses on the population that has high acuity and high costs. The program provides rental subsidy, intensive case management and health care (including behavioral health) to the program participants. There is usually no time limit for the program.

Rapid Rehousing (RRH):
RRH helps individuals and families quickly exit homelessness by providing help finding a home. Rapid rehousing has three main components: housing identification, rent and move-in assistance, and case management and supportive services. In addition, rapid re-housing programs help people pay for housing for a short period of time so they can move quickly out of homelessness and stabilize in permanent housing.

Service Prioritization Decision Assistance Tool (SPDAT):
The SPDAT is an assessment tool that is designed to be used for program assessment and case management. The SPDAT is more detailed and robust as compared to the VI-SPDAT.

Transitional Housing:
Transitional housing is temporary, supportive housing for people. Transitional housing is generally provided for a limited time period of up to 24 months.

Universal Pass for Life Improvement from Transportation (UPLIFT):
The UPLIFT Transit Pass program provides free transportation to case managed homeless adults on any standard Valley Transportation Authority (VTA) bus and light rail lines.

Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT):
The VI-SPDAT is the assessment used in the coordinated assessment/coordinated entry process. The tool is used at the time of intake. It considers the household's situation and identifies the best type of housing/supportive services intervention to address the household's situation.

ATTACHMENT D
HOMELESS PROGRAM EXPENDITURES FY 2018-2019

STRATEGY	EXPENDITURE
Crisis Response Interventions	**$2,000,316**
Homeless Outreach	$1,257,571
Safe Parking Program	$232,603
Overnight Warming Locations (OWL)	$279,763
Mobile Hygiene Services	$230,379
Housing Based Solutions	**$8,544,682**
Homelessness Prevention	$309,923
Rapid Rehousing	$2,570,680
CCP	$1,210,115
HOPWA	$1,534,572
TIP/Developments	$2,919,391
Interim Housing	**$306,213**
Bridge Housing Communities	$211,688
The Plaza	$94,525
Community Initiatives	**$667,007**
Administration	**$2,468,238**
Encampment Abatement	**$1,663,244**
Abatement	$691,583
Tucker Construction	$324,215
Litter Removal	$647,446
Total Homeless Expenditures	**$15,649,700**

HCDC AGENDA: 9-12-19
ITEM: VII-D

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HOUSING & COMMUNITY DEVELOPMENT COMMISSION

FROM: Ragan Henninger

SUBJECT: SEE BELOW

DATE: September 5, 2019

SUBJECT: PUBLIC HEARING FOR THE FY 2018-2019 CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER)

RECOMMENDATION

Hold the second of three public hearings on the use of federal funds from the U.S. Department of Housing and Urban Development (HUD) in the FY 2018-2019 Consolidated Annual Performance Evaluation Report (CAPER), and recommend that the City Council approve the FY 2018-2019 CAPER.

OUTCOME

Approval of the Consolidated Annual Performance and Evaluation Report (CAPER) will ensure compliance with HUD's reporting requirements and will enable the City to continue qualifying for much-needed federal funds for housing and community development programs.

EXECUTIVE SUMMARY

This memorandum summarizes the accomplishments contained within the FY 2018-2019 CAPER. The CAPER describes the progress towards achieving the housing and community development goals identified in the City's five-year Consolidated Plan (2015-2020) and the FY 2018-2019 Annual Action Plan. Highlights include achievements in the four priorities identified in the five-year Consolidated Plan. These include: 1) Increase and Preserve Affordable Housing; 2) Respond to Homelessness and its Impact on the Community; 3) Strengthen Neighborhoods; and (4) Promote Fair Housing Choices. The accomplishments reflect measures stated in grant agreements with service providers, as well as the results of community development projects completed by various City departments. They summarize only the goals associated with the City's federally-funded activities.

For FY 2018-2019, the City expended over $14,663,383 in federal funds. In aggregate, these federal funds enabled the following achievements in the four priority areas:

Increase and Preserve Affordable Housing:

- 68 persons living with HIV/AIDS received permanent rental assistance.

Respond to Homelessness and its Impact on the Community:

- 62 homeless households received rental assistance;
- 832 homeless people received outreach services;
- 2,704 outreach contacts were made with homeless individuals; and
- 67 homeless or formerly homeless individuals participated in job training.

Strengthening Neighborhoods:

- 207 low-income seniors received meals, nutrition, or socialization services;
- 294 low-income residents participated in leadership development programs;
- 289 households received safety or accessibility improvements to their home; and
- 522 homes were improved as a result of enhanced code enforcement services.

Promote Fair Housing Choices:

- 259 low-income households received fair housing education or legal services.
- 927 tenants received legal consultations
- 23 tenants received limited legal representation

While the information detailed above describes the number of individuals and households that benefited from projects supported with federal funds, the impact of these services on the lives of those receiving services is described on the following pages. The federal resources supporting these services help to leverage local funding and to increase the City's impact in addressing the needs of the community.

BACKGROUND

As an entitlement community, San José receives federal funding each year directly from HUD. Administered by the City's Department of Housing, the federal funds are vitally-needed to support several City initiatives and to help the Department meet its mission to strengthen and revitalize San José's communities through housing and neighborhood investments.

To qualify for these funds, HUD requires that the City complete the following three documents:

1. A Five-Year Consolidated Plan (Five-Year Plan) which documents the City's housing needs and its strategies for meeting those needs during a five-year period. For FY 2018-19, the City was in its the fourth year of its 2015-2020 Five-Year Plan.

2. An Annual Action Plan (Annual Plan) which details the investment strategy in each of the five years within a Consolidated Plan cycle to meet identified priorities. The City Council approved the FY 2018-2019 Annual Action Plan on June 19, 2018.

3. A Consolidated Annual Performance and Evaluation Report (CAPER) which summarizes the City's progress in meeting the objectives of each respective Annual Plan. The draft FY 2018-2019 CAPER is available on the Housing Department's website and is attached as **Attachment A** to this memo.

These Plans guide the funding priorities for San José's federal housing grant programs that are administered by the City's Housing Department and overseen by HUD. The City is required to submit the CAPER to HUD by September 30, 2019. The September 17, 2019, City Council meeting will provide an opportunity for public input on the report and for the City Council to consider approval of the CAPER prior to its submission to HUD.

ANALYSIS

The City received a total allocation of $14,347,810 in federal funding from CDBG, HOME, HOPWA, and ESG programs for FY 2018-2019. Major accomplishments achieved during the fiscal year are highlighted in the following sections. Each set of annual goals in the 2018-2019 Annual Action Plan are measured against progress toward the goals set in the five-year Consolidated Plan. Each of the federal grants has specific requirements on how funds can be used to meet the goals/areas of need. The main objective of each program is described below.

Community Development Block Grant (CDBG): As the largest and most flexible of the four federal grants, the CDBG funds are divided into four categories. These include Public Services, Community Development Investment (CDI) Activities, and Administration. The CDI category is further delineated into non-construction and construction projects.

HOME Investment Partnerships Program (HOME): These funds must be used to provide affordable housing opportunities.

Emergency Solutions Grant (ESG): These funds must be used for solutions to address homelessness.

Housing Opportunities for Persons With Aids (HOPWA): The HOPWA grant must be used to fund agencies that provide housing and support services to low-income individuals living with HIV/AIDS.

A summary of the total federal fund expenditures by goal and program is provided in Table A below. The figures included in the table are estimates and will be updated prior to submission of the CAPER to HUD. It should be noted that the total expenditures of $15,972,082 exceeds the funds allocated for FY 2018-2019. This is due to expenditures of "program income" as well as the City's annual funding allocation. Program income consists primarily of construction loan

repayments from loans originated in prior years. Program income must be spent before the current fiscal year's allocation is spent.

Table A: 2018-19 Federal Grant Expenditures by Goal and Program

Goal	CDBG	HOME	ESG	HOPWA	Total*
Responding to Homelessness and its Impacts on the Community	$1,264,791	$413,278	$652,444	-	**$2,330,513**
Increase and Preserve Affordable Housing Opportunities	$450,912	$7,287,209	-	$988,994	**$8,727,115**
Strengthening Neighborhoods	$3,369,073	-	-	-	**$3,369,073**
Promoting Fair Housing Choice	$300,000	$68,117	-	-	**$368,117**
Administration**	$992,318	$160,806	$8,946	$15,194	**$1,177,264**
Total	**6,377,094**	**$7,929,410**	**$661,390**	**$1,004,188**	**$15,972,082**

*Note: The total expenditure amounts may differ from the amounts reflected in the annual budget due to timing differences regarding the treatment of program commitments and encumbrances. Numbers may not add due to rounding.
**Note: The HOME administrative funds include both administrative expenses for the Housing Department and the City's nonprofit TBRA administrator.

PROGRESS ON PRIORITIES

The following are summaries of each of the four priorities and outcomes from programs serving each goal.

RESPOND TO HOMELESSNESS AND ITS IMPACTS ON THE COMMUNITY

Table B summarizes major outcomes of federally-funded projects responding to homelessness.

Table B: Respond to Homelessness and Its Impacts on the Community

Projects	Agency	Unduplicated Individuals/ Households Served	Outcomes
HOME Rental Assistance	The Health Trust	62 households	62 homeless individuals/households were provided a rental subsidy to ensure they paid no more than 30% of their income towards housing costs. All clients received case management services.
Homeless Prevention	Bill Wilson Center	26 individuals	26 homeless individuals/households were provided a rental subsidy in order to ensure that those families/individuals were prevented from becoming homeless due to temporary circumstances. All clients received case management services.

			100% of households remained stably housed while receiving prevention assistance, and remained stably housed 6 months after the termination of assistance.
Citywide Outreach & Shelter	HomeFirst	879 individuals	383 individuals were enrolled into Coordinated Assessment by completing the VI-SPDAT. 22% of clients (193 individuals) moved from street to permanent housing destinations or temporary destinations and some institutional destinations.
Downtown Outreach Program	PATH	587 individuals	475 individuals (81%) completed an assessment and were added to the Community Queue to be matched with housing opportunities as they become available. 10% of clients who received assessment (48 individuals) moved from street to permanent housing destinations.
Total	**1,554 individuals/households served**		

Under the HOME-funded Tenant Based Rental Assistance (TBRA) program and ESG-funded Homeless Prevention program, 62 homeless households received rental subsidies to assist them in obtaining or maintaining permanent housing.

The City continued to support outreach services through a City-wide program operated by HomeFirst, as well as a targeted mobile-case management program operated by PATH. These two programs play a vital role in funding staff to complete assessments of homeless individuals and families so they are eligible to receive services through the County-wide system of services.

In addition to the services provided, the City supported the rehabilitation of facilities where homeless individuals and families receive services. CDBG funding enabled for the rehabiliation of the Bill Wilson Center Youth Drop-in Center, which is underway and significant construction will be completed in FY 2019-20.

INCREASE AND PRESERVE AFFORDABLE HOUSING OPPORTUNITIES

In FY 2018-2019, the City used federal funds for several developments that are providing new affordable housing opportunities.

In 2017-2018, the City Council approved an increase of $1,500,000 in HOME funds for Second Street Studios, for a total HOME investment of $9,500,000. The development provides134 permanent supportive apartments (128 studios and 6 one-bedroom apartments. First Community Housing has completed work this summer and the development is now fully occupied. Additionally, the City expended $5,800,653 in HOME funds for the construction of Leigh Avenue Senior Apartments, which will include 64affordable senior apartments. Completion and full occupancy is expected in FY 2019-2020.

The City also invested federal funds in The Plaza Hotel, a formerly vacant and dilapidated 47-unit SRO building located at 96 South Almaden Boulevard. For homeless residents with housing coupons/vouchers, finding affordable housing has been a tremendous challenge in the San José..

To address this challenge, the City used CDBG funds to acquire and rehabilitate The Plaza. Rehabilitation was completed in May 2018. The property is currently leasing up and is expected to be fully occupied in fall 2019.

In addition to these housing developments, the City also was able to assist or retain housing for 68 households through the Housing for People With Aids (HOPWA) program. HOPWA funds are the City's only source dedicated to providing housing and supportive services to low-income people living with HIV/AIDS.

A summary of developments currently using federal funds to create a total of 281 new or newly-affordable homes, 205 of which are federally-funded, is provided in Table C.

Table C: Increase and Preserve Affordable Housing Opportunities (New Development, Acquisition, and/or Rehabilitation)

Development	Status	Federally-funded Affordable Apartments Added/ Under Construction	Total Affordable Apartments Added/ Under Construction
Second Street Studios	Leased	58	134
Leigh Avenue Senior Apartments	Leasing	64	64
Villas on the Park Land Acquisition	Under Construction	83	83
The Plaza	Leasing	47	47
TOTAL		**252**	**328**

STRENGTHENING NEIGHBORHOODS

Activities pertaining to strengthening neighborhoods were solely funded through CDBG in FY 2018-2019. This category provides funding for programs, services and projects that contribute to viable urban communities through decent housing, suitable living environments, and expanded economic opportunities. These objectives were addressed in conjunction with the funding priorities identified by the community. These fall into the following three categories: 1) Public Services; 2) CDI Non-construction Projects; and 3) CDI Construction Projects.

Public Services Projects

Senior Services: The City provided CDBG funding for two services to support the needs of senior residents in San José. Last year, the City funded the Meals on Wheels Program and the Senior Access and Health Support Program. The two programs combined to serve over 26,205 meals, coordinated 460 assisted door-to-door transportation services, and provided just over 13,105 social visits and wellness checks. Together, the two programs served 207 low-income seniors in FY 2018-2019. An example of a key outcome is: 97% of the low-income dependent seniors (103 individuals) report that the food support is somewhat or extremely important in helping them remain independent in their homes.

Neighborhood Services: The City funded two nonprofit agencies to provide leadership development training, basic needs services, and skill building workshops for 516 residents and potential future community leaders. One example of a key outcome includes: 81% of participants (353 residents) in the HomeGrown Talent Program increased their self-sufficiency by addressing a critical basic need. Basic needs include addressing food, housing, job, and health issues that may keep a family or individual from participating in development training and improving their situation. Additionally, 75% of participants (327 residents) in the economic opportunity pipeline reported that they increased their skillsets to better position themselves for economic opportunities.

A summary of the obtained outcomes for addressing the goal of Strengthening Neighborhoods via public service projects is provided in Table D-1.

Table D-1: Strengthening Neighborhoods - Public Services

Projects	Agency	Unduplicated	Outcomes
Senior Access and Health Support	Portuguese Organization for Social Services & Opportunities (POSSO)	101 Individuals	92% of the seniors (93 individuals) utilizing the transportation service reported improved quality of life due to greater socialization and resource utilization. 95% of seniors (96 individuals) receiving home delivered meals reported improved health because of improved nutrition and nutrition knowledge.
Meals on Wheels	The Health Trust	106 Individuals	98% (104 individuals) seniors reported that Meals On Wheels is somewhat or extremely important in helping them remain independent in their homes and is important to their daily well-being. 86% (91 individuals) of the seniors reported that the phone calls, driver visits, and other staff visits are extremely, very, or somewhat helpful in making them feel socially connected.
Home Grown Talent Project	Somos Mayfair	436 individuals*	81% of participants (353 residents) increased their self-sufficiency by addressing a critical basic need. 75% of participants (327 residents) in the economic opportunity pipeline increased their skill sets to position themselves for economic opportunities.
CommUniverCity Community Leadership Program	CommUniverCity	80 individuals	60% of participants who successfully complete the training program demonstrated satisfactory or better proficiency in key facilitation skill areas such as 1) framing questions for community conversations, 2) recruitment of participants, 3) facilitation of community conversations, 4) data collection, 5) data analysis, and/or 6) presentation/dissemination of results.
Total	**723 individuals served**		

*Note: The Home Grown Talent Project, led by SOMOS Mayfair, includes a consortium of five nonprofit agencies, each providing different services from basic needs services to intensive leadership training. Each outcome applies to a portion of the individuals participating in the program.

Community Development Investment (CDI) - Non-Construction Projects

Work Experience Project (WEP): The City funded the San José Streets Team (SJST), a nonprofit agency with the goal of creating opportunities for homeless individuals to gain skills to help them succeed while also developing relationships with local businesses for job placement. SJST provided 3,376 hours of employment development services to 67 participants. SJST entered into written agreements with local businesses to place 16 individuals into jobs. 91% of individuals who graduated from the program retained employment for at least three months with an average wage of $17.25 an hour.

Targeted Code Enforcement: The City funded targeted Code Enforcement in Santee, Five Wounds/Brookwood Terrace, and Cadillac neighborhoods in FY 2018-2019. Within these areas, Code Enforcement performed enhanced multifamily services beyond those typically provided. The code enforcement efforts included 1,070 inspections and re-inspections, which resulted in 522 violations corrected. One key outcome includes: 87% of substandard housing violations identified by inspectors were corrected within 120 calendar days from the date inspectors notified the property owners of the violations.

Minor Repair Program: The City's Minor Repair Program (MRP) funded two non-profit agencies, Habitat for Humanity Silicon Valley and Rebuilding Together Silicon Valley, which combined to assist 289 low-income San José residents with 2,113 items of urgent, safety, and accessibility/mobility repairs, and 790 items of major (e.g., roof replacements) rehabilitation activities to ensure safe and decent living environment. Some of the key outcomes of this program include: 100% of all households (235 households) have improved safety conditions in their home, while 93% of households (223 households) served through Rebuilding Together have improved accessibility and mobility modifications in their home as a result of the improvement.

A summary of the obtained outcomes for addressing the goal of Strengthening Neighborhoods via CDI Non-Construction projects is provided in Table D-2.

Table D-2: Strengthening Neighborhoods – CDI Non-Construction Projects

Project	Agency	Neighborhoods / Population Served	Outcome
Work Experience Program	San Jose Streets Team	Santee Five Wounds/ Brookwood Terrace Mayfair MGPTF Hotspots	Provided 3,376 hours of employment development services to 67 program participants. Of the 67 participants, 16 graduated from the program and were placed into jobs.

Table D-2: Strengthening Neighborhoods – CDI Non-Construction Projects			
Project	**Agency**	**Neighborhoods / Population Served**	**Outcome**
			91% of participants (15 individuals) who graduated from the program retained employment for at least three months.
Code Enforcement	City – PBCE	Santee Five Wounds/ Brookwood Terrace Cadillac	87% of substandard housing violations identified by inspectors were corrected within 120 calendar days from the date inspectors notified the property owners of the violations.
Minor Repair Program	Rebuilding Together	235 low-income households citywide	100% of all householdshave improved safety conditions in their home. 93% of households (223 households) served through Rebuilding Together have improved accessibility and mobility modifications in their home as a result of the improvement.
Emergency and Minor Repair Program	Habitat for Humanity Silicon Valley	54 low-income households citywide	91% (49 households) of all households felt safer in their homes after receiving repairs to their homes 100% (54 households) of initial inquiries were responded with an initial site assessment within one week

Community Development Investment (CDI) – Capital Improvement Projects

Capital improvement projects are selected as a means to improve the infrastructure of selected, low-income neighborhoods. Due to the complexity of planning, procurement, and construction, Capital Projects often span multiple fiscal years. In past fiscal years, the City committed funding to a number of projects including street and infrastructure enhancements, nonprofit facility improvements, and public facility improvements, which are underway and outlines in Table E.

Table E: Previously Awarded CDI Place-based Projects in Construction

Project	Description	Projected Completion
King/St.James & King/San Antonio Improvements	The projects include installing up-to-date pedestrian flashing beacons, upgrading traffic signal, extending sidewalks to provide increased pedestrian refuge area, and relocating utilities, which will greatly improve the safety of pedestrians that use the crosswalks.	Fall 2020
Enhanced Pedestrian Crosswalks	Construct enhanced crosswalks, which include pedestrian activated Rectangular Rapid Flashing Beacons (RRFB) with ADA ramps, concrete medians, signs and markings to increase health and security in multiple neighborhoods.	Fall 2020

Project	Description	Projected Completion
Green Alley Way Improvements	Improvements to two alley ways will capture and infiltrate stormwater by removing pollutants and slowing urban runoff flows into stormwater management features that will provide long-term water quality benefits and improve roadway and pedestrian safety	Spring 2020

PROMOTING FAIR HOUSING CHOICES

The Fair Housing Act which is enforced by HUD prohibits discrimination when renting, buying, or securing financing for any housing. Federal protection covers discrimination because of race, color, national origin, religion, sex, disability, and the presence of children. Fair Housing covers most housing whether publicly or privately funded. As an entitlement City, San José must ensure that all programs are administered in a manner that affirmatively furthers the Fair Housing Act.

San José has funded the services of a nonprofit fair housing consortium comprised of four different nonprofit agencies to help fulfill the City's Fair Housing requirements. The consortium includes the Law Foundation of Silicon Valley (lead agency), Project Sentinel, Senior Adult Legal Assistance (SALA), and Asian Law Alliance (ALA) (together, Consortium). The Consortium offers a comprehensive and coordinated Fair Housing Program that includes discrimination complaint intake and investigation, enforcement and litigation services, and general fair housing education. Between the four consortium members, the consortium provided 42 fair housing investigations, 170 client briefings, 38 legal representations, and 35 fair housing presentations. Key outcomes for this project include:

- 98% of presentation participants became more familiar with the laws governing fair housing following the presentation.
- Provision of legal services resulted in 97% of complainants with improved access or availability of housing.

Additionally, the City has funded a new program that provides legal services for low-income tenants and landlords to assist the City in enforcing the Apartment Rent Ordinance and Tenant Protection Ordinance. This program is operated by the San Jose Housing Rights Consortium, which is comprised of five different nonprofit agencies, to provide legal services. The consortium includes the Law Foundation of Silicon Valley (lead agency), Bay Area legal Aid, Project Sentinel, Senior Adult Legal Assistance (SALA), and Asian Law Alliance (ALA) (together, Consortium). Between the five consortium members, the consortium provided 44 outreach and education workshops, 161 legal consultations, 55 legal representations for eviction proceedings and administrative hearings, and 23 limited legal representations for enforcement. Key outcomes include:

- 100% of eligible clients (23) represented by attorneys were able to stay in their housing or had additional time to bridge them into housing.

- 100% of clients (55) will be satisfied with the service they received after being legally represented at ARO petition mediation and/or petition hearing.

ADMINISTRATION

Finally, for each federal funding source, the City funds administrative activities within federally-regulated limits. Staff activities funded with administrative funds include planning, grant management, monitoring, reporting, legal services, and environmental review.

EVALUATION AND FOLLOW-UP

Upon City Council approval, staff will submit the CAPER to HUD by the September 30, 2019 due date. The draft and final CAPER documents will be posted on the Housing Department's website at: www.sanjoseca.gov/CAPER.

PUBLIC OUTREACH

HUD requires that jurisdictions hold one public hearing and a 15-day public review period to receive public comments on the draft CAPER. The report's public review and comment period runs from August 29, 2019, through September 11, 2019.

The City will hold three additional public hearings on the draft CAPER: one at the September 12, 2019, Housing and Community Development Commission meeting, one at the September 12, 2019, Neighborhood Services and Education Committee meeting, and another at the September 17, 2019, City Council Meeting. A Supplemental Memorandum documenting any comments received during the comment period will be provided to the City Council prior to the September 17, 2019, City Council meeting.

A public notice regarding the aforementioned public review and comment period was published in five languages on August 27, 2019. The newspapers that carried the notices were the *San José Mercury News, El Observador, Vietnam Daily News, The World Journal* (Chinese), and the *Philippine News*.

/s/
RAGAN HENNINGER
Deputy Director of Housing

For questions, please contact Robert Lopez, Grants Team Manager, at (408) 975-4402.

Attachment A: Draft FY 2018-2019 CAPER

CITY OF SAN JOSE

FY 2018-19 Consolidated Annual Performance Evaluation Report (CAPER) - DRAFT

Prepared by:
City of San José
Department of Housing
200 E. Santa Clara Street, 12th Floor
San José CA 95113
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OMB Control No: 2506-0117 (exp. 07/31/2015)

Cover Photos

Top: The Metropolitan North Apartments - Construction was completed in 16-17 and residents have moved into this affordable rental development of 70 apartments (11 studios, 25 one-bedroom apartments, 14 two-bedroom apartments, and 21 three-bedroom apartments). Nine of the apartments are Transition in Place (TIP) units for homeless households.

Bottom: Recovery Café Renovation – This project completed in 17-18, rehabilitated a church space, which included the construction of a social hall and improvements of classrooms and café kitchen improvements to serve homeless individuals and the public.

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OMB Control No: 2506-0117 (exp. 07/31/2015)

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

The City of San José's FY 2018-2019 *Consolidated Annual Performance Evaluation Report (CAPER)* describes the progress made towards achieving the housing and community development goals identified in the City's *Five-Year Consolidated Plan (2015-2020)* and the *FY 2018-2019 Annual Action Plan*. These Plans guide the funding priorities for San José's federal housing grant programs, which are administered by the City's Housing Department and overseen by the U.S. Department of Housing and Urban Development (HUD). These programs include: Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grant (ESG).

The Fiscal Year (FY) 2018-2019 was the fourth year of San José's Five-Year Consolidated Plan (2015-2020). Similar to the end of the previous five-year period, the City of San José experienced continued growth, as well as extraordinary challenges. For the last few years, job growth in Santa Clara County has continued to climb. While San José has experienced encouraging economic improvements, many San José residents continue to face a lack of affordable housing and displacement of lower-income households from their communities due to market forces. Additionally, responding to homelessness and its effects on the community have continued to be a key policy priority in San José and throughout the region during this Consolidated Plan cycle.

The circumstances over the past few years in California have underscored the importance of ongoing adequate federal funding for the many vital housing and community development activities that local governments perform. Maintaining the flexibility to direct these resources to meet changing local priorities is of paramount importance to utilizing these funds in the most effective manner.

The City received a total allocation of $14.3 million in Federal funding from CDBG, HOME, HOPWA, and ESG programs for FY 2018-19. In FY 2011-12, San José, like most cities, experienced significant cuts in federal funds. Since that time, federal funding levels have remained stable with only slight increases or decreases each year. The City leveraged its FY 2018-19 federal allocations with other funds to provide vital resources for activities identified as the areas of greatest need in the 2015-2020 Consolidated Plans. These needs are summarized below:

- Increase and preserve affordable housing opportunities;
- Respond to homelessness and its impacts on the community;
- Strengthen neighborhoods;
- Promote fair housing.

Major accomplishments achieved during the FY 2018-19 are highlighted in the following section. Each set of annual goals in the FY 2018-19 Annual Action Plan are measured against progress toward the goals set in the 5-year Consolidated Plan. The specific activities funded during the FY 2018-19 were

identified as funding priorities to address the four areas of need and demonstrate impact in the community. The City and its grantees were able to meet most of the goals set in the FY 2017-18 Annual Action Plan. A description of each program, and program accomplishments are described in greater detail throughout this report. The executive summary provides highlights of key accomplishments over this performance period.

While measuring performance is an essential part of gauging progress towards established goals, measuring the outcomes of a given program or service is often a major indicator of success and states the impacts that those programs or services have on the community. Each of the services and programs funded through the federal sources have one or more outcome indicator. Based on the program or service, City staff work with community partners, public agencies, and service providers to develop each program and/or service outcome indicators. In addition to describing the City's and its sub-grantee performance, accomplishments are also measured by outcomes.

FY 2018-2019 (ANNUAL) HIGHLIGHTS

INCREASE AND PRESERVE AFFORDABLE HOUSING OPPORTUNITIES

The City identified four key programs to support the strategy and desired outcome of increasing and preserving affordable housing. These include:

- Construction or Development of New Affordable Apartments;
- Rehabilitation of Existing Apartments
- Construction of New Homeowner Housing and;
- Tenant Based Rental Assistance and/or Rapid Rehousing

Construction or development of new affordable apartments - In FY 2018-19, the City spent $7,287,209 in federal HOME funds to provide affordable housing opportunities. The expenditures funded the Leigh Avenue Senior Apartments that will offer 64 affordable senior apartments as well as Second Street Studies, with 134 affordable apartments for homeless individuals. Completion and full occupancy is expected in FY2019-20.

Rehabilitation of existing apartments - During FY 2015-16 and FY 2016-17, the City invested $3 million of CDBG funds toward the acquisition and rehabilitation of the Plaza Hotel, a forty-seven unit, single room occupancy (SRO) residential facility to assist in housing the homeless. Acquisition was completed in FY 2015-16 and rehabilitation began in FY 2016-17. The building's rehabilitation is completed and apartments are expected to be fully occupied in fall 2019.

Tenant Based Rental Assistance and/or Rapid Rehousing - Measured in Households served, the Tenant Based Rental Assistance Program, funded through the Housing for People With Aids (HOPWA) program assisted 68 households find or retain affordable housing; exceeding the goal of 67 households assisted. The program has issued vouchers that have been difficult to fill due to the low rental vacancies and high housing costs. In addition to ongoing rental assistance, the HOPWA program provided housing placement assistance to 13 households, meeting the annual goal. The program also provides supportive

services to assist households with finding and securing housing, accessing benefits, increasing income, and improving health outcomes. The HOPWA program served 169 unduplicated households in the program year.

RESPOND TO HOMELESSNESS AND ITS IMPACTS ON THE COMMUNITY

Efforts to end homelessness remain a top priority in San José. In addition to the new rental apartments set aside for homeless households, the City expended approximately $1.8 million in federal CDBG, HOME and ESG funds toward services and housing for the homeless. To address the critical needs of San José's homeless residents, the City implemented four programs to support homeless needs:

- HOME funded Tenant Based Rental Assistance (TBRA);
- Homeless Prevention and;
- The Citywide and Downtown Outreach Program.

Under the federally funded programs, performance may be tracked differently based on the type of assistance and desired outcome of the service or program. Within the four homeless programs funded and reported in this CAPER, performance is measured by *Persons Assisted,* which tracks the number of unduplicated individuals assisted over the year; *Households Assisted,* which counts each household regardless of the number of individuals within the home and; *Outreach Contacts,* documents the total number of contacts counted by the different outreach programs.

Outreach *(Persons Assisted)* - In FY 2018-19, the City assisted 832 homeless individuals obtain services such as case management or housing search sessions.

HOME TBRA and Rapid Rehousing Services *(Households Assisted)* - Under the HOME funded TBRA program, 70 homeless households received subsidies to assist them in obtaining permanent housing. In spite of falling below the annual goal of 112, this is a significant accomplishment given the challenging rental market in San José.

Citywide and Downtown Outreach *(Outreach Contacts)* - While San José continued to support outreach services citywide, the City also funded outreach teams focused in downtown San José. Between the citywide and downtown programs, 2,704 outreach contacts were achieved, far exceeding the annual goal.

In the case of Homelessness programs and services, City staff has adopted County-wide outcome indicators for homeless programs and services which have been established by the County's County Continuum of Care (CoC). The CoC, is a multi-sector group of stakeholders, including City staff, who are charged with coordinating large scale implementation of efforts to end homelessness in the County. Some of the key outcomes of the City's federally-supported programs in FY 2018-19 include:

- 38% of clients (162 homeless individuals) contacted by the Downtown street/encampment outreach teams moved from street to temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations.

- 12% of clients (51 homeless individuals) contacted by the Downtown street/encampment outreach teams moved from street to permanent housing destinations.

- 17% of clients (79 homeless individuals) who were contacted via the Citywide street/encampment outreach teams and exited the program, moved from street to permanent housing destinations or temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations.

STRENGTHENING NEIGHBORHOODS

Activities pertaining to strengthening neighborhoods were solely funded through CDBG in FY 2018-19. In an effort to achieve one of HUDs primary objective of developing viable urban communities, this category provides funding for programs, services and projects that contribute to viable urban communities through decent housing; suitable living environments and expanded economic opportunities. These objectives were addressed in conjunction with the funding priorities identified by the community. These include:

Neighborhood Programs

In FY 2018-19, to support the programs component of Strengthening Neighborhoods, the City funded two non-profits, Rebuilding Together Silicon Valley and Habitat for Humanity Silicon Valley to manage and operate a Minor and Emergency Repair Program. This Program provides funding and inspection services to make accessibility improvements and minor repairs such as roofing, heating and plumbing repairs to owner occupied single-family homes and mobile homes. The results below include repairs completed on homes in San José.

Minor Repair Program – This program provided 2,113 items of urgent, safety and accessibility/mobility repairs, and 790 items of major (e.g., roof replacements) rehabilitation activities to ensure safe and decent living environment to 289 low-income households. The results of this project include:

- 82% of households (237 households) have improved safety conditions in their home.
- 80% of households (188 households) served through Rebuilding Together have improved accessibility and mobility modifications in their home as a result of the improvement.

Work Experience Program - The City also funded the San José Streets Team (SJST), a non-profit agency with the goal of creating opportunities for homeless individuals to gain skills to help them succeed. SJST provides job training and placement for homeless individuals while linking them to services such as case management and shelter services. Through the Work Experience Program 3,376 hours of employment development services were provided to 67 homeless and formerly homeless individuals. Some of the key outcomes of this program include:

- Entered into agreements with local businesses to place 27 individuals into jobs.

- 90% of participants who graduated from the program retained employment for at least three months (60 participants).
- 32 participants who graduated from the program were placed in permanent jobs identified in written agreements with business partners and retained employment for at least 3 months.

Targeted Code Enforcement: The City also funded targeted Code Enforcement within the three place-based neighborhoods as well as neighborhoods identified in the Mayors Gang Prevention Task Force FY 2018-19. Within these areas Code Enforcement performed enhanced multi-family inspections. Code Enforcement conducted 1,070 inspections and re-inspections, which resulted in 522 violations corrected. The project served 447 unduplicated households. One key outcome includes:

- 87% of substandard housing violations identified by inspectors were corrected within 120 calendar days from the date inspectors notified the property owners of the violations

Senior Services - The City funded two service programs to support the needs of senior residents in San José. Through its federal funding programs, the City funded the Meals on Wheels Program and Senior Access and Health Support Program. The two programs combined to serve over 26,205 meals, coordinated 460 door-to-door transportation services, and provided over 13,105 hours of caregiver respite services. The two programs combined to serve 207 low-income seniors in FY 2018-19. One example of a key outcome for these services include:

- 97% of the low-income dependent seniors (103 individuals) are somewhat or extremely important in helping them remain independent in their homes.

Neighborhood Services: The City funded two non-profit agencies to provide leadership development training, skill building workshops, and basic needs services for 516 residents and potential future community leaders. Two examples of key outcomes include:

- 81% of participants (353 residents) of the leadership classes provided by the Homegrown Talent Project increased their self-sufficiency by addressing a critical basic need.;
- 75% of participants (327 residents) in the economic opportunity pipeline increased their skill sets to position themselves for economic opportunities.

Capital Projects (Completed)
Due to the complexity of planning, procurement, and construction, Capital Projects often span multiple fiscal years. In FY 2017-2018, the City committed funding to a number of projects including street and infrastructure enhancements, nonprofit facility improvements, and public facility improvements. Additional capital projects will be completed in FY 2019-2020.

PROMOTING FAIR HOUSING CHOICES

The Fair Housing Act, which is enforced by HUD, prohibits discrimination and intimidation of people in their housing choices. Fair Housing covers most housing whether publicly or privately funded. As an

entitlement City, San José must ensure that all programs are administered in a manner that affirmatively furthers the policies of the Fair Housing Act. To help support and advance the City's Fair Housing requirements, San José has funds the services of a non-profit fair housing consortium comprised of five different nonprofit agencies. In FY 2018-19, the consortium met all of the established performance goals which include:

Fair Housing Services - Between the five consortium members, 35 fair housing presentations, 42 fair housing investigations, 170 client briefings, and 38 legal representations were achieved in FY 2018-19. The consortium served 259 unduplicated participants. Outcomes for this project include:

- 98% of presentation participants became more familiar with the laws governing fair housing following the presentation.
- Provision of legal services resulted in 97% of complainants with improved access or availability of housing .

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the Consolidated Plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source	Indicator	Unit of Measure	5-year Strategic Plan Goal	5-year Actual to Date	Percent of 5-year goal Complete	1-year (2018-19) Strategic Plan Goal	1-year (2018-19) Actual to Date	Percent of 1-year goal Complete
Affordable Housing	Affordable Housing	CDBG HOPWA HOME	Rental apartments constructed	Household Housing Unit	0	0	0%	0	0	0
Affordable Housing	Affordable Housing	CDBG HOPWA HOME	Rental apartments rehabilitated	Household Housing Unit	0	0	0%	0	0	0%
Affordable Housing	Affordable Housing	CDBG HOPWA HOME	Homeowner Housing Added	Household Housing Unit	0	0	0%	0	0	0%
Affordable Housing	Affordable Housing	CDBG HOPWA HOME	Tenant-based rental assistance/Rapid Rehousing	Households Assisted	110	261	144%	90	0	0%
Fair Housing	Non-Housing Community Development	CDBG	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1140	1,399	122%	167	259	155%
Homelessness	Homeless	CDBG HOME ESG	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0		0	0	
Homelessness	Homeless	CDBG HOME ESG	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	650	340	48%	150	62	59%
Homelessness	Homeless	CDBG HOME ESG	Homeless Person Overnight Shelter	Persons Assisted	1,600	1,591	99%	385	612	159%

OMB Control No: 2506-0117 (exp. 07/31/2015)

Goal	Category	Source	Indicator	Unit of Measure	5-year Strategic Plan Goal	5-year Actual to Date	Percent of 5-year goal Complete	1-year (2018-19) Strategic Plan Goal	1-year (2018-19) Actual to Date	Percent of 1-year goal Complete
Homelessness	Homeless	CDBG HOME ESG	Homelessness Prevention	Persons Assisted	20	26	130%	30	26	87%
Homelessness	Homeless	CDBG HOME ESG	Other	Other (Outreach Contacts)	6,400	14,671	229%	700	2,704	386%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	193,000	302,082	156%	21,000	0	0%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1,250	2,747	219%	450	501	111%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Homeowner Housing Rehabilitated	Household Housing Unit	550	1,217	221%	250	289	116%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Jobs created/retained	Jobs	250	114	46%	10	67	157%

OMB Control No: 2506-0117 (exp. 07/31/2015)

Goal	Category	Source	Indicator	Unit of Measure	5-year Strategic Plan Goal	5-year Actual to Date	Percent of 5-year goal Complete	1-year (2018-19) Strategic Plan Goal	1-year (2018-19) Actual to Date	Percent of 1-year goal Complete
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Housing Code Enforcement/Foreclosed Property Care	Household Housing Unit	5,400	3,113	58%	775	522	67%

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

OMB Control No: 2506-0117 (exp. 07/31/2015)

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

In the third year, the City has made significant progress on achieving the goals identified in the five-year Consolidated Plan.

Responding to Homelessness and Its Impacts on the Community

Investments and Expenditures

Program	Committed	Expended
CDBG	$724,097	$1,264,791
HOME	$2,500,000	$413,278
ESG	$737,828	$652,444

The City of San José, in coordination with other public and private agencies in Santa Clara County, continues to have success in addressing homelessness. The City's multi-faceted approach includes funding direct services, as well as advocating for policies, programs, and funding to support the end of homelessness. In the 18-19 program year, the City invested HOME, CDBG, and ESG funds to support homeless residents. Additionally, the City's HOPWA program prioritizes homeless individuals. Highlights of this year's efforts to address homelessness and its impacts on the community include the following projects.

- HOME TBRA – The City used HOME funds to provide tenant-based rental subsidies and deposit assistance for 72 unduplicated households, targeting employable homeless individuals and families. Households pay no more than 30% of their income towards housing costs (i.e., rent and utilities). The TBRA program is an important part of the "multi-faceted approach" discussed above. The City collaborates with outside agencies which provide intensive case management services to the TBRA clientele. Such services, when combined with rental assistance, improve the client's ability to successfully transition out of homelessness, to retain housing, and to increase their self-sufficiency after exiting the TBRA program.

  The HOME-funded TBRA program offers deposit assistance equal to up to two months of rent in order to encourage landlords to rent to the program's clientele. Further, the TBRA program has taken the approach to analyze San José rents to arrive at a Rent Standard for the program rather than simply using Fair Market Rents (FMR). This approach is allowed by HUD regulations and provides a more realistic view of the current rental market. Even with these favorable program designs, San José's high rents and low vacancy rates, along with the clientele's specific challenges, make finding affordable and adequate housing a tremendous challenge.

- Citywide Outreach Program – This program supported HomeFirst Services of Santa Clara County to provide street outreach, emergency shelter operations, case management, and operation of a centralized Homeless Outreach and Engagement Helpline (phone and email). HomeFirst reported 2,257 calls and emails on the helpline were received and responded to within 48 hours. When a call or email came in, a team of outreach workers and/or case

OMB Control No: 2506-0117 (exp. 07/31/2015)

managers were deployed to the site to connect the homeless individuals to housing, and to offer emergency shelter, transportation, case management and other comprehensive supportive services. Every visit was recorded in a database, which helped the City understand how many encampments were in San José and which ones got the most complaints. The database was also used to determine which encampments got cleaned. The project served 662 homeless individuals (unduplicated) in the program year with 2,283 outreach contacts and 893 case management sessions. Results of these efforts include:

- 22% of clients (193 homeless individuals) who were contacted via street/encampment outreach and exited the program, moved from street to permanent housing destinations or temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations.

- Downtown Outreach Program – This City supported People Assisting The Homeless (PATH), a nonprofit organization, to implement a homeless outreach and engagement program in downtown San José. PATH provided a dedicated community outreach and mobile case management team, engaged local service providers and community stakeholders, and conducted permanent housing location and placement activities. The goal of the program was to increase community engagement around homelessness and to move people from the streets to housing in an effort to reduce homelessness in Downtown San José.

  A key achievement of this program is the high number of assessments completed (170 assessments). The Santa Clara County Continuum of Care (CoC) utilizes the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT). Completing the VI-SPDAT in HMIS enters the homeless individual into the CoC Community Queue. The Community Queue is then used to match individuals with new housing opportunities as they become available. This includes permanent supportive housing, rapid re-housing, and transitional housing. Over the past year, the program served 170 homeless individuals (unduplicated), conducted 421 outreach contacts, and provided 341 case management sessions and/or service linkages. Additionally, PATH expanded their program to include an outreach team at the MLK Library in downtown San José, as well as neighborhoods near upcoming Permanent Supportive Housing (PSH) developments. The project resulted in the following outcomes:

  - 75% of individuals engaged in services (170 homeless individuals) completed a VI-SPDAT assessment to identify the individual's vulnerability and service prioritization and enter them into the CoC's coordinated assessment system.
  - 54% of clients contacted via street/encampment outreach moved from street to temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations (e.g. foster care, long-term care facility).
  - 18% of clients contacted via street/encampment outreach moved from street to a permanent housing destination during the fiscal year.

- Homeless Prevention – This ESG-funded project included services provided by the Bill Wilson Center. The project supported 26 unduplicated participants. Services included 58 sessions of case management and 13 checks for rental prevention assistance. The project resulted in the following outcomes:

  - 100% of households remained stably housed while receiving prevention assistance.

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- 100% of households remained stably housed 6 months after the termination of assistance.

Increasing and Preserving Affordable Housing Opportunities

Investments and Expenditures

Program	Budgeted in Annual Action Plan	Expended
CDBG	$0	$450,912
HOME	$7,751,432	$7,287,209
HOPWA	$1,097,987	$988,994

The City is focusing much of its federal and nonfederal resources on developing and rehabilitating housing for the City's low and extremely low income residents, and homeless individuals and families. This past year has marked significant progress in construction for a number of projects that are underway including the SRO rehabilitation project for homeless individuals (The Plaza), and two new permanent housing development (2nd Street Studios and Leigh Avenue Senior Apartments) projects for homeless individuals.). In addition to the new affordable housing developments, the City continues to invest in its TBRA program. The City has prioritized its TBRA coupons to assist homeless veterans and employable homeless residents.

- **New Rental Housing Development –** The City has made significant progress adding new affordable housing opportunities for low income and homeless individuals and families with the investment of HOME and CDBG funds. Two new developments are underway in FY18-19.

  - Second Street Studios – City council approved expenditure of up to $8,000,000 of HOME funds for this project in July 2016. The project has finished construction at the time of this report, but is currently completing occupancy. Second Street Studios will be an affordable rental development of 134 apartments (128 studios, and 6 one-bedroom apartments). All of the apartments have been set-aside as permanent supportive apartments for homeless households. Completion and full occupancy is expected in 2019. Accomplishments for this development will be reported the FY 19-20 CAPER.
  - Leigh Avenue Senior Apartments – City Council approved expenditures of up to $6,000,000 of HOME funds for this project in 2018. The project is under construction at the time of this report. All of the apartments have been set-aside as permanent supportive apartments for seniors. Completion and full occupancy is expected in 2019. Accomplishments for this development will be reported the FY 19-20 CAPER.

- **Acquisition and/or Rehabilitation for Affordable Housing** – The City has made progress on increasing the availability of housing for low-income and homeless residents over the past year by acquiring property for future development.

- The Plaza - For homeless residents with housing coupons/vouchers, finding affordable housing has been a tremendous challenge in the San José area. To address this challenge, the City used CDBG funds to acquire and rehabilitate a vacant and dilapidated 47-unit SRO building known as The Plaza Hotel located at 96 South Almaden Boulevard. The rehabilitation is complete and occupancy is underway. Accomplishments for this development will be reported the FY 19-20 CAPER.

- **HOPWA Tenant Based Rental Assistance (TBRA) and Supportive Services** – The City manages the HOPWA program for Santa Clara County and San Benito County. The HOPWA project sponsors, The Health Trust, and San Benito County Department of Community Services, provide rental subsidies, case management, housing placement assistance, and other supportive services to low income people living with HIV/AIDS. Over the past year, the HOPWA program provided subsidies to 68 unduplicated households and supportive services to 176 unduplicated households.

  - 99% of clients receiving TBRA maintained permanent, stable housing during the program year.
  - 88% of clients receiving support services obtained or maintained benefits and/or income during the program year.

<u>Strengthening Neighborhoods</u>

Investments and Expenditures

Program	Budgeted in Annual Action Plan	Expended
CDBG	$12,363,679	$3,369,073

- **Senior Services** – CDBG funds supported two community-based organizations to provide services for over 207 unduplicated, low-income seniors.

  Senior Access and Health Support, a program of Portuguese Organization for Social Services & Opportunities (POSSO), coordinated 460 assisted door-to-door transportation services, and 5,566 meals to 101 unduplicated low-income elderly residents.

  - 92% of the low-income dependent seniors utilized the transportation service report improved quality of life because of greater socialization and resource utilization.
  - 95% of the low-income dependent seniors receiving home delivered meals report improved health because of improved nutrition and nutrition knowledge.

  Meals on Wheels, a program of The Health Trust, served 106 low-income seniors (unduplicated) with 59,246 healthy, hot meals, and provided 38,506 social visits and wellness checks, far exceeding the goals set at the start of the program year. Through private donations, the program was also able to provide pet food and supplies, so clients served were able to continue living with their animal companions. Outcomes included:
  - 97% of the seniors served reported that Meals On Wheels is somewhat or extremely important in helping them remain independent in their homes.

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- 98% of the clients served) reported that the phone calls, driver visits, and other staff visits are extremely, very, or somewhat helpful in making them feel socially connected.

- **Neighborhood Engagement and Leadership Services** – CDBG funds supported two neighborhood engagement programs in place-based initiative communities.

  The **Somos Mayfair Home Grown Talent Project** supported 516 unduplicated residents in East San José. The program, a consortium of five non-profit agencies, provided with the following services:
  - 128 residents accessed crisis and support services in the areas of food, housing, and financial sustainability;
  - 214 residents completed a 3-part leadership development workshop series;
  - 58 residents participated in a series of skill-building workshops focused on community organizing;
  - 21 residents engaged in trainings to deepen their knowledge of the early child development field; and
  - 17 residents completed a 6-month urban agriculture entrepreneurs training series

  The program resulted in the following outcomes:
  - 78% of participants increased their self-sufficiency by addressing a critical basic need;
  - 75% of participants in the economic opportunity pipeline increased their skill sets to position themselves for economic opportunities.

  The **CommUniverCity Community Leadership Program** (CLP) supported 90 community members in District 3 by providing 334 two hour sessions of community leadership development trainings and supporting participants in developing and implementing neighborhood improvement projects. The participants of the leadership program facilitated 185 hours of community conversations with other residents in their neighborhoods. Outcomes included:
  - 60% of participants indicated they feel more responsibility for being a leader in the community and plan to utilize the information they learned to improve their communities.

- **Work Experience Program** – The City awarded CDBG funds to support the efforts of the San José Streets Team (SJST). The purpose of the project is to provide project participants with employment development services and job training, as well as to develop business partner relationships to secure job placement commitments. The goal is to place homeless and recently housed individuals into permanent jobs. The project served 67 unduplicated participants and achieved many successes, including the following activities and outcomes:
  - Entered into agreements with local businesses to place 16 individuals into jobs.
  - Provided 3,376 hours of employment development services to 67 program participants
  - 91% of participants (15) who graduated from the program retained employment for at least three months.

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- 32 participants who graduated from the program were placed in permanent jobs identified in written agreements with business partners and retained employment for at least 3 months.

- **Code Enforcement** - This project focused on providing enhanced code enforcement services in two Place-Based Initiative neighborhoods, Five Wounds/Brookwood Terrace and Santee, as well as neighborhoods identified by the Mayor's Gang Taskforce, such as Cadillac. Code Enforcement Inspectors conducted enhanced multifamily apartment building inspections. Enhanced multi-family inspections provide inspections beyond the City's normal inspection schedule, resulting in more frequent and more comprehensive code enforcement inspections of multi-family buildings, resulting in more violation corrections than would occur without CDBG support. The code enforcement efforts included 1,070 inspections and re-inspections, which resulted in 522 violations corrected. The program served 447 unduplicated households. Results of these interventions include:

  - 87% of substandard housing violations identified by inspectors were corrected within 120 calendar days from the date inspectors notified the property owners of the violations.

- **Other Place-Based Community Development Improvements**

  - Bill Wilson Center Drop-in Center Rehab (Underway) – This rehabilitation project was originally funded in the FY14-15 Annual Action Plan. Planning is underway to rehabilitate the homeless drop-in center, which includes three buildings on the corner of South 2nd and Margaret Street.

- **Minor Repair Program** – The primary purpose of the Minor Repair program is to arrest the deterioration of owner occupied housing for extremely low-income residents thereby restoring and preserving decent affordable housing in a cost-effective manner. The City provided CDBG funds to Rebuilding Together and Habitat for Humanity to address immediate health and safety needs as well minor accessibility and mobility needs.

  In the program year, the project provided 2,113 items of urgent, safety and accessibility/mobility repairs, and 790 items of major (e.g., roof replacements) rehabilitation activities to ensure safe and decent living environment to 289 low income households. The results of this project include:

  - 100% of households (289 households) have improved safety conditions in their home.
  - 93% of households (223 households) served through Rebuilding Together have improved accessibility and mobility modifications in their home as a result of the improvement.
  - 91% (49 households) of all households served through Habitat for Humanity SV felt safer in their homes after receiving repairs to their homes
  - 100% (54 households) of initial inquiries were responded with an initial site assessment from Habitat for Humanity SV within one week

Promoting Fair Housing Choice

Investments and Expenditures

Program	Budgeted in Annual Action Plan	Expended
CDBG	$300,000	$300,000
HOME	$100,000	$68,117

The City seeks to promote and increase fair housing choice through several strategies, such as requiring developers to affirmatively market available apartments and focusing on providing housing for extremely low-income households that are cost burdened. In addition to considering fair housing choice in decisions related to affordable housing development, the City provides funding to nonprofit community-based organizations to provide services to low-income residents to address barriers to fair housing choice. Sub-recipients' work includes ensuring that San José residents are protected against housing discrimination under The Fair Housing Act (adopted in 1968 and amended in 1988), which prohibits housing discrimination against any of the following seven protected classes: 1) Race; 2) Color; 3) Religion; 4) Sex; 5) National origin; 6) Familial status; and 7) Disability.

The organizations funded provide needed services to low-income residents, such as investigating complaints of discrimination in rental housing, including conducting fair housing testing and interviewing residents to confirm and document cases of alleged discrimination. If complaints are valid, the funded agencies provide assistance to the clients in the form of client brief services or legal representation. Cases are resolved when the landlord corrects the action, such as providing reasonable accommodation for people with disabilities, stopping an eviction, or accepting a new tenant that had been previously denied because of race, color, religion, national origin, sex, disability, and familial status. In addition to these vital services, CDBG funds support Fair Housing outreach and education, including trainings for tenants and landlords to better understand fair housing requirements. The trainings prevent landlords from violating the law and educate tenants regarding their rights.

Fair Housing Consortium – CDBG funds supported a consortium of agencies that provide Fair Housing services. The consortium included the Law Foundation of Silicon Valley (lead agency), Project Sentinel, Senior Adult Legal Assistance (SALA), and Asian Law Alliance (ALA). Services provided in the FY2018-19 program year included 35 fair housing presentations, 42 fair housing investigations, 170 client brief services, and 38 legal representations. Outcomes for this project include:

- 98% of presentation participants became more familiar with the laws governing fair housing following the presentation.
- Provision of legal services resulted in 97% of complainants with improved access or availability of housing.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted). 91.520(a) *

	CDBG	HOME
White	2,171	37
Black or African American	359	7
Asian	299	4
American Indian or American Native	103	3
Native Hawaiian or Other Pacific Islander	36	4
Other	636	7
Total	**3,604**	**62**
Hispanic	1,324	31
Not Hispanic	2,280	31

Table 2* – Table of assistance to racial and ethnic populations by source of funds
*The data in Table 2 will be populated prior to posting the final CAPER.

Narrative

As reflected in the table above, the City's programs served a diverse population of individuals and families in FY2018-19. While several programs focus on serving specific underserved populations, all programs are prohibited from discriminating against any protected class when determining eligibility for programs. Affordable housing developers are required to develop and implement an affirmative marketing plan when leasing affordable apartments. All sub-recipients of federal funds are also required to adhere to the City's Language Access Plan, ensuring resources are accessible to residents with Limited English Proficiency.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources available in FY 2018-19	Projected Resources for Remainder of Consolidated Plan (2016-2020)	Amount Expended During FY 2018-19
CDBG	Public - federal	$16,039,238	$9,146,528	$6,377,094
HOME	Public - federal	$10,601,452	$6,189,444	$7,929,410
HOPWA	Public - federal	$1,281,945	$2,239,044	$1,004,188
ESG	Public - federal	$737,828	$1,364,086	$661,390

Table 3 – Resources Made Available

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Citywide	100	100	Citywide

Table 4 – Identify the geographic distribution and location of investments

Narrative

The City generally allocates federal entitlement dollars according to low- and moderate-income (LMI) census tracts without target areas. However, in light of current budget limitations, San José recognizes the importance of a coordinated effort to invest in its neighborhoods and has prioritized place-based strategies. In the 2010-15 Consolidated Plan, San José initiated the Place-Based Initiative (PBI) strategy by focusing leveraged investments in the Santee/McKinley, Five Wounds/Brookwood Terrace, and Mayfair neighborhoods to create clean, safe, and engaged places. In the 2015-2020 Consolidated Plan, the City continued to emphasize the importance of neighborhoods and to refine its approach by seeking to make high-impact, targeted investments in strategic locations and activities that advance the four goals identified in the FY 2018-19 Action Plan. To the extent possible, the funding strategy seeks to leverage resources, support partnerships, advance multiple City goals, be outcome instead of output driven, and invest in programs that are replicable and sustainable without the need for ongoing federal and other public resources.

Investment in other low-income communities across the City was achieved. Addressing homelessness is a Citywide priority and the City is investing CDBG, HOME, and ESG funds to serve the homeless community Citywide. This includes both services and capital investments, such as the rehabilitation of the Bill Wilson Center Drop-In, a center for homeless youth and young adults, which is underway.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Leveraging for Entitlement Funds

Leveraging HUD resources allows the City to bring in local, state, and other resources to combine with federal financial resources to maximize the reach and impact of the City's HUD-funded programs. The following are either HUD or City-required matching requirements for the four federal housing and community development programs:

- In the HOME program, HUD requires entitlement cities to contribute at least 25 percent of the dollars disbursed from non-federal sources (that is, $1 of non-federal funds for every $4 of federal funds).
- In the ESG program, there is a one-to-one match (that is, $1 of matching funds for every $1 of ESG funding). The City matches the ESG funds with local Housing Trust Fund (HTF) dollars (see explanation below) invested in ESG-eligible homeless services. All HTF grantees are required to submit backup documentation for all costs, which are recorded to satisfy the matching requirements for the ESG program. In addition, the ESG program allows other federal sources to be used as matching funds. The City uses CDBG-funded homeless services (outreach and shelter) as a match for ESG funds.

Outside of these match requirements, the City pairs other federal programs such as the HOPWA Permanent Supportive Housing (PSH) programs to meet San José's housing needs and priorities. The HOPWA-PSH renewal grant was awarded in FY 2016-17 and continued in FY 2018-19. The City also applied for and was awarded the HOPWA-VAWA (Violence Against Women Act) demonstration project grant, which began in FY 2016-17 and started its second year in FY 2018-19. The success of the City's HOPWA and HOPWA-PSH programs helped demonstrate the need and opportunities for this new project.

Leveraging for State & local Housing & Community Development sources

The following sources were leveraged to support projects and activities funded with federal dollars:

State Housing and Community Development Sources

- **State of California Housing and Community Development Infill Infrastructure Grant (HCD IIG):** HCD grants are awarded through a competitive application process by the State HCD office to affordable housing developers to create rental opportunities for lower-income households. For the Second Street Studios development, the City leveraged its investment with $4,000,000 of HCD IIG.

County and Local Housing and Community Development Sources

- **Inclusionary Housing Ordinance (IHO):** The City's IHO, requires that all residential developments that create new, additional, or modified for-sale homes contribute to providing housing that is affordable and price-restricted for moderate-income buyers. Developer's may satisfy their IHO requirements by providing 15 percent affordable homes on-site within their projects. Alternatively, Developer's may

satisfy their IHO requirement through a variety of in-lieu options to provide units or unit equivalents (such as paying an in-lieu fee) equal to at least 20 percent of the project's number of homes. There was an interim grace period and several changes to the program due to state legislation (AB1505). Thus far only one project has completed their IHO obligation by paying $3,251,736 in in-lieu fees, during fiscal year 2018-2019 (between July 1, 2018 – June 30, 2019).

- **Affordable Housing Impact Fee (AHIF):** Adopted by San José City Council on July 20, 2016, the AHIF is applied to new market-rate rental housing developments in order to collect revenue to address the demand for affordable housing connected with new market-rate development. $1,410,406 in AHIF funds have been collected between July 1, 2018 – June 30, 2019. These AHIF funds will be grouped with future IHO in-lieu fees (mentioned above) and distributed to affordable housing developers who will build deed restricted affordable units throughout the City.

- **The Housing Trust Fund:** The City's Housing Trust Fund (HTF) provides ongoing funding for housing and support programs that seek to address homelessness, in part by creating a vehicle eligible to compete for outside funding sources. In FY 2018-19, approximately $2.5 million in HTF was used towards the following to respond to the impacts of homelessness in the community: City staffing and non-personnel costs; funding for the County of Santa Clara to support community-wide Continuum of Care work including the biennial Homeless Census and Survey, UPLIFT Transit Pass Program and HMIS; direct supportive services such as emergency shelter during inclement weather, safe parking, outreach, case management, mobile shower and laundry and housing support; matching funds for federal, State and regional grants.
- **General Fund:** In FY 2018-19, the City's General Fund provided $2 million for ongoing homeless encampment abatement and deterrent services.
- **Housing Authority Litigation Award:** In FY 2018-19, the City's Housing Authority Litigation Award (HALA)provided approximately $2 million, which funded the City's Rapid Rehousing Program.
- **Santa Clara County Housing Authority:** Acting on behalf of the City of San José Housing Authority, the City contracts with the Santa Clara County Housing Authority (SCCHA) to administer and manage the Section 8 Voucher program and public housing programs within San José. SCCHA receives federal funding to run the following programs:
    - Section 8 Housing Choice Voucher Program: rental assistance to low-income households.
    - Family Self-Sufficiency Program: employment assistance program for Section 8 participants.
    - Veterans Affairs Supportive Housing (VASH): housing assistance for homeless veterans.
    - Family Unification Program: voucher assistance for families who have been separated due to a lack of adequate housing.
    - Non-Elderly Disabled (NED) Vouchers: voucher program to allow non-elderly disabled people to transition out of care-giving institutions.
    - Moderate Rehabilitation Program: project-based rental assistance for low-income families.
    - Project-based Voucher Commitments: project-based rental assistance for new and newly-affordable rental properties that serve vulnerable populations, including the homeless, disabled, seniors, large families, and other groups who are particularly disadvantaged in finding suitable affordable housing in our high-cost county.

In January 2008, HUD designated the SCCHA (then known as the Housing Authority of the County of Santa Clara) as a "Moving to Work" (MTW) agency through June 30, 2018. In April 2016, SCCHA's MTW designation was extended to June 30, 2028. The goal of the MTW program

is to increase cost effectiveness, promote self-sufficiency, and expand housing options for low-income families. The MTW designation provides more flexibility in use of funding sources and will support the creation of more efficient programs. The City continues to partner with the SCCHA to identify MTW activities that may benefit low-income families of the community, especially homeless households.

SCCHA further plays a direct role in developing affordable apartments. Acting as a nonprofit housing developer, SCCHA applies for funds from the City and a variety of State, federal, and private sources for its various development projects. SCCHA's affordable housing development team continues work on the Park Avenue property, which was purchased with MTW funds. The agency is constructing a new affordable housing project, Park Avenue Senior Apartments and completed construction on a second project – Laurel Grove Apartments. Park Avenue Apartments will provide 100 units of senior housing. Laurel Grove added 82 units of family housing. The projects are located on a two-acre site in downtown San José immediately adjacent to a public transportation hub for light rail, trains and buses. Construction for Laurel Grove began in June 2016, and the property leased up in the fall of 2018—and construction for Park Avenue started in December 2016, and leasing should begin in the Winter of 2020.

SCCHA assists approximately 17,000 households through the federal Section 8, of which approximately 7,000 households receive assistance through the City of San José voucher program. The Section 8 waiting list contains about 4,400 households and is estimated to be a two-year wait. SCCHA also develops, controls, and manages more than 2,900 affordable rental housing units throughout the County. SCCHA's programs are targeted toward VLI households, and more than 80 percent of its client households are extremely low-income families, seniors, veterans, persons with disabilities, and formerly homeless individuals.

SCCHA is an active developer of affordable housing and has constructed, rehabilitated, and/or assisted with the development of more than 30 apartment projects that service a variety of residents, including special needs households.

Note: Subsidized housing is housing owned and managed by private or nonprofit owners who receive subsidies in exchange for renting to LMI tenants, while public housing is housing owned and managed by the housing authority. Public Housing is defined by HUD as "housing assisted under the provisions of the U.S. Housing Act of 1937 or under a state or local program having the same general purposes as the federal program. Distinguished from privately financed housing, regardless of whether federal subsidies or mortgage insurance are features of such housing development."

SCCHA, the City of San José Housing Department (CSJHD) and County of Santa Clara Office of Supportive Housing (OSD), in partnership with the Veterans Administration Palo Alto Health Care System (VA), worked together in FY 2015-16 to issue a joint NOFA/RFP for project-based vouchers, for release in July 2016. The joint NOFA/RFP resulted in the issuance of 193 Section 8 project-based vouchers for special needs populations, 475 project-based vouchers for the chronically homeless, and 74 VASH project-based vouchers for homeless veterans. SCCHA continues to issue project-based vouchers in partnership with OSD and the VA to new affordable housing developments awarded County Measure A funds.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

On April 26, 2016, the City adopted a resolution updating the current procedure for the disposition of surplus City-owned property to reflect the general terms of Assembly Bill 2135 with the purpose of making more land available for affordable housing.

Properties that involved development for affordable housing of surplus City-owned property are as follows:

- In 2009 the City acquired two single-family homes on Vermont Street in the Rose Garden neighborhood. In the City's fiscal year 2016-17 the homes were leased to a nonprofit organization that is rehabilitating the homes to provide 16 housing units for formerly homeless veterans. Completion and a grand opening are projected for Veterans Day November 11, 2017.
- 868 Delmas Avenue, a parcel of land owned by the City, was conveyed to an affordable housing developer to construct one single family home. In addition, the City granted an additional $258,000 to reimburse costs of remediation. In return, the home is restricted to very low income ownership. Construction was completed in April 2017 and was subsequently sold to a very low-income homeowner, who is presently in occupancy.
- In March 2016 the City Council approved a lease and grant to an affordable housing developer of $1,800,000 to rehabilitate the City owned Plaza Hotel. The Plaza Hotel will provide 47 units of affordable housing to formerly homeless individuals. To date, approximately 25% of rehab work is completed with units expected to be leased by September 2017.
- In August 2016, the City Council approved a lease and $400,000 predevelopment grant to an affordable housing developer for the Evans Lane property owned by the City. The financing grant will enable the developer to proceed with a development concept for an affordable housing interim housing community, obtain entitlements and pursue other sources of financing. It should be noted that the City Council has yet to make a funding commitment other than the predevelopment grant referenced above.
- In June 2017, the City Council approved an exclusive negotiating agreement and $200,000 predevelopment loan to an affordable housing developer for future development of the City owned Gallup Drive / Mesa Drive property for affordable housing.
- In June 2017, the City Council approved an exclusive negotiating agreement and $200,000 predevelopment loan to an affordable housing developer for future development of the City owned 226 Balbach Avenue property for affordable housing.

Leveraging for HOME funds

The amount of funds the City must match is dependent upon the amount of HOME funds disbursed throughout the federal fiscal year. The data is collected up to September 30th (the end of the federal). The numbers below are based on the most current data collected as of publishing. The final numbers will be amended prior to submitting the CAPER to HUD.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	$16,291,861
2. Match contributed during current Federal fiscal year	$1,602,689.76
3 Total match available for current Federal fiscal year (Line 1 plus Line 2)	$17,894,550.76
4. Match liability for current Federal fiscal year	$4,963,027.99
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	$12,958,522.77

Table 5 – Fiscal Year Summary - HOME Match Report

OMB Control No: 2506-0117 (exp. 07/31/2015)

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	**Date of Contribution**	**Cash (non-Federal sources)**	**Foregone Taxes, Fees, Charges**	**Appraised Land/Real Property**	**Required Infrastructure**	**Site Preparation, Construction Materials, Donated labor**	**Bond Financing**	**Total Match**
Homesafe	4/01/2018		$73,340.10					$73,340.10
Kings Crossing	4/01/2018		$131,623.49					$131,623.49
The Verandas	4/01/2018		$318,370.18					$318,370.18
Markham Plaza I	4/01/2018		$9,515.52					$9,515.52
Markham Plaza II	4/01/2018		$93,992.35					$93,992.35
98 Archer	4/01/2018		$10,768.84					$10,768.84
Plaza del Sol	4/01/2018		$100,906.77					$100,906.77
4th Street	4/01/2018		$384,499.62					$384,499.62
Willow Glen Sr.	4/01/2018		$120,810.43					$120,810.43
Curtner Gardens	4/01/2018		$0					$0
Canoas Terrace	4/01/2018		$0					$0
Japantown Sr.	4/01/2018		$237,804.22					$237,804.22
Edenvale	4/01/2018		$0					$0
The Met	4/01/2018		$9,268,176					$9,268,176

Table 6 – Match Contribution for the Federal Fiscal Year

Program Income

The amount of funds the City must matched is dependent upon the amount of HOME funds disbursed throughout the federal fiscal year. The data is collected up to September 30th (the end of the federal). The numbers below are based on the most current data collected as of publishing. The final numbers will be amended prior to submitting the CAPER to HUD.

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period $	**Amount received during reporting period $**	**Total amount expended during reporting period $**	**Amount expended for TBRA $**	**Balance on hand at end of reporting period $**
$11,640,290.88	**$5,300,431.36**	$7,929,410	**$413,278**	**$9,011,312.24**

Table 7 – Program Income

HOME MBE/WBE Report

It is policy to require developers, contractors and/or sub-recipients to solicit bids from women and minority owned businesses. In bid notifications, it is required to include a statement that encourages MBE/WBE businesses to apply.

Note: The data for the MBE/WBE report is collected up to September 30 (the end of the federal fiscal year). The final numbers will be inserted prior to submitting the CAPER to HUD.

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	**Minority Business Enterprises**				**White Non-Hispanic**
		Alaskan Native or American Indian	**Asian or Pacific Islander**	**Black Non-Hispanic**	**Hispanic**	
Contracts						
Dollar Amount	**$**					
Number		**0**	**0**	**0**	**0**	**0**
Sub-Contracts						
Number	**0**					
Dollar Amount						

	Total	**Women Business Enterprises**	**Male**
Contracts			
Dollar Amount			
Number	**0**		
Sub-Contracts			
Number			
Dollar Amount	**0**		

Table 8 – Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	**Minority Property Owners**				**White Non-Hispanic**
		Alaskan Native or American Indian	**Asian or Pacific Islander**	**Black Non-Hispanic**	**Hispanic**	
Number	**0**					

OMB Control No: 2506-0117 (exp. 07/31/2015)

Dollar Amount						

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition		
Parcels Acquired	**0**	
Businesses Displaced	**0**	
Nonprofit Organizations Displaced	**0**	
Households Temporarily Relocated, not Displaced	**0**	

Households Displaced	**Total**	**Minority Property Enterprises**				**White Non-Hispanic**
		Alaskan Native or American Indian	**Asian or Pacific Islander**	**Black Non-Hispanic**	**Hispanic**	
Number	**0**					
Cost						

Table 10 – Relocation and Real Property Acquisition

OMB Control No: 2506-0117 (exp. 07/31/2015)

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

Table 1: POPULATION SERVED

	One-Year Goal (2018-19)	Actual (2018-19)
Number of homeless households to be provided affordable housing units	**150**	**62**
Number of non-homeless households to be provided affordable housing units	**50**	**68**
Number of special-needs households to be provided affordable housing units	**90**	**0**
Total	**290**	**130**

Table 11 – Number of Households

Table 2: TYPE OF HOUSING ASSISTANCE

	One-Year Goal (2018-19)	Actual (2018-19)
Number of households supported through rental assistance	**240**	**130**
Number of households supported through the production of new units	**50**	**0**
Number of households supported through the rehab of existing units	**0**	**0**
Number of households supported through the acquisition of existing units	**0**	**0**
Total	**290**	**130**

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

While the City did not meet some of the affordable housing goals set in the Action Plan, several projects underway will assist in meeting or exceeding the goals set in the coming year.

<u>Table 1</u>

The City made progress, but did not meet the goal for providing affordable housing apartments to special-needs households through our HOPWA program. This program provided TBRA to 68 households. The City was not able to meet the goal of 90 households due to the challenging rental market. The actual number of households served is much higher than what is reflected in the table above due to the City's HOPWA-PSH program. The HOPWA-PSH program provides TBRA to an additional 20 households per year.

The City met 45% of the goal for the number of homeless households to be provided affordable housing units. The HOME-funded TBRA program assisted 62 homeless households. As mentioned above, one of the most significant challenges in meeting this goal is the tight rental market in the City with low vacancy rates. Even when provided a TBRA coupon or rapid rehousing deposit/rental assistance, it remains difficult to find apartments at fair market rent with landlords willing to rent to individuals with credit issues, criminal histories, or lack of recent rental references. For this reason, the City has focused on developing or rehabilitating housing for homeless households. Twenty apartments at Donner Lofts were set aside for homeless households. The City expects to make progress on this goal in FY19-20 with the completion of Second Street Studios, which includes 134 apartments for homeless families and individuals, as well as completion of The Plaza, which will provide 47 apartments dedicated to homeless households.

Table 2

The City met 45% of its goal for the number of households supported through rental assistance by providing rental assistance through HOPWA, HOME, and ESG programs. In the 18-19 program year, the HOME TBRA program supported 62 households with HOME Tenant Based Rental Assistance (TBRA) and 68 households with HOPWA rental assistance.

While the City did not meet the goals for rehabilitation and production of new apartments, several projects are underway that will meet the 5-year goals in the coming year. Significant progress was made in the production of new apartments with the completion in the coming year, the CDBG-funded acquisition and rehabilitation of The Plaza will add 47 new affordable apartments for homeless individuals. The City expects to complete Second Street Studios (134 affordable apartments; 58 HOME-assisted) in the 19-20 program year.

Discuss how these outcomes will impact future annual action plans.

The City will continue to focus on the production of new affordable housing opportunities, as well as supporting homeless and special-needs individuals and families with rental assistance.
Due to the delays in the construction of affordable housing, the City will make adjustments on the expected goals for the number of households supported, as well as the number of new apartments constructed in future action plans.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Persons Served		CDBG Actual	HOME Actual
Extremely Low-income		0	52
Low-income		0	8
Moderate-income		0	2
Total		**0**	**62**

Table 13 – Number of Persons Served

OMB Control No: 2506-0117 (exp. 07/31/2015)

Narrative Information

Much of the City's current affordable housing portfolio consists of apartments for individuals with incomes between 50-60% of Area Median Income. Earlier this year the City adopted a two-year Housing Investment Plan and issued a joint NOFA with the County of Santa Clara County and the Housing Authority of Santa Clara County. With these actions, the City is prioritizing the provision of housing for homeless individuals and families, which resulted in a large proportion of extremely low-income households served this year. The individuals served with HOME funds include homeless persons receiving rental assistance, and low-income tenants of new rental apartments developed with HOME funds.

While CDBG funds invested in the FY 2019-20 program year will result in an increase in availability of affordable housing in the next year when the rehabilitation of the Plaza is complete, which will provide 47 new apartments of affordable housing for homeless individuals. Additionally, the City supported the acquisition of land in Downtown San José for the development of a Villas on the Park, a Permanent Supportive Housing development for homeless individuals.

Investments in HOME projects in the FY 2018-19 year will also result in new apartments in FY 2019-20, such as the City's first project dedicated entirely to Permanent Supportive Housing, 2nd Street Studios, which will include 134 new affordable apartments (58 of which are HOME units). All apartments will be occupied by homeless households qualifying for permanent supportive housing through the Continuum of Care's Coordinated Assessment and Entry process.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The 2019 Homeless Census and Survey identified a total of 6,097 individuals residing in San José on any given night. Out of the total 6,097 persons, 84% of the population was unsheltered (residing on the street, in vehicles, in abandoned buildings or in encampment areas). There were 1,782 individuals experiencing homelessness in encampment areas in San José. Since 2013, the City funded targeted encampment and outreach efforts to historically hard-to-count populations (i.e. encampment dwellers).

In FY 2018-19, the City prioritized rapid re-housing with supportive services as well as a Crisis Response System, which included Homeless Outreach and Engagement. Both ESG and CDBG funds were allocated to homeless outreach and engagement services with homeless persons in encampments and on the streets. While the focus was rapid re-housing, ESG funds were also used to end someone's homeless episode quickly through interim housing strategies, case management support, and financial assistance. Approximately 60% of ESG funds were expended on homeless outreach and engagement services.

The City-wide Homeless Outreach and Engagement Program provided a coordinated response to the community about homeless persons living on the streets and in encampments throughout San José. Funded by CDBG and managed by HomeFirst, the Program engaged homeless clients throughout San José, with the goal of transitioning them from the streets to permanent housing. The Homeless Helpline (408-510-7600) and email (outreach@homelfirstscc.org) was initiated this year allowing homeless persons to call for individualized services and resource connections. Additionally, the Homeless Concerns Hotline (408-975-1440) and email (homelessconcerns@sanjoseca.gov) is a City operated line for community members, residents, businesses, and other homeless service providers to report any homeless encampment and/or concerns. When the City received a concern, a team of outreach workers were deployed to the location. The role of an outreach worker was to provide a consistent presence on the streets and other outdoor locations throughout San José to build rapport and trust with homeless residents. Outreach workers met immediate needs by connecting the homeless person to shelter and/or other critical services such as health care, linkage and referrals to services and benefits, direct transportation to shelter and other services. After a visit was completed the outreach team recorded their efforts/findings into a City funded database. For FY 18-19 outreach teams were required to track more robust data such as, referrals and denials to shelter and reasons why. This helped the City understand how many encampments were in San José which ones received the most complaint and site specific needs. The database was also used to determine "hot spots" and which encampments were abated. The City-wide Outreach Program provided 2,704 outreach contacts to 832 unduplicated homeless persons throughout San José. Further, 18% of clients contacted via street outreach moved from the street to a permanent destination or institution.

PATH managed the Homeless Outreach and Engagement Program that provided targeted proactive outreach to the Downtown corridor, as well as the City's three Project Areas along Coyote Creek as well as "hot spots" identified by City staff. The Coyote Creek Project Areas encompass a stretch of creek 10.7 miles along Coyote Creek. Downtown and targeted outreach included a dedicated community outreach

and mobile case management team, an assessment process to establish the geography and extent of homelessness, engagement with local service providers and community stakeholders, and permanent housing location, placement, and retention activities. The goal of the program was to increase community engagement around homelessness and decrease the number of people experiencing homelessness in the downtown core as well as the targeted areas. PATH provided 2,704 outreach contacts to homeless persons in the downtown core and encampments to 587 unduplicated homeless individuals. Most significantly 10% of participants (48 people) moved into a permanent housing destination. Serving as the first responders to the unsheltered population in San José, the outreach teams prioritize assessing those who they encounter to ensure they are entered into the County-wide queue for housing opportunities.

As a result of ESG and CDBG funding, PATH made a total of 587 unduplicated contacts and Homefirst made a total of 879 unduplicated contacts with homeless individuals. Unduplicated contacts were individuals and/or families who were assessed for available housing options and linked to temporary shelter, case management, transportation, and medical services. Engaging with someone for long enough to gain trust can take weeks, months or years, especially for those who do not access shelter or services and most likely have multiple barriers securing permanent housing and gaining stability.

The City continued coordinating with the Santa Clara Valley Water District and other government and nonprofit partners to implement an ongoing response to homeless encampments which balances the needs of the encampment occupants and responds to the concerns of neighborhoods and the damage to the environment resulting from the encampments. In FY 2018-19 there were 403 abatements conducted both on land and along our water ways, resulting in 746 tons of trash being removed. Outreach and engagement teams worked in conjunction with the abatement team once a site was identified for abatement, to offer services and referrals.

Addressing the emergency shelter and transitional housing needs of homeless

The City continued to support emergency and transitional housing options, but prioritized moving people quickly into housing with supportive services as seen in the successful Housing First approach. Efforts included creating mutually beneficial partnerships with property owners and managers to remove the stigma of renting to extremely low income and formerly homeless people, and increasing the number of units of permanent housing available to homeless people linked with supportive wraparound services.

While permanent housing is the optimal strategy to end homelessness, emergency shelters and other types of crisis housing play a critical role in the response to homelessness. A recent one-time grant of $11.4 million from the State of California called the Homeless Emergency Aid Program (HEAP), provides an opportunity to fund homeless response strategies such as additional emergency shelter beds, homeless prevention and essential services. HEAP funds must be expended by June 30, 2021 in order to avoid recapture by the State. The Housing Department developed a proposed expenditure plan for the HEAP funds that was approved by the City Council on November 27, 2018. In the upcoming fiscal year, the City will use HEAP for motel vouchers, as well as 60 additional emergency beds in existing City-owned facilities, to add capacity to the homeless shelter system when emergency shelters are full.

The City's Crisis Interventions programs included various essential services centered on hygiene and emergency shelter.

Using the local Housing Trust Fund, the City funded Project WeHope to operate Dignity on Wheels. This mobile shower and laundry program served 1,303 unduplicated homeless individuals, providing 5,602 showers and 1,643 loads of laundry. In addition, the program made 219 referrals to community resources and services. 97% of clients accessing the services of Dignity on Wheels indicated that their basic shower and sanitation needs were met.

On November 27, 2018, the City Council declared the continued existence of a shelter crisis in the City of San José pursuant to, and in accordance with, the provisions of California Government Code section 8698 *et seq.* and designated four city-owned facilities to be occupied as overnight warming facilities by homeless individuals and families during the crisis. Funded by local Housing Trust Fund monies, HomeFirst operated the Overnight Warming Locations (OWL) for a combined 417 unsheltered persons in San José during periods of inclement weather in 8 activation periods, which came to 41 nights of activation.

Launched on November 1, 2018 and using the local Housing Trust Fund, the City funded LifeMoves to operate a Safe Parking Pilot Program for families at a city-owned community center. The Safe Parking Pilot Program provided a service-rich, safe, secure, and stable site for up to 17 homeless families to park their vehicles overnight. In March 2019, the City expanded the Safe Parking Pilot Program to two additional city-owned sites and created an additional 50 parking slots for vehicle dwellers to safely park in San José on any given night. Between November 1, 2018 through June 30, 2019, LifeMoves served 223 families and individuals and 82% of have transitioned into temporary or permanent housing.

Additionally, on February 26, 2019, the City Council approved an ordinance amending Title 20 of the San José Municipal Code (the Zoning Code) to revise land use provisions for incidental safe parking use on places of assembly and city parcels. The new ordinance allows year-round safe parking. Incidental Safe Parking" means the providing of shelter of homeless people as an incidental use to an existing primary Assembly Use or another use identified in this Part provided that the safe parking use occupies less than fifty (50%) percent of the paved square footage of the Site, and where the shelter is provided in vehicles located in designated paved "Safe Parking Area(s)". "Safe Parking" is identified as a potential tool to address the safety of the community and the homeless participants, creating safe and secure lots for car and recreational vehicle dwellers to park and sleep, increasing access to available services, reducing traffic and the number of people living illegally in their vehicles on the streets, decreasing enforcement actions and resulting legal costs to homeless persons, and providing resources to secure permanent housing and economic stability; . In FY 18/19, the City

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth.

Homelessness prevention is a key component of the Community Plan to End Homelessness because it can help communities reduce their homeless population. In partnership with the City, the County, private philanthropy, corporate partners, and non-profit agencies, Destination: Home sought to rethink the way family homelessness is prevented in Santa Clara County through a 27-month pilot program. The intent of the pilot program was to implement a countywide homelessness prevention system and prevent all instances of family homelessness.

In FY 2018-19, the City continued to prioritize homelessness prevention services using the local Housing Trust Fund. Awarded to The Health Trust, as the fiscal agent of Destination: Home, to provide homelessness prevention support to approximately 100 families. The first two years of the pilot resulted in 841 families avoiding homelessness through preventative funds with 95% of the families remaining stably housed while receiving prevention services. In March 2019, when the contract expired after 27 months, the City expanded the pilot with a two-year prevention grant using $4M in State HEAP funds. The goal was to expand families' ability to become quickly connected to prevention services throughout the community, streamline and standardize service delivery, and measure the collective impact of homelessness prevention.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

In FY 2018-19, the City continued to prioritize the Rapid Rehousing Program. The City funded The Health Trust to administer up to 200 time-limited rental subsidies at any given time to homeless households in San José. The City funded The Health Trust, PATH, and Bill Wilson Center to administer the supportive services to employed or employable individuals and families. The Rapid Rehousing Program was funded through both HOME and HALA with a goal of serving up to 200 households at any given time. In FY 2018-19, the Rapid Rehousing Program housed 33 households.

Targeting the underserved and providing the means necessary to obtain permanent supportive housing quickly proved successful overall. However, several Rapid Rehousing Program participants lacked a place to stay while they searched for permanent units. The City implemented the first interim housing program at The Plaza Hotel in January 2018 for City and County-funded Rapid Rehousing Program referrals. The Plaza Hotel is comprised of 46, Single Room Occupancy units and ensures that participants can search for permanent housing without the stress of being unhoused. Also, the Plaza Hotel provides case management agencies with the opportunity to better coordinate services while their client is in transition, and searching for sustainable housing options. Over 60 individuals utilized The Plaza Hotel in FY 2018-19.

Additionally, securing apartments in such a competitive rental market continued to be the biggest challenge. While rental subsidies provided for a great opportunity to homeless individuals while they regained self-sufficiency, even those who attained gainful employment were turned away in high numbers by landlords. Credit and criminal records were barriers that landlords were not overlooking, even for items that occurred many years ago. Landlords had numerous people showing up for an open apartment and took the renter with the highest income and cleanest record.

As a result of the challenges in identifying suitable market-rate apartments, the City continued to strengthen the Transition in Place (TIP) Housing Program that provided access to subsidized apartments. By providing access to Extremely Low-Income (ELI) apartments Rapid Rehousing Program participants were able to transition in place and remain housed. The City utilized a variety of strategies to gain access to existing restricted affordable apartments including paying for rehabilitation costs of existing apartments, buying down rents of very low- or low-income apartments, and subsidizing the development costs of new construction. Those referred (based on apartment turnover) came with a case manager and some level of recent housing history. In FY 2018-19, the City's TIP portfolio was up to 87 affordable units that ranged between single room occupancy to 3 bedroom apartments.

Current City Partners and TIP Unit breakdown:

Developer	Location	Unit Number & Type	% AMI	Population
First Community Housing	Creekview Inn	10 Studios	30%	1-2 Individuals per unit
Abode Services/Housing for Independent People	Scattered sites	31 SROs	30%	1 individual per room
Eden Housing	Eden Palms	8 apartments	35%	Families
Affirmed Housing Group	Fairways	9 apartments	25%, 30%	Individuals & families
Charities Housing	Met South	9 studios	30%	1-2 Individuals per unit
MidPen	Baker Park	7 apartments	TBD	Individuals & families
Village at Willow Glen Housing Partners	Willow Glen Senior Apartments	13 apartments	45%-50%	Seniors (55+)

Total: 87 Units

The City of San José, in coordination with other public and private agencies in Santa Clara County, continued to address homelessness through a multi-faceted approach that includes: funding and providing direct services; advocating for policies, programs, and funding that support ending and preventing homelessness, and researching best practices to better serve the area's homeless and at-risk residents. The City aligned itself closely with Destination: Home, a public-private partnership formed in 2008 to implement the initiatives identified by the Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis. Destination: Home is a convener, advocate, and driving force in bringing Santa Clara County to systematically reduce its most vulnerable homeless populations.

The Care Coordination Project (CCP) is a community-wide effort established in 2011 for the purpose of coordinating the care of the County's most vulnerable and long-term chronically homeless residents by bringing together all of the services and benefits that clients need to obtain and maintain housing, including drug and alcohol rehabilitation, mental health services, government benefits and housing resources. In FY 2018-19, the City continued to partner with the County Office of Supportive Housing to provide support for the salaries and related costs of nine (9) intensive case managers and other supportive services in the CCP with funding in the amount of $925,000 from the Housing Authority Litigation Award Fund. Each intensive case manager maintained active case loads of no more than

twenty chronically homeless or newly housed clients totalling capacity at one hundred eighty (180) clients.

On a regional level, over the past year leaders from the City, the County, other government agencies such as the Housing Authority of the County of Santa Clara and the Santa Clara Valley Water District, service providers, philanthropy, community institutions, and business organizations implemented the Community Plan to End Homelessness in Santa Clara County. The Community Plan was developed to enhance the community's work towards ending and preventing homelessness among all homeless persons and families. Building supportive housing requires a strong partnership and commitment between the City, the County of Santa Clara, and the Housing Authority of Santa Clara County. The City typically provides development financing while the County coordinates supportive services and the Housing Authority funds project-based vouchers.

The City continued to fund The Health Trust, as the fiscal agent of Destination: Home, $300,000 for the two-year grant for the Supportive Housing Employment Initiative to develop and launch an employment engagement system focused on homeless men and women in rapid rehousing programs. The goal of the initiative was to secure permanent, full-time job placements for at least 200 homeless individuals by June 30, 2019. Funding was used to employ a Director of Employment Strategies to increase employment partnerships and strategies to create, implement and scale strategies in a public/private partnership model that will create multiple pathways to employing recently housed individuals as part of the Santa Clara County Community Plan to End Homelessness.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

Not applicable. There are no public housing units located in the City.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

While the majority of their units have been converted to affordable housing stock, SCCHA is proactive in incorporating resident input into the agency's policy-making process. An equitable and transparent policy-making process that includes the opinions of residents is achieved through the involvement of two tenant commissioners, one being a senior citizen, on the SCCHA board.

SCCHA has been a MTW agency since 2008. In this time the agency has developed 41 MTW activities. The vast majority of their successful initiatives have been aimed at reducing administrative inefficiencies, which in turn opens up more resources for programs aimed at LMI families. The following is excerpted from SCCHA's August 2014 Board of Commissioner's report (at that time the agency was known as the Housing Authority of the County of Santa Clara (HACSC):

"HACSC's Family Self Sufficiency (FSS) Program is designed to provide assistance to current HACSC Section 8 families to achieve self-sufficiency. When a family enrolls in the five-year program, HPD's FSS Coordinator and LIFESteps service provider helps the family develop self-sufficiency goals and a training plan, and coordinates access to job training and other services, including childcare and transportation. Program participants are required to seek and maintain employment or attend school or job training. As participants increase their earned income and pay a larger share of the rent, HACSC holds the amount of the tenant's rent increases in an escrow account, which is then awarded to participants who successfully complete the program. HACSC is currently in the initial stages of creating a pilot successor program to FSS under the auspices of its MTW flexibility called Focus Forward."

Actions taken to provide assistance to troubled PHAs

Not applicable.

OMB Control No: 2506-0117 (exp. 07/31/2015)

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The City is addressing barriers that hinder affordable housing and residential investment with the key programs and policies listed below:

Action:

On June 12, 2018, staff brought forward a Housing Crisis workplan, to prioritize implementation and policy actions that facilitate the development of 15,000 market-rate and 10,000 affordable residential units by 2022.

These items were completed in 2018:

Transition from Level of Service to a Vehicle Miles Traveled CEOA Threshold: On February 27, 2018 the City Council adopted a new Transportation Analysis Policy 5-1 that established Vehicle Miles Traveled as the new CEQA threshold for transportation impacts, thereby eliminating Level of Service, or automotive delay, as a CEQA threshold in San Jose. The new Policy 5-1 will provide a more streamlined entitlement process for housing development that is consistent with and implements the Envision San Jose 2040 General Plan.

Urban Villages: Horizon I Urban Villages collectively are a key growth area for new housing, providing near-term housing opportunities in Villages with City Council-approved Urban Village Plans. Given this, the City Council directed staff to move Horizon II or III Urban Villages locates along existing fixed rail or Bus Rapid Transit into Horizon 1 to accelerate residential development. Staff have prepared Urban Village Plans for the Berryessa BART (Horizon 1) and the North First Street (Horizon 2) Urban Villages. In addition, staff began work on Urban Village Plans for the Southwest Expressway (Horizon 2), Race Street (Horizon 2), and Alum Rock East (Horizon 3) Urban Villages, all of which include a light rail station.

Accessory Dwelling Units: The City Council approved amendments to the accessory dwelling unit ordinance to provide additional flexibility for the development of ADU's including allowing 2 story ADUs with up to 2 bedrooms. Staff is also currently working on the development loans to facilitate forgivable ADU construction loans with the ADU required to maintain affordable rents for a period of time; and a potential Parks fee waiver for ADUs.

Downtown: Staff focused resources to enable the construction or approval of 12,500 new units Downtown by 2022 by completing an update to the Downtown Strategy and EIR.

Commercial Impact Fee: The City is continuing to advocate for a regional approach to scaling CIF's, a regional jobs-housing linkage fee. Staff has initiated the Nexus Study for a Commercial Impact Fee for the Diridon Station Area, as part of a potential "Diridon Transit Area Infrastructure Fee Program."

Below are items underway and items to be initiated:

II. Work Items Initiated and Underway			
	Item	**Lead Department**	**Planned Completion**
	Create a cross-departmental Housing Catalyst Team Hire a Planner III to manage entitlements for affordable housing that includes permanent supportive or extremely low-income apartments	OED/PBCE/ Housing	Spring 2019 Completed Feb. 2019
	Make additional residential units available in North San José	DOT/OED/ Planning/Housing	Spring 2019
	Develop Anti-Displacement and Dispersion Strategies	Housing	Fall 2019
	Advocate for State legislation that supports housing development	CMO/Housing	Ongoing
	Explore the City's impact on the cost of residential development, including: • the deferral of fees to Certificate of Occupancy • the appropriate level of fees and the use of incentives • the impact of permit and entitlement timelines • the predictability and transparency of City development and impact fees	OED	Ongoing
	Complete the PDO/PIO Fee Study	PRNS/CMO	Winter 2020
	Encourage private, public, and nonprofit investments	Housing	Ongoing
	Explore options for a Commercial Impact Fee	CMO/OED/ Housing	Spring 2020
	Refine General Plan Policy H-2.9 (the "1.5-acre rule")	PBCE/Housing	Partially Completed Fall 2018 Fully Complete Summer 2019
	Explore changes to Commercial Space Requirements for Affordable Developments	OED/PBCE/ Housing	Start Fall 2019 (GP 2040 Four-year Review)
	Affordable Housing Land Acquisition Sites Database	Public Works /PBCE/Housing/ OED	On hold due to lack of funding

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	Leverage private dollars for affordable housing	Housing	In progress
	Explore the creation of a Land Trust	Housing	Research underway, to be completed mid-2019
	Explore interim housing solutions on Caltrans Sites	Housing	In Process

III. Work Items To Be Initiated			
	Item	**Lead Department**	**Planned Initiation**
	Update Downtown Zoning requirements to establish minimum height and density and eliminate parking requirements	PBCE	Fall 2019
	Amend the Zoning Ordinance to allow for 100% Affordable	PBCE	Summer 2019
	Explore allowing mixed-income development ahead of Urban Village Plans through the GP 2040 Four-year Review	PBCE	Initiate Fall 2019
	Explore Public/Private Parking opportunities	OED	To Be Initiated
	Expand the Downtown boundary	PBCE	Spring 2020
	Explore CFDs for payment of fees	OED	To Be Initiated
	Reimagine Underutilized Business Corridors to allow the integration of housing	PBCE	Fall 2019
	Pursue changes to the GP to allow infill on problem properties	PBCE	Fall 2019
	Allow infill housing on isolated employment lands	PBCE	Fall 2019
	Identify non-viable commercial or office sites for housing	OED	Fall 2019
	Housing conversions without City Consent	PBCE	Fall 2019
	Explore the creation of a Land Acquisition Loan Fund	Housing	To be Initiated

The City also has an active intergovernmental relations program. 2018 marked a year of landmark investment in affordable housing in California with the approved budget allocates $2.4 billion to help address homelessness and affordable housing needs, including $20.8 million for San Jose through the Homeless Emergency Aid Program. The budget bill also included a provision to create a by-right process for by navigation centers and emergency shelters.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

Place-Based Community Development: To address obstacles relating to low levels of neighborhood engagement in low income neighborhoods, the City allocated CDBG dollars into three neighborhood engagement programs in three place-based initiative communities (Mayfair, Santee, and Downtown San José). These program included trainings and empowered community leaders to develop and lead

community workshops and activities.

Homelessness: San José's 2018 HEAP allocation was $11.3 million and has been spent on predominately on prevention and crisis intervention strategies.

In total, San Jose's HEAP funds will create 640 housing opportunities with temporary or emergency shelter beds; prevent 730 individuals or households from entering homelessness; and expand essential services for 2,000 individuals.

San Jose's next priorities are:

- Navigation Center: San Jose has over 4,300 homeless people, with 75% unsheltered. The City performs over 500 abatements a year. A navigation center will be a helpful tool for the encampment outreach teams to have a meaningful offer of shelter and services.
- Enhanced Encampment Outreach: The City is developing an enhanced encampment abatement and resolution program that will provide trash, restroom service and mobile case management to alleviate the environmental impacts and public health impacts of encampments. The program will be a complimentary tool for the navigation center.
- Homeless Prevention: Countywide system with the goal to expand households' ability to become quickly connected to prevention services with multiple points of entry, streamline and standardize service delivery. See Attachment for results.

Bridge Housing: Permanent Supportive housing is considered to be the best long-term solution for homelessness, but it is costly and takes several years to plan and build. For this reason, San José is looking at ways to build transitional communities rapidly and at lower cost. The City is currently exploring ways to adapt manufactured housing with shared cooking, dining and bathroom facilities for use as "bridge housing" until permanent affordable apartments become available. The first Bridge Housing site is currently under construction and will open this Summer 2019.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The Department of Housing provides lead-based paint (LBP) testing and assessment services on all dwellings built prior to 1978 that receive rehabilitation assistance. In addition to the trained and lead-certified Housing Department staff, the City has a contract with a private environmental consultant to provide testing and assessment services. These services are being provided to comply with Federal regulations 1012 and 1013 of Title X, as well as to ensure a safe living environment for the residents of San José. As a result of funding shifts, the Home Repair Program was primarily funded through non-federal funding sources. Although the funding used does not require lead based paint testing or associated remediation the City continued to test homes receiving rehabilitation funding. The City's Home Repair Program has been on hold for the better part of three years. The Projects underwritten and implemented during this period were a result of the existing pipeline. As a result the City's lead testing totals were minimal this past year. In 2017-18 the City tested 43 homes for lead based paint.

In Fiscal year 2017-18, the Minor Repair Program was expanded to include more extensive repairs. With this expansion, the City's testing increased this year. 36 of the 43 tests were conducted for the Minor Repair Program.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City, in its continuing effort to reduce poverty, has prioritized funding agencies that provide direct assistance to the homeless and those in danger of becoming homeless. Additionally, the City has made a commitment to improve the communication and service delivery capabilities of agencies and organizations that provided programs to assist the homeless.

Investments of CDBG and ESG funding this year resulted an increase in income for homeless and formerly homeless individuals and families. The San José Streets Team Job Training program resulted in 67 job placements for homeless or formerly homeless individuals.

A key effort is Work2Future, the local administrative arm of the Workforce Innovation and Opportunity Act of 2013 (WIOA). Work2Future operates one-stop centers that serve the areas of San José, Campbell, Morgan Hill, Los Altos Hills, Gilroy, Los Gatos, Saratoga, Monte Sereno, and the unincorporated areas of the County. The Department of Labor is the main funding stream for the centers. Other sources include state, local, and federal grants and corporate support. Strategically positioned within the Office of Economic Development, Work2Future addresses the workforce and economic development needs of the local area in collaboration with small and large businesses, educational institutions and community-based organizations.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City strives to improve intergovernmental and private sector cooperation to synergize efforts and resources, and develop new revenues for community service needs and the production of affordable housing. Ongoing collaborative efforts include:

- Regular quarterly meetings between entitlement jurisdictions at the CDBG Coordinators Meeting and Regional Housing Working Group.
- Twice monthly meetings between the Directors of the City of San José Housing Department, the Santa Clara County Office of Supportive Housing, and the Santa Clara County Housing Authority.
- Developing joint jurisdiction RFPs and project review committees with the Santa Clara County Office of Supportive Housing and the Santa Clara County Housing Authority. This partnership will simplify the application process for affordable housing developers, facilitate joint review and coordinate funding for capital projects, project-based housing vouchers, and support services.
- Coordination on project management for projects funded by multiple jurisdictions.
- Participation in and coordination with the County's Continuum of Care, including working groups.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City benefits from a strong network of housing and community development partners, such as the Regional Housing Working Group. Work2Future, and the Continuum of Care. The City is a leader in the Santa Clara Continuum of Care (CoC), including membership on the leadership board, the performance management workgroup, and the coordinated assessment workgroup. The membership of the CoC is a collaboration of representatives from local jurisdictions comprised of community-based organizations, the Housing Authority of County of Santa Clara, governmental departments, health service agencies, homeless advocates, consumers, the faith community, and research, policy and planning groups.

In addition, the Housing Department periodically hosts roundtable discussions with affordable housing developer partners to address issues relating to housing finance and loan compliance.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The City's 2016 Analysis of Impediments to Fair Housing Choice identified public and private impediments. Below is a listing of these impediments along with the actions that have been taken to overcome their effects:

Impediment: The availability of affordable units in a range of sizes.

The City's affordable housing stock falls far short of meeting the demand in the region. Due to the regional shortage of affordable housing available, housing costs are some of the highest in the nation and residents are increasingly cost-burdened, paying a large portion of their income in housing costs. The lack of affordable housing available also results in an increase in overcrowding in several neighborhoods in San José as families live together to share housing costs. When low-income individuals or families lose their housing, they are at a high risk of homelessness due to the difficulty in securing affordable housing.

Action:

Strategies: (Actions 1.1-1.7 and 3.1-3.2)

The City has continued to focus on increasing the availability of affordable housing by in 2017-2018. Providing larger units with more rooms for larger families was a key consideration in the development of Quetzal Gardens, a project which will primarily serve families. A summary of the City's productions activities can be found on the following page.

ATTACHMENT A - AFFORDABLE HOUSING PRODUCTION AND PRESERVATION REPORT - OCTOBER 1, 2017 THROUGH DECEMBER 31, 2017

A.1 - Production Activities

Affordable Housing Developments Completed During Fiscal Year 2017-2018

The City of San Jose approved and/or provided funding for the completed affordable housing projects listed below. These projects were completed during FY 2017-2018.

Project	Council District	Type	Developer	City Investment	Unit Breakdown by Type					Total Units	Unit Breakdown by Affordability				Status	% Completed	Completion
					PSH Units	RRH Units	Family Units	Senior Units	Mgr. Units		# ELI Units	# VLI Units	# LI Units	# Mod Units			
The Plaza	3	New	Abode	$2,200,000	0	46	0	0	1	47	0	46	0	1	Completed	100%	2017
Vermont House	6	New	Abode	$3,000,000	16	0	0	0	1	17	16		0	0	Completed	100%	2018
Totals				**$5,200,000**	**16**	**46**	**0**	**0**	**2**	**64**	**16**	**46**	**0**	**1**			

Approved Affordable Housing Developments - Under Construction/Construction Pending

The City of San Jose approved and/or provided funding for the affordable housing projects listed below.

Project	Council District	Type	Developer	City Investment	Unit Breakdown by Type					Total Units	Unit Breakdown by Affordability				Status	% Completed	Estimated Completion
					PSH Units	RRH Units	Family Units	Senior Units	Mgr. Units		# ELI Units	# VLI Units	# LI Units	# Mod Units			
HIP Properties	Scattered	Rehab	Abode	$1,800,000	44	0	0	0	0	44	44	0	0	0	Under Construction	40%	2018
Laurel Grove Family	6	New	HACSC	$0	20	0	61	0	1	82	23	58			Under Construction	55%	2018
Second Street Studios	3	New	First Community Housing	$16,900,000	134	0	0	0	1	135	34	100	0	0	Under Construction	60%	2018
Park Avenue Seniors	6	New	HACSC	$0		20	0	79	1	100	10	89			Under Construction	15%	2019
Metropolitan South	7	New	Charities	$3,700,000	10		20	0	1	31	12	18	0	0	Under Construction	15%	2019
Renascent Place	7	New	Charities	$0	160	0	0	0	2	162	56	104	0	0	Pending Construction	0%	2019
Villas on the Park	3	New	PATH/Affirmed	$16,600,000	83	0	0	0	1	84	42	41	0	0	Pending Construction	0%	2019
North San Pedro	3	New	First Community Housing	$2,500,000	50	50	33	0	1	134	58	76		0	Pending Construction	0%	2020
Leigh Avenue Seniors	6	New	first Community Housing	$9,000,000	20	23	0	20	1	64	0	63	0	0	Pending Construction	0%	2020
Totals				**$50,500,000**	**521**	**93**	**114**	**99**	**9**	**836**	**279**	**549**	**0**	**0**			

Affordable Housing Developments in Predevelopment - Unit Counts are Estimates

The City of San Jose provided predevelopment funding to the following affordable housing developments. The "Estimated Completion" date indicates when the City's predevelopment funding will be expended.

Project	Council District	Type	Developer	City Investment	Unit Breakdown by Type					Total Units	Unit Breakdown by Affordability				Status	% Completed	Estimated Completion
					PSH Units	RRH Units	Family Units	Senior Units	Mgr. Units		# ELI Units	# VLI Units	# LI Units	# Mod Units	-		
226 Balbach	3	New	Satellite Housing	$200,000	20		50		1	71	20	25	20	5	Predevelopment	10%	2018
Evans Lane	6	New	Abode	$400,000	0	60	0	0	0	60	0	60	0	0	Predevelopment	25%	2018
Gallup/Mesa	10	New	Eden Housing	$200,000	15	15	10	0	1	41	15	15	5	5	Predevelopment	10%	2018
Quetzal Gardens	5	New	RCD	$1,000,000	17	15	38	0	1	71	17	13	40	0	Predevelopment	10%	2018
Totals				**$1,800,000**	**52**	**90**	**98**	**0**	**3**	**243**	**52**	**113**	**65**	**10**			

Totals	City Investment	Unit Breakdown by Type					Total Units	Unit Breakdown by Affordability			
		PSH Units	RRH Units	Family Units	Senior Units	Mgr. Units		# ELI Units	# VLI Units	# LI Units	# Mod Units
Units Completed	$5,200,000	16	46	0	0	2	64	16	46	0	1
Units Approved - Construction/Pending	$50,500,000	521	93	114	99	9	836	279	549	0	0
Units in Predevelopment	$1,800,000	52	90	98	0	3	243	52	113	65	10
GRAND TOTAL - PRODUCTION	**$57,500,000**	**589**	**229**	**212**	**99**	**14**	**1143**	**347**	**708**	**65**	**11**

OMB Control No: 2506-0117 (exp. 07/31/2015)

Impediment: Location and type of affordable housing

Due to the insufficient affordable housing to meet the demand, residents face limited choices when locating and securing housing. There is a need for more permanent supportive housing for homeless individuals, as well as more housing for extremely low income, low income, and moderate income residents. While most of the publicly-supported affordable housing developments are distributed across several neighborhoods in the City, Housing Choice Vouchers are concentrated in specific areas. There are some neighborhoods in which there are very few landlords that accept Housing Choice Vouchers or where there are very few affordable rentals available, thereby limiting the housing choices.

Action:

Strategies: (Actions 1.1-1.7, 3.1-3.2. 4.1-4.2, and 5.1-5.9)

The City has continued to focus on increasing permanent supportive housing and other affordable housing types, as well as facilitate access to existing extremely low, low, and moderate income housing.

The City is the process of updating its existing dispersion policy to align development of affordable housing with residential growth areas, as well as access to transit, retail, services, and jobs. This policy will be considered by City Council in Winter 2019.

The City is also completing work on a "Housing Payment Equality Ordinance," to address source of income discrimination. Council approved this ordinance in August 2019.

Impediment: Displacement of residents due to economic pressures.

Due to rising housing costs over the last several years, residents in low and moderate income neighborhoods have experienced displacement. The displacement is expected to continue, particularly in neighborhoods with accelerating growth and new development. Data from the Urban Displacement Project at the University of California Berkeley found that in the Bay Area, more than half of low-income households live in neighborhoods at risk of or already experiencing displacement and gentrification pressures. Several neighborhoods in San José, such as Japantown, Luna Park, and Little Portugal, have experienced advanced gentrification. Most of Central and East San José, as well as several areas of South San José are currently undergoing or at risk of gentrification.

Action:

Strategies: (Action 1.8-1.12, 5.1, 5.2 and 5.6)

When the City submitted the AI in 2016, the City has published a local Ellis Act and Tenant Protection Ordinance for public comment. May 9, 2017, the City Council adopted the TPO which specified the reasons landlords may use to terminate or evict tenants. The City Council approved the Ellis Act Ordinance on April 18, 2018. To address displacement of residents in low-income neighborhoods, the City will continue to enforce the Apartment Rent Ordinance, ensuring families in rent stabilized apartments are not facing illegal increases or evictions.

Additionally, the City is exploring strategies to locate affordable housing within growth areas that are experiencing or expect to experience displacement, such as urban villages. The City also in the process of creating City-wide Tenant Preference policies for the following types of low-income tenants of new affordable housing: 1) those who live or work in San Jose; 2) those who have experienced certain types of displacement; and, 3) those residing in gentrifying areas that are highly likely to result in tenant displacement. The policies will be considered by City Council by early fall 2019.

The City of San José and the greater Bay Area region have the unique opportunity to build an internationally prominent transportation center and to develop a superb destination within the area around the Diridon Station. The City imitated a comprehensive community engagement effort called the Station Area Advisory Group (SAAG) in summer 2018 to share information, and gather community input. The group is providing input a range of topics related to the potential development, including housing and displacement. The SAAG will hear the recommendations from the Housing and Displacement Solutions Group at their meeting on August 13, 2018.

In April 2018, the City of San José joined the PolicyLink All-In Cities Anti-Displacement Policy Network, the only city in CA completing the ranks of 10 cities across the nation championing the cause of Anti-Displacement. By joining this Network, City leaders are forging new relationships with other cities who have faced, or are now facing, displacement challenges. The Team hopes to make deeper connections with local and regional stakeholders in the Bay Area and beyond, and to engage with the large body of work that has been produced best practices to address displacement and help formulate the next generation of anti-displacement tools.

The Team's overall goal is to create a comprehensive citywide anti-displacement strategy that identifies key policy gaps and recommends a set of anti-displacement tools that respond to San José 's context. This strategy will be presented to the City Council by Winter 2019.

Impediment: Lack of tenant eviction protection and tenant education.

Throughout the community outreach process, residents expressed a need for stronger tenant protections, as well as tenant and landlord education and services. Residents identified a need for eviction protection, strengthening of the local rent stabilization ordinance, additional enforcement and tenant protections, tenant and landlord mediation, and outreach and education.

Action:

Strategies: (Actions 1.8-1.12, Action 2.1-2.8)

The City has continued to implement and enforce the recently formed Apartment Rent Ordinance, Ellis Act, and Tenant Protection Ordinances. The City is also exploring the feasibility of source of income discrimination protection. Staff plans to present their recommendation on the source of income nondiscrimination ordinance in fall 2018.

On June 19, 2018, the City funded a consortium of fair housing organizations for legal services for low-income tenants and landlords. The consortium will provide education, fair housing testing and investigation, and legal assistance.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Monitoring CDBG, HOME, HOPWA and ESG

The City continues to follow the grantee monitoring requirements outlined by HUD for the use of federal funds. The City has also standardized policies and procedures for use city-wide, which incorporate many of the HUD requirements. City staff continues to participate in the Grants Management Working Group that brings together all City departments that provide grants to the community. The Working Group shares best practices and discusses program performance of the grantees that each City department funds.

A major element of the monitoring process is the tracking of grantee performance. The Department of Housing uses the citywide Webgrants database system. This database tracks programmatic and financial performance and allows potential applicants to apply for funds electronically.

The intent of the monitoring process is to identify any potential red flags and, if necessary, provide the necessary technical assistance so that sub-recipients can successfully implement their projects. If a significant problem is discovered, City staff meets with project staff to discuss and resolve any issues. Examples of such problems include:

- Services are not documented
- Goals are not being met
- Project files are not in order
- Lack of fiscal controls and/or documentation
- Required reports are not being submitted in a timely manner
- Expense reporting does not adhere to regulations or policies

For CDBG, HOME, ESG and HOPWA programs, service providers are required to submit monthly Reimbursement Requests and Reconciliation Reports to document expenses and ensure that both line item budgets and total project budgets are not over-expended. Monthly review or reimbursement requests enables the City to ensure that all costs incurred by sub-recipients are eligible and documented as required by the applicable federal regulations. Additionally, service providers are required to submit quarterly performance reports and a cumulative annual report. Review of these reports allows staff to determine whether corrective measures are necessary and provide a basis for monitoring procedures.

In addition, Housing Department staff review financial documentation of its sub-recipients. The sub-recipients are required to establish and maintain a system of accounts that is in conformance with generally accepted principles of accounting for budgeted funds. This system of accounts is subject to review and approval by the City. In addition, sub-recipients are required to submit an annual agency audit. Financial monitoring is based on the program budget that is incorporated in the grant agreement between the City and the sub-recipient. Sub-recipients are required to submit to the City the name of a fiscal agent, if any, who is responsible for the financial and accounting activities of the project, including

the receipt and disbursement of project funds.

In addition to the review of quarterly progress reports and financial documents, the City conducts on-site visits with sub-recipients at least every two years. Programmatic monitoring visits include review of documentation of national objective and eligibility, client intake documentation, income eligibility, staffing levels, recordkeeping, and outcome measures tracking. Financial monitoring visits involve review of invoices and all back up documentation including staff timesheets, receipts, and proof of payment documentation on file. If deficiencies are identified, the City determines whether corrective action, technical assistance, or both is needed.

In the FY 2018-19 year, the City conducted on-site monitoring visits of all federal sub-grantees and will conduct follow-up monitoring as necessary in FY19-20.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The City published the CAPER for public review and comment on August 26, 2019. The City is accepting public comments for 23 days until September 17, 2019. Public hearings will be held during the Housing and Community Development Commission (HCDC) on September 12, 2019 and the City Council meeting on September 17, 2019.

Public notices of the CAPER and associated public hearings were distributed via email and newspaper advertising in five local newspapers. Print newspaper display ads were posted in the *El Observador* (Spanish), *Vietnam Daily News* (Vietnamese), *Philippine News* (Tagalog), *World Journal* (Chinese) and *San José Mercury News* (English).

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The City does not anticipate changes in CDBG program objectives.

[BEDI grantees] Describe accomplishments and program outcomes during the last year

Adopted in November 2003, San José's Economic Development Strategy (EDS) details a vision and outlines a strategy for San José's economic future. Identified as the number one strategic initiative in the EDS is to build and expand the Norman Y. Mineta San José International Airport (the Airport) into a world-class airport facility.

To facilitate the construction of the Airport, the City applied for and was awarded a $25.8 million loan under the Section 108 program through the U.S. Department of Housing and Urban Development (HUD) for the acquisition of 23.23 acres of land from the FMC Corporation. The land is directly adjacent to the Airport and was used for construction staging in support of the new terminal construction. The acquisition was in conjunction with an additional City bond-financed purchase of 51.64 acres of land which was also acquired from FMC. To fund a portion of the interest on the Section 108 loan, the City applied for and received a $2 million Brownfield Economic Development Initiative (BEDI) grant.

The approximate 75 acres of land, identified as Airport West is intended, in the long-term, to accommodate 1.5 million square feet of high-end office R&D, 300 hotel rooms and up to 95,000 square feet of retail space that will each support the Airport and the City's overall revenue position.

In July 2009, the first six gates in the new Terminal B concourse were activated. The entire Terminal B concourse and the consolidated rental car center and the public parking garage, provided 3,000 spaces for all rental car operations based at the Airport, as well as 350 public parking spaces at street level, was completed and opened for operation in July 2010. Terminal B was integrated with the Terminal B concourse for a total of 12 aircraft gates served by new ticket counters, security checkpoint, baggage claim, an automated inline baggage screening system and new retail and restaurants. In addition, Terminal A was expanded and renovated which included new shops and restaurants. The City continues to work on meeting the proposed 836 jobs creation goal.

In March 2015, the City of San José sold 26.3 acres which included the remaining balance of the 23.23 acres to a local developer for the construction of approximately 200,000 square feet of speculative office. Proceeds from the sale, in the amount of $13.64 million have been remitted to HUD. There is an outstanding balance of $1.2 million, which the city will pay off in the next couple of years. The Developer will notify any prospective tenant that will be subject to the job requirements associated with the Section 108 funding.

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

Housing Department inspectors perform annual on-site inspections of HOME-assisted rental housing to determine compliance with applicable property standards. As part of the monitoring process, the Housing Department verifies information maintained by the property owners concerning leases, tenant incomes, rents, and utility allowances, and verifies compliance with the provisions stated in written agreements and HOME regulations. Below is a listing of properties that have used HOME funds:

Rental Project	# of units	# of HOME units	# of units inspected	# of deficiencies identified	# of units Re-inspected	Deficiencies corrected (Y/N)
Archer Studios	42	42	9	0	N/A	Y
Burning Tree	1	1	1	1	1	Y
Canoas Terrace	112	112	26	41	19	Y
Curtner Gardens	179	179	37	24	15	Y
Donner Lofts	101	101	23	5	3	Y
Edenvale Special Needs	15	15	4	3	1	Y
Homesafe	25	25	7	6	3	Y
Kings Crossing	94	94	20	9	7	Y
Markham Plaza I	152	152	33	20	17	Y
Markham Plaza II	151	151	32	37	25	Y
The Metropolitan North	70	70	15	10	6	Y
North Fourth Street	100	100	24	15	12	Y
Japantown Seniors	75	75	20	5	5	Y
Peacock commons	28	28	7	9	4	Y
Plaza Del Sol	80	80	16	0	N/A	Y
Second Street Studios*	134	134	134	94	73	Y
Verandas	92	92	23	8	8	Y
Willow Glen Sr	133	133	28	8	6	Y

TBRA Program

The agency that administers the HOME-funded TBRA program completes initial and annual HQS inspections on every unit. The Health Trust provided housing search services, application review and approval, inspections and other services related to TBRA. City staff monitors/reviews reimbursement requests, eligibility of rent increases, client income changes, household changes and other related issues that affect subsidy levels. The City also enters into Memorandum of Agreements with agencies that provide TBRA clients with case management services.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)

The City reviews the marketing plans of HOME-funded projects to be sure that the development markets to populations which are least likely to apply. Further, the City requests that project owners annually review their marketing plan and certify whether any changes have occurred or need to occur. To meet affirmative marketing requirements, project sponsors or their property management companies typically mail notices to nonprofits serving income-eligible clients and place advertisements in local newspapers announcing the availability of units. City Council offices also highlight units' availability through their newsletters to constituents, as does the Housing Department's website. Typically, project sponsors receive several times the number of eligible applicants as there are available, affordable units to fill. Eligible applicants who do not receive a unit are put on a waiting list that is maintained indefinitely and updated every six months. As new applicants learn of existing properties and contact those property management companies, they are added to property waiting lists.

The City's affirmative marketing actions have been successful as developments quickly reach capacity and maintain extensive waiting lists. However, the City is open and is interested in new ways to address affirmative marketing. With the development of the Fiscal Year 2020-2025 Consolidated Plan, Analysis of Impediments (AI) to Fair Housing, and Affirmatively Furthering Fair Housing (AFFH) reports beginning, the City is looking to the new data to improve the affirmative marketing strategy.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

The City received $5,300,431.36 of program income during the reporting period. New HOME regulations now allows for the "banking" of program income to be programmed in the next fiscal year.

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

N/A

CR-55 - HOPWA 91.520(e)

Identify the number of individuals assisted and the types of assistance provided

Table for report on the one-year goals for the number of households provided housing through the use of HOPWA activities for: short-term rent, mortgage, and utility assistance payments to prevent homelessness of the individual or family; tenant-based rental assistance; and units provided in housing facilities developed, leased, or operated with HOPWA funds.

Number of Households Served Through:	One-year Goal	Actual
Short-term rent, mortgage, and utility assistance payments	0	0
Tenant-based rental assistance	90	68
Units provided in transitional housing facilities developed, leased, or operated with HOPWA funds	0	0
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0	0
Total	90	68

Table 14 – HOPWA Number of Households Served

Narrative

The City's HOPWA program has been successful in the reporting period as it exceeded its goal. The City provided 68 households with tenant based rental assistance. In addition to TBRA, all households received case management, whether funded through HOPWA or Ryan White, increasing the participant's ability to maintain their housing and health. The City's HOPWA program also provides financial assistance for housing placement (security deposits) and a wide range of supportive services, including housing case management, medical case management, and housing search and placement assistance. A total of 176 unduplicated households were assisted in the program year. The City's HOPWA rental assistance program has a very high success rate with 999% of clients maintaining stable housing during the program year.

The need for housing subsidies for people living with HIV/AIDS in Santa Clara County and San Benito County far exceeds the resources available. As such, the City has applied for competitive HOPWA grants to supplement the formula funding. Through the HOPWA-Permanent Supportive Housing Program (HOPWA-PSH), the City supports an additional 20 households with housing subsidies and supportive services, including medical case management. The City applied for and was awarded a new HOPWA competitive grant for FY16-17 to support people living with HIV/AIDS who are victims of domestic violence. This demonstration program will bring an addition $1.3 million in resources to Santa Clara County to support this population.

CR-60 - ESG 91.520(g) (ESG Recipients only)

ESG Supplement to the CAPER in *e-snaps*

For Paperwork Reduction Act

1. Recipient Information—All Recipients Complete

Basic Grant Information

Recipient Name	SAN JOSE
Organizational DUNS Number	063541874
EIN/TIN Number	946000419
Identify the Field Office	SAN FRANCISCO
Identify CoC(s) in which the recipient or subrecipient(s) will provide ESG assistance	Santa Clara County Continuum of Care

ESG Contact Name

Prefix	Mr.
First Name	ROBERT
Last Name	LOPEZ
Title	Development Officer - Grants

ESG Contact Address

Street Address 1	200 E. Santa Clara Street
Street Address 2	12th Floor
City	San José
State	CA
ZIP Code	95113-
Phone Number	4089754402
Email Address	robert.lopez@sanjoseca.gov

ESG Secondary Contact

Prefix	Ms.
First Name	Kristen
Last Name	Clements
Title	Grants and Neighborhood Programs Administrator
Phone Number	408-535-8236
Email Address	Kristen.clements@sanjoseca.gov

2. Reporting Period—All Recipients Complete

Program Year Start Date	07/01/2018
Program Year End Date	06/30/2019

OMB Control No: 2506-0117 (exp. 07/31/2015)

3a. Subrecipient Form – Complete one form for each subrecipient

Subrecipient or Contractor Name	Bill Wilson Center
City	Santa Clara
State	CA
Zip Code	95050
DUNS Number	095988747
Is subrecipient a victim services provider	No
Subrecipient Organization Type	Other Non-Profit Organization
ESG Subgrant or Contract Award Amount	$122,997

Subrecipient or Contractor Name	PATH
City	Los Angeles
State	CA
Zip Code	90004
DUNS Number	847856390
Is subrecipient a victim services provider	No
Subrecipient Organization Type	Other Non-Profit Organization
ESG Subgrant or Contract Award Amount	$409,494

Subrecipient or Contractor Name	County of Santa Clara
City	San Jose
State	CA
Zip Code	95118
DUNS Number	168740215
Is subrecipient a victim services provider	No
Subrecipient Organization Type	Government Agency
ESG Subgrant or Contract Award Amount	$150,000

CR-70 – ESG 91.520(g) - Assistance Provided and Outcomes

10. Shelter Utilization

Number of New Units – Rehabbed	0
Number of New Units – Conversion	0
Total Number of bed - nights available	N/A
Total Number of bed - nights provided	N/A
Capacity Utilization	N/A

Table 15 – Shelter Capacity

11. Project Outcomes Data measured under the performance standards developed in consultation with the CoC(s)

The City of San José Housing Department works closely with the Continuum of Care (CoC) to ensure that the priorities and programs supported with ESG (and CDBG) funds are aligned with the CoC goals. The CoC has approved performance measures (both HUD-mandated and local measures) and are developing benchmarks for the selected measures. Over the past few years, the City focused on street outreach (including encampments), shelter, intensive case management, and rapid re-housing (including housing search, placement, and maintenance services). Currently, ESG funds are used for outreach and homelessness prevention. The primary performance measures used to measure success across all programs are related to the rate of moving individuals and families from street/encampments to temporary destinations and into permanent housing. Programs measure housing rates for both individuals/families with access to subsidies and those without subsidies.

Bill Wilson Center Homeless Prevention Program

- 85% of households remain stably housed while receiving prevention assistance
- 70% of households remain stably housed 6 months after the termination of assistance (measured through HMIS)

CR-75 – Expenditures

11. Expenditures

11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year				
	2014	**2015**	**2016**	**2017**	**2018**
Expenditures for Rental Assistance	0	0	0	0	31,489
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	0	0	0	0	0
Expenditures for Homeless Prevention under Emergency Shelter Grants Program	0	0	0	0	61,461
Subtotal Homelessness Prevention	0	0	0	0	92,950

Table 16 – ESG Expenditures for Homelessness Prevention

11b. ESG Expenditures for Rapid Re-Housing

	Dollar Amount of Expenditures in Program Year				
	2014	**2015**	**2016**	**2017**	**2018**
Expenditures for Rental Assistance	80,671	66,271	59,790	25,723	0
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	72,276	233,232	268,452	185,710	0
Expenditures for Homeless Assistance under Emergency Shelter Grants Program	0	0	0	0	0
Subtotal Rapid Re-Housing	152,947	299,503	328,202	211,433	0

Table 17 – ESG Expenditures for Rapid Re-Housing

11c. ESG Expenditures for Emergency Shelter

	Dollar Amount of Expenditures in Program Year				
	2014	**2015**	**2016**	**2017**	**2018**
Essential Services	0	0	0	0	0
Operations	159,861	137,822	112,657	105,594	0
Renovation	0	0	0	0	0
Major Rehab	0	0	0	0	0
Conversion	0	0	0	0	0
Subtotal	159,861	137,822	112,657	105,594	0

Table 18 – ESG Expenditures for Emergency Shelter

11d. Other Grant Expenditures

	Dollar Amount of Expenditures in Program Year				
	2014	**2015**	**2016**	**2017**	**2018**
Street Outreach	186,361	272,722	259,041	377688	409,494
HMIS	94,010	0	120,000	0	150,000
Administration	50,322	25,300	55,760	36,710	8,946

Table 19 - Other Grant Expenditures

11e. Total ESG Grant Funds

Total ESG Funds Expended	2014	2015	2016	2017	2018
	643,501	735,347	875,660	731,425	661,390

Table 20 - Total ESG Funds Expended

11f. Match Source

	2014	2015	2016	2017	2018
Other Non-ESG HUD Funds	789,623	810,278	750,000	694,000	417,758
Other Federal Funds	0	0			
State Government	0	0			
Local Government	641,576	705,542	126,255	170,000	189,825
Private Funds	0	0			
Other	0	0			
Fees	0	0			
Program Income	0	0			
Total Match Amount	789,623	1,515,820	876,255	864,000	607,583

Table 21 - Other Funds Expended on Eligible ESG Activities

11g. Total

Total Amount of Funds Expended on ESG Activities	2014	2015	2016	2017	2018
	2,074,700	2,251,167	1,751,955	1,595,425	1,268,973

Table 22 - Total Amount of Funds Expended on ESG Activities

HCDC AGENDA: 9-12-19
ITEM: VII-E

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

FROM: Ragan Henninger

SUBJECT: **FIVE-YEAR CONSOLIDATED PLAN FOR 2020-25 DEVELOPMENT**

DATE: September 5, 2019

Approved Date

RECOMMENDATION

Review the report and workplan to develop the Five-Year Consolidated Plan governing the use of federal funding from the U.S. Department of Housing and Urban Development over the 2020-25 period, and give feedback to staff.

OUTCOME

Members of the Housing and Community Development Commission will receive an update on the process involved in developing the City's federally-required Five-Year Consolidated Plan (Consolidated Plan) for 2020-25. Commission members will also better understand the community outreach that will occur as part of the effort to set future funding priorities under the new Consolidated Plan.

BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) requires jurisdictions that receive federal housing and community development grant funding to develop a Consolidated Plan that identifies priority needs, goals, actions, and funding strategies. The Consolidated Plan represents a comprehensive strategy for four federal funding programs:

1. Community Development Block Grant (CDBG)
2. HOME Investment Partnership (HOME)
3. Emergency Solutions Grant (ESG), and
4. Housing Opportunities for Persons with Aids (HOPWA).

The CDBG program is the most flexible of these funding sources and allows for investments in a variety of areas such as housing, economic development, and public service. Conversely, HOME, ESG, and HOPWA are targeted to specific activities and populations. The HOME program funds the development of affordable housing and rental subsidies; ESG and HOPWA

both target programs and housing programs that benefit people who are homeless. San José currently is completing approved activities under its 2015-20 Consolidated Plan and now is starting to develop the 2020-25 Consolidated Plan. The deadline to submit the new Consolidated Plan to HUD is May 15, 2020.

Additionally, the City must develop an Annual Action Plan each year to implement the Consolidated Plan. Further, the City must report back to HUD each year on how it performed under its previous Annual Action Plan, which is called the Consolidated Annual Performance Evaluation Report (CAPER). City Council approval is required for the Consolidated Plan, each Annual Action Plan, and each CAPER.

Jurisdictions that receive federal housing and community development grant funds must also affirmatively further fair housing to meet federal fair housing and civil rights laws. This requirement is typically informed through the preparation of a separate but related report called the Analysis of Impediments to Fair Housing (Analysis of Impediments). The Analysis of Impediments identifies barriers preventing individuals, households, and families from accessing housing opportunities, and identifies strategies to mitigate or eliminate those barriers. The AFH will be developed concurrently with the Consolidated Plan and the findings and strategies in the AFH will be incorporated into the Consolidated Plan as appropriate. (Refer to the staff memo on this commission agenda on Affirmatively Furthering Fair Housing Plan for more information.)

ANALYSIS

2020-25 Consolidated Plan Process

The development of a new Consolidated Plan typically includes the simultaneous development of a first year Annual Action Plan for that cycle as well. In this case, the Consolidated Plan includes concurrent development of the FY 2020-21 Annual Action Plan, with subsequent annual plans developed in their respective years.

The Santa Clara County Office of Supportive Housing (OSH) convened a working group that includes representatives from OSH, the Santa Clara County Housing Authority, five local cities and the Housing Department. The County of Santa Clara, on behalf of the participating jurisdictions, issued a request for proposal as part of the selection process. Engaging a shared consultant will provide efficiencies with data analysis and outreach as each jurisdictions separate Consolidated Plan is developed. Additionally, the working group will help identify regional challenges, barriers, opportunities, and shared goals and actions. Participating jurisdictions will tailor each jurisdiction's Consolidated Plan to address their own local housing conditions and needs and to meet the federal Consolidated Plan requirements.

The consultant will complete a shared workplan and will perform add-on work for individual jurisdictions that includes regional community meetings and a countywide needs survey. The consultant will be overseen by the working group, composed of staff from various jurisdictions, including San José Housing Department staff. Additional work for San José includes support for

public meetings to be held locally, and the production of a separate Consolidated Plan and Annual Action Plan.

The working group has selected two consultants; one for the 2020-25 Consolidated Plan and the FY 2020-21 Annual Action Plan and one for the regional Assessment of Fair Housing. The County Board of Supervisors will consider for approval the two consultants recommended by the working group at their August 27, 2019 meeting. The consultants will begin working soon after.

2020-25 Consolidated Plan Timeline

Table A: Consolidated Plan Timeline

Activity	Date	Done
Convene Housing Working Group	September 2018	✓
RFP Released	Spring 2019	✓
County Awards Contract	August 27, 2019	
County and City Revenue Agreements	August – September 2019	
Public Outreach and Engagement	September 2019 – December 2019	
Funding Priorities to Housing and Community Development Commission & City Council Committees	Early 2020	
Consolidated Plan published for public comment	Spring 2020	
HUD Consolidated Plan and AFH to City Council	May 2020	
HUD Consolidated Plan and AFH Submitted to HUD	May 2020	

EVALUATION AND FOLLOW-UP

Staff will update NSE in October 2019 on the Consolidated Plan development process and any preliminary findings on funding priorities. Staff will return to HCDC, CEDC and NSE with draft findings and draft funding priorities in early 2020. Public hearings for the draft Consolidated Plan will include one held at HCDC before heard by the City Council in May 2020.

PUBLIC OUTREACH/INTEREST

This memorandum will be posted on the City's website on September 5, 2019, as part of the Housing and Community Development Commission meeting agenda.

/s/
RAGAN HENNINGER
Deputy Director, Department of Housing

For questions please contact Kristen Clements, Division Manager, at (408) 535-8236.

HCDC AGENDA: 9-12-19
ITEM: VII-E

Memorandum

TO: HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

FROM: Ragan Henninger

SUBJECT: **ASSESSMENT OF FAIR HOUSING PLAN DEVELOPMENT**

DATE: August 5, 2019

Approved Date

RECOMMENDATION

Review the report and workplan to develop the Assessment of Fair Housing Plan and give feedback to staff.

OUTCOME

Members of the Housing and Community Development Commission will receive an update on the federal and State fair housing obligations and the Assessment of Fair Housing (AFH) process. Commission members will have an opportunity to provide feedback on the AFH community engagement plan.

BACKGROUND

The 1968 Civil Rights Act, also known as the Fair Housing Act, was intended to reduce social inequities by prohibiting discrimination in housing. Access to housing is important because it greatly impacts a person's access to important opportunities such as high quality education, employment, transit, health care, healthy food, clean air, and parks for recreation.

The Civil Rights Act helped to reduce overt discrimination and segregation in American cities; however, lingering impacts and issues remain more than 50 years later. In San José, Black residents comprise 3% of the of general population, but represent 19% of the homeless population.[1] The homeownership rate for Black households is only 36.9% and 38.7% for Latinx households, as compared to 66.8% of White households and 62.4% of Asian households.[2] Latinx

[1] 2019 San José Homeless Census & Survey http://www.sanjoseca.gov/DocumentCenter/View/85898.
[2] National Equity Atlas, IPUMS - Percent owner-occupied households by race/ethnicity: San Jose City, CA, 2015

households experience housing cost burden at a greater rate than all other race groups in San José (59.5%),[3] and are the most likely to live near environmental hazards.[4]

Cities and counties that receive entitlement funding from the U.S. Department of Housing and Urban Development (HUD) are obligated by law to reduce barriers to fair housing in observance of the 1968 Fair Housing Act. Jurisdictions must prepare an Analysis of Impediments to Fair Housing (AI). The Analysis of Impediments is used to inform how communities spend federal dollars in the Consolidated Plan.

In 2015, the United States Supreme Court concluded that the Fair Housing Act embodies the concept of "disparate impact," meaning that color-blind policies resulting in unequal outcomes can be discriminatory.[5] Following this decision, HUD created the Affirmatively Furthering Fair Housing Rule (AFFH) to implement the Fair Housing Act of 1968 more fully. HUD created a new planning tool known as the Assessment of Fair Housing (AFH) to replace the Analysis of Impediments.

The AFH provided a new process that relied more heavily on data and input from impacted communities to identify patterns of segregation and a commit to meaningful actions. The AFFH Rule required HUD to certify AFH plans prior to approving jurisdictions' Five-Year Consolidated Plans for spending federal Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with Aids (HOPWA) funds.

In 2018, members of the U.S. Congress introduced legislation to nullify the AFFH Rule. That same year, HUD published a notice to withdraw the AFH planning tool it had posted on its website. This occurred just as Santa Clara County jurisdictions were preparing to work on their first AFH. Santa Clara County jurisdictions have decided to move forward with the AFH, despite federal changes, to more fully understand and address issues of segregation and discrimination in their communities.

In response to the federal government's withdrawal of its implementation of AFH, the State of California's Legislature passed Assembly Bill 686 (Attachment A) in 2018 (Santiago), which was then signed into law. This law requires public agencies in California to administer housing and community development programs in a manner that affirmatively furthers fair housing. Agencies cannot take actions that are inconsistent with this obligation. The law states that it must be interpreted consistent with HUD's AFFH Rule.

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[3] Housing burden by tenure and race/ethnicity: San Jose City, CA, Renters, 2015, https://nationalequityatlas.org/indicators/Housing_burden.

[4] USC PERE Environmental Justice Screening Method (2014); American Community Survey 5-Year Estimates Table B03002 (2010-2014).

[5] Texas Dept. of Housing and Community Aff., et al. v. Inclusive Comm. Proj., 135 S.Ct. 2507 (2015). An example of a disparate impact case: June 2018, Bank of America and Safeguard Properties Management were sued by the National Fair Housing Alliance for intentionally failing to provide routine exterior maintenance and marketing for Bank of America-owned homes in African American and Latino neighborhoods across 37 metro areas, while consistently maintaining similar bank-owned properties in white neighborhoods.
https://www.housingwire.com/articles/49596-housing-discrimination-lawsuit-against-bank-of-america-gets-green-light

The law further requires that a jurisdiction's housing element, "affirmatively further fair housing opportunities and promote housing throughout the community…for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familiar status, or disability and other characteristics as protected by FEHA and other state and federal laws."[6] The law requires that after January 1, 2021, all California jurisdictions' housing elements must include a fair housing program that includes an assessment of fair housing, discussed further below. The housing program must include an inventory of land showing that housing can be built throughout the community.

ANALYSIS

What is an Assessment of Fair Housing?

On September 30, 2018, the Governor signed AB 686 (Santiago) into law amending sections of the California Government Code. The new law requires that a city's fair housing assessment include the following:

- A summary of fair housing issues in the jurisdiction and an assessment of the jurisdiction's fair housing enforcement and fair housing outreach capacity;
- An analysis of available federal, state, and local data and knowledge to identify integration and segregation patterns and trends, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs within the jurisdiction, including displacement risk;
- An assessment of the contributing factors for the fair housing issues identified above;
- An identification of the jurisdiction's fair housing priorities and goals, giving highest priority to those factors identified above, that limit or deny fair housing choice or access to opportunity, or negatively impact fair housing or civil rights compliance, and identifying the metrics and milestones for determining what fair housing results will be achieved; and
- Strategies and actions to implement those priorities and goals, which may include but are not limited to, enhancing mobility strategies and encouraging development of new affordable housing in areas of opportunity, as well as place-based strategies to encourage community revitalization, including preservation of existing affordable housing, and protecting existing residents from displacement.

In addition, the law requires that the housing element site inventory affirmatively further fair housing. HCD currently is developing guidance on this requirement. Housing Department and Planning Department staff will complete this section as part of the next Housing Element update.

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[6] AB 686 (2018), California Assembly Floor Analysis, 8/23/18,https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=201720180AB686

As currently written, State law does not require the AFH as a precondition of approval for State grants or funding. However, to the extent that fair housing analysis will be a requirement for certification of housing elements, and as certified housing elements are preconditions for funding eligibility for many State programs, there is a financial rationale to do the AFH to meet State law obligations. The State AFH will also satisfy HUD's AFFH requirement of Analysis of Impediments.

This Assessment of Fair Housing will be the first time that San José studies the extent and impacts of residential segregation. The AFH will help clarify these conditions and will put forward potential solutions to alleviate disparities in access to opportunity.

HUD encourages jurisdictions to complete a regional or joint AFH because fair housing issues typically cross jurisdictional boundaries. Conducting a regional analysis may also reduce costs and result in goals that are consistent across the region potentially leading to better outcomes. For this reason, Los Angeles, San Mateo County, and other areas have conducted regional AFHs. San José is collaborating with Santa Clara County, the Santa Clara County Housing Authority, and six other cities to complete a regional AFH. To ensure this analysis is thorough and San José-specific, staff will conduct additional community engagement and analysis.

Status Update on the Assessment of Fair Housing

The Santa Clara County Office of Supportive Housing (OSH) convened a working group that includes representatives from the Santa Clara County Housing Authority, five cities and the Housing Department. The working group selected two consultants; one for the 2020-25 Consolidated Plan and the FY 2020-21 Annual Action Plan and one for the regional Assessment of Fair Housing. The County of Santa Clara, on behalf of the working group, issued a request for proposals as part of the selection process. The County Board of Supervisors is scheduled to consider for approval the two consultants selected by the working group at their August 27, 2019 meeting. The consultants will begin working soon after.

AFH Timeline

The following timeline provides an overview of the AFH process. These dates may change based on community and consultant feedback.

Table A: Assessment of Fair Housing Process

Activity	Date	Done
Convene Housing Working Group	September 2018	✓
RFP Released	Spring 2019	✓
County Awards Contract	August 27, 2019	✓

Activity	Date	Done
County and City Revenue Agreements	August – September 2019	
AFH Initial Analysis	August – September 2019	
AFH Outreach	October – February 2019	
AFH Draft to Commissions & City Council Committees	Early 2020	
AFH Draft published for public comment	Spring 2020	
HUD Consolidated Plan and AFH to City Council	May 2020	
HUD Consolidated Plan and AFH Submitted to HUD	May 2020	
Integrate AFH into next Housing Element	2021	

AFH Community Engagement

One of the key objectives of an AFH is a robust community process which meaningfully engages those who are most impacted by discrimination, segregation, and who struggle to access opportunities. Staff is planning for an extensive community engagement process from July 2019 – February 2020. Stakeholder engagement will include the following work from Housing Department staff and the consultant:

- Plan and facilitate an array of community engagement strategies across the County at a variety of times, locations and formats to encourage robust and accessible public engagement;
- Convene an AFH Advisory Group comprised of individuals and organizations from various backgrounds to address impediments and receive advice on recommendations about impediments to fair housing choice;
- Develop training materials and then train and support key stakeholders who will then inform a broader set of stakeholders and residents about the AFH process and opportunities for public participation;
- Create a mechanism for receiving written comments at all stages of the AFH process;
- Conduct one-on-one and in-person stakeholder interviews;
- Convene 10-12 additional stakeholder focus groups in San José;
- Perform stakeholder interviews with government partners and other regulatory agencies and public/private partners; and
- Convene 2-3 large format community meetings in San José.

EVALUATION AND FOLLOW-UP

Staff will also provide this update to the City Council's Neighborhood Services and Education Committees on October 10, 2019. Future presentations to City Council Committees and to the full City Council are anticipated as outlined in the timeline in Table A above.

PUBLIC OUTREACH

This memorandum will be posted on the City's website by September 5, 2019 as part of the Housing and Community Development Commission agenda packet. Updates will also be heard at public meetings per Table A above.

/s/
RAGAN HENNINGER
Deputy Director, Department of Housing

For questions, please contact Kristen Clements, Division Manager, at (408) 535-8236.

Attachment A: Assembly Bill 686 - 2018 (Santiago)

STATE OF CALIFORNIA
AUTHENTICATED
ELECTRONIC LEGAL MATERIAL

Assembly Bill No. 686

CHAPTER 958

An act to amend Sections 65583 and 65583.2 of, and to add Chapter 15 (commencing with Section 8899.50) to Division 1 of Title 2 of, the Government Code, relating to housing.

[Approved by Governor September 30, 2018. Filed with Secretary of State September 30, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 686, Santiago. Housing discrimination: affirmatively further fair housing.

Existing federal law, the federal Fair Housing Act, requires, among other things, certain federal executive departments and agencies to administer their programs relating to housing and urban development in a manner affirmatively to further the purposes of the federal act. Existing federal law requires specified state and local agencies that contract with, or receive funding from, specified federal agencies to certify that they will affirmatively further fair housing by completing an assessment of fair housing and submitting that assessment to the United States Department of Housing and Urban Development.

Existing law, the California Fair Employment and Housing Act, generally prohibits housing discrimination with respect to the personal characteristics of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information. Existing law also prohibits the discrimination through public or private land use practices, decisions, and authorizations because of one of those personal characteristics. Existing law establishes the Department of Fair Employment and Housing in the Business, Consumer Services, and Housing Agency, with the powers and duties to, among other things, receive, investigate, and conciliate complaints relating to housing discrimination. Existing law requires the Director of Fair Employment and Housing to investigate verified complaints that allege a violation of the act, subject to certain procedures and requirements, and requires the director, if attempts at mediation or other forms of dispute resolution do not eliminate a violation of the act, to file a civil action on behalf of the aggrieved person, as provided.

This bill would require a public agency, as defined, to administer its programs and activities relating to housing and community development in a manner to affirmatively further fair housing, and to not take any action that is materially inconsistent with this obligation, as provided.

The Planning and Zoning Law requires each city, county, and city and county to prepare and adopt a general plan that contains certain mandatory

elements, including a housing element that is required to contain specified information and analysis, including a program setting forth a schedule of actions during the planning period that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element, as provided.

The bill would require the above-described program for achieving the goals and objectives of the housing element to affirmatively further fair housing pursuant to provisions added by this bill, and for revisions to the housing element that occur on and after January 1, 2021, would require the program to include an assessment of fair housing within the jurisdiction, as specified.

Existing law requires the housing element to include an inventory of land suitable and available for development and requires that inventory to be used to identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels.

This bill would require the inventory to be used to identify sites throughout the community, consistent with the provisions requiring the above-described program, within the housing element to affirmatively further fair housing.

By increasing the duties of local officials, this bill would impose a state-mandated local program.

This bill would incorporate additional changes to Section 65583 of the Government Code proposed by AB 2162 to be operative only if this bill and AB 2162 are enacted and this bill is enacted last.

This bill would incorporate additional changes to Section 65583.2 of the Government Code proposed by SB 1078 to be operative only if this bill and SB 1078 are enacted and this bill is enacted last.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The people of the State of California do enact as follows:

SECTION 1. Chapter 15 (commencing with Section 8899.50) is added to Division 1 of Title 2 of the Government Code, to read:

Chapter 15. Affirmatively Furthering Fair Housing

8899.50. (a) For purposes of this section, the following terms have the following meanings:

(1) "Affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development.

(2) "Public agency" means all of the following:

(A) The state, including every state office, officer, department, division, bureau, board, and commission, including the California State University.

(B) A city, including a charter city, county, including a charter county, city and county, and a redevelopment successor agency.

(C) A public housing authority created pursuant to the Housing Authorities Law (Chapter 1 (commencing with Section 34200) of Part 2 of Division 24 of the Health and Safety Code).

(D) A public housing agency, as defined in the United States Housing Act of 1937 (codified at 42 U.S.C. Sec. 1437 et seq.), as amended.

(E) Any other political subdivision of the state that is a grantee or subgrantee receiving funds provided by the United States Department of Housing and Urban Development under the Community Development Block Grant program, the Emergency Solutions Grants program, the HOME Investment Partnerships program, or the Housing Opportunities for Persons With AIDS program.

(b) A public agency shall administer its programs and activities relating to housing and community development in a manner to affirmatively further fair housing, and take no action that is materially inconsistent with its obligation to affirmatively further fair housing.

(c) This section shall be interpreted consistent with the Affirmatively Furthering Fair Housing Final Rule and accompanying commentary published by the United States Department of Housing and Urban Development contained in Volume 80 of the Federal Register, Number 136, pages 42272 to 42371, inclusive, dated July 16, 2015. Subsequent amendment, suspension, or revocation of this Final Rule or its accompanying commentary by the federal government shall not impact the interpretation of this section.

(d) In selecting meaningful actions to fulfill the obligation to affirmatively further fair housing, this section does not require a public agency to take, or prohibit a public agency from taking, any one particular action.

SEC. 2. Section 65583 of the Government Code is amended to read:

65583. The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the

preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobilehomes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include all of the following:

(1) An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels, including extremely low income households, as defined in subdivision (b) of Section 50105 and Section 50106 of the Health and Safety Code. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584. Local agencies shall calculate the subset of very low income households allotted under Section 65584 that qualify as extremely low income households. The local agency may either use available census data to calculate the percentage of very low income households that qualify as extremely low income households or presume that 50 percent of the very low income households qualify as extremely low income households. The number of extremely low income households and very low income households shall equal the jurisdiction's allocation of very low income households pursuant to Section 65584.

(2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

(3) An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites.

(4) (A) The identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit. The identified zone or zones shall include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7), except that each local government shall identify a zone or zones that can accommodate at least one year-round emergency shelter. If the local government cannot identify a zone or zones with sufficient capacity, the local government shall include a program to amend its zoning ordinance to meet the requirements of this paragraph within one year of the adoption of the housing element. The local government may identify additional zones where emergency shelters are permitted with a conditional use permit. The local government shall also demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of, or conversion to, emergency shelters. Emergency shelters may only be subject to those development and

management standards that apply to residential or commercial development within the same zone except that a local government may apply written, objective standards that include all of the following:

(i) The maximum number of beds or persons permitted to be served nightly by the facility.

(ii) Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone.

(iii) The size and location of exterior and interior onsite waiting and client intake areas.

(iv) The provision of onsite management.

(v) The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart.

(vi) The length of stay.

(vii) Lighting.

(viii) Security during hours that the emergency shelter is in operation.

(B) The permit processing, development, and management standards applied under this paragraph shall not be deemed to be discretionary acts within the meaning of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(C) A local government that can demonstrate to the satisfaction of the department the existence of one or more emergency shelters either within its jurisdiction or pursuant to a multijurisdictional agreement that can accommodate that jurisdiction's need for emergency shelter identified in paragraph (7) may comply with the zoning requirements of subparagraph (A) by identifying a zone or zones where new emergency shelters are allowed with a conditional use permit.

(D) A local government with an existing ordinance or ordinances that comply with this paragraph shall not be required to take additional action to identify zones for emergency shelters. The housing element must only describe how existing ordinances, policies, and standards are consistent with the requirements of this paragraph.

(5) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, local processing and permit procedures, and any locally adopted ordinances that directly impact the cost and supply of residential development. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property, and shall be subject only to those

restrictions that apply to other residential dwellings of the same type in the same zone.

(6) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Section 65584. The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap between the locality's planning for the development of housing for all income levels and the construction of that housing.

(7) An analysis of any special housing needs, such as those of the elderly; persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. The need for emergency shelter shall be assessed based on annual and seasonal need. The need for emergency shelter may be reduced by the number of supportive housing units that are identified in an adopted 10-year plan to end chronic homelessness and that are either vacant or for which funding has been identified to allow construction during the planning period. An analysis of special housing needs by a city or county may include an analysis of the need for frequent user coordinated care housing services.

(8) An analysis of opportunities for energy conservation with respect to residential development. Cities and counties are encouraged to include weatherization and energy efficiency improvements as part of publicly subsidized housing rehabilitation projects. This may include energy efficiency measures that encompass the building envelope, its heating and cooling systems, and its electrical system.

(9) An analysis of 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. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916.

(A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use, and the total number of elderly

and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.

(B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project-by-project cost estimate.

(C) The analysis shall identify public and private nonprofit corporations known to the local government that have legal and managerial capacity to acquire and manage these housing developments.

(D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs that can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community. In considering the use of these financing and subsidy programs, the analysis shall identify the amounts 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.

(b) (1) A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.

(2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category, including extremely low income, that can be constructed, rehabilitated, and conserved over a five-year time period.

(c) A program that sets forth a schedule of actions during the planning period, each with a timeline for implementation, that may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, the utilization of appropriate federal and state financing and subsidy programs when available, and the utilization of moneys in a low- and moderate-income housing fund of an agency if the locality has established a redevelopment project area pursuant to the Community

Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code). In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

(1) Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.

(A) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, rezoning of those sites, including adoption of minimum density and development standards, for jurisdictions with an eight-year housing element planning period pursuant to Section 65588, shall be completed no later than three years after either the date the housing element is adopted pursuant to subdivision (f) of Section 65585 or the date that is 90 days after receipt of comments from the department pursuant to subdivision (b) of Section 65585, whichever is earlier, unless the deadline is extended pursuant to subdivision (f). Notwithstanding the foregoing, for a local government that fails to adopt a housing element within 120 days of the statutory deadline in Section 65588 for adoption of the housing element, rezoning of those sites, including adoption of minimum density and development standards, shall be completed no later than three years and 120 days from the statutory deadline in Section 65588 for adoption of the housing element.

(B) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall identify sites that can be developed for housing within the planning period pursuant to subdivision (h) of Section 65583.2. The identification of sites shall include all components specified in Section 65583.2.

(C) Where the inventory of sites pursuant to paragraph (3) of subdivision (a) does not identify adequate sites to accommodate the need for farmworker housing, the program shall provide for sufficient sites to meet the need with zoning that permits farmworker housing use by right, including density and development standards that could accommodate and facilitate the feasibility of the development of farmworker housing for low- and very low income households.

(2) Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.

(3) Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.

(4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.

(5) Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law.

(6) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance.

(7) Include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals.

(8) Include a diligent effort by the local government to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.

(9) (A) Affirmatively further fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2. The program shall include an assessment of fair housing in the jurisdiction that shall include all of the following components:

(i) A summary of fair housing issues in the jurisdiction and an assessment of the jurisdiction's fair housing enforcement and fair housing outreach capacity.

(ii) An analysis of available federal, state, and local data and knowledge to identify integration and segregation patterns and trends, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs within the jurisdiction, including displacement risk.

(iii) An assessment of the contributing factors for the fair housing issues identified under clause (ii).

(iv) An identification of the jurisdiction's fair housing priorities and goals, giving highest priority to those factors identified in clause (iii) that limit or deny fair housing choice or access to opportunity, or negatively impact fair housing or civil rights compliance, and identifying the metrics and milestones for determining what fair housing results will be achieved.

(v) Strategies and actions to implement those priorities and goals, which may include, but are not limited to, enhancing mobility strategies and encouraging development of new affordable housing in areas of opportunity, as well as place-based strategies to encourage community revitalization, including preservation of existing affordable housing, and protecting existing residents from displacement.

(B) A jurisdiction that completes or revises an assessment of fair housing pursuant to Subpart A (commencing with Section 5.150) of Part 5 of Subtitle A of Title 24 of the Code of Federal Regulations, as published in Volume 80 of the Federal Register, Number 136, page 42272, dated July 16, 2015, or an analysis of impediments to fair housing choice in accordance with the requirements of Section 91.225 of Title 24 of the Code of Federal Regulations in effect prior to August 17, 2015, may incorporate relevant portions of that assessment or revised assessment of fair housing or analysis or revised analysis of impediments to fair housing into its housing element.

(C) The requirements of this paragraph shall apply to housing elements due to be revised pursuant to Section 65588 on or after January 1, 2021.

(d) (1) A local government may satisfy all or part of its requirement to identify a zone or zones suitable for the development of emergency shelters pursuant to paragraph (4) of subdivision (a) by adopting and implementing a multijurisdictional agreement, with a maximum of two other adjacent communities, that requires the participating jurisdictions to develop at least one year-round emergency shelter within two years of the beginning of the planning period.

(2) The agreement shall allocate a portion of the new shelter capacity to each jurisdiction as credit toward its emergency shelter need, and each jurisdiction shall describe how the capacity was allocated as part of its housing element.

(3) Each member jurisdiction of a multijurisdictional agreement shall describe in its housing element all of the following:

(A) How the joint facility will meet the jurisdiction's emergency shelter need.

(B) The jurisdiction's contribution to the facility for both the development and ongoing operation and management of the facility.

(C) The amount and source of the funding that the jurisdiction contributes to the facility.

(4) The aggregate capacity claimed by the participating jurisdictions in their housing elements shall not exceed the actual capacity of the shelter.

(e) Except as otherwise provided in this article, amendments to this article that alter the required content of a housing element shall apply to both of the following:

(1) A housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when a city, county, or city and county submits a draft to the department for review pursuant to Section 65585 more than 90 days after the effective date of the amendment to this section.

(2) Any housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when the city, county, or city and county fails to submit the first draft to the department before the due date specified in Section 65588 or 65584.02.

(f) The deadline for completing required rezoning pursuant to subparagraph (A) of paragraph (1) of subdivision (c) shall be extended by one year if the local government has completed the rezoning at densities sufficient to accommodate at least 75 percent of the units for low- and very low income households and if the legislative body at the conclusion of a public hearing determines, based upon substantial evidence, that any of the following circumstances exist:

(1) The local government has been unable to complete the rezoning because of the action or inaction beyond the control of the local government of any other state, federal, or local agency.

(2) The local government is unable to complete the rezoning because of infrastructure deficiencies due to fiscal or regulatory constraints.

(3) The local government must undertake a major revision to its general plan in order to accommodate the housing-related policies of a sustainable communities strategy or an alternative planning strategy adopted pursuant to Section 65080.

The resolution and the findings shall be transmitted to the department together with a detailed budget and schedule for preparation and adoption of the required rezonings, including plans for citizen participation and expected interim action. The schedule shall provide for adoption of the required rezoning within one year of the adoption of the resolution.

(g) (1) If a local government fails to complete the rezoning by the deadline provided in subparagraph (A) of paragraph (1) of subdivision (c), as it may be extended pursuant to subdivision (f), except as provided in paragraph (2), a local government may not disapprove a housing development project, nor require a conditional use permit, planned unit development permit, or other locally imposed discretionary permit, or impose a condition that would render the project infeasible, if the housing development project (A) is proposed to be located on a site required to be rezoned pursuant to the program action required by that subparagraph and (B) complies with applicable, objective general plan and zoning standards and criteria, including design review standards, described in the program action required by that subparagraph. Any subdivision of sites shall be subject to the Subdivision Map Act (Division 2 (commencing with Section 66410)). Design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

(2) A local government may disapprove a housing development described in paragraph (1) if it makes written findings supported by substantial evidence on the record that both of the following conditions exist:

(A) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(B) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(3) The applicant or any interested person may bring an action to enforce this subdivision. If a court finds that the local agency disapproved a project or conditioned its approval in violation of this subdivision, the court shall issue an order or judgment compelling compliance within 60 days. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders to ensure that the purposes and policies of this subdivision are fulfilled. In any such action, the city, county, or city and county shall bear the burden of proof.

(4) For purposes of this subdivision, "housing development project" means a project to construct residential units for which the project developer provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of at least 49 percent of the housing units for very low, low-, and moderate-income households with an affordable housing cost or affordable rent, as defined in Section 50052.5 or 50053 of the Health and Safety Code, respectively, for the period required by the applicable financing.

(h) An action to enforce the program actions of the housing element shall be brought pursuant to Section 1085 of the Code of Civil Procedure.

SEC. 2.5. Section 65583 of the Government Code is amended to read:

65583. The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobilehomes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include all of the following:

(1) An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected

housing needs for all income levels, including extremely low income households, as defined in subdivision (b) of Section 50105 and Section 50106 of the Health and Safety Code. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584. Local agencies shall calculate the subset of very low income households allotted under Section 65584 that qualify as extremely low income households. The local agency may either use available census data to calculate the percentage of very low income households that qualify as extremely low income households or presume that 50 percent of the very low income households qualify as extremely low income households. The number of extremely low income households and very low income households shall equal the jurisdiction's allocation of very low income households pursuant to Section 65584.

(2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

(3) An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites.

(4) (A) The identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit. The identified zone or zones shall include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7), except that each local government shall identify a zone or zones that can accommodate at least one year-round emergency shelter. If the local government cannot identify a zone or zones with sufficient capacity, the local government shall include a program to amend its zoning ordinance to meet the requirements of this paragraph within one year of the adoption of the housing element. The local government may identify additional zones where emergency shelters are permitted with a conditional use permit. The local government shall also demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of, or conversion to, emergency shelters. Emergency shelters may only be subject to those development and management standards that apply to residential or commercial development within the same zone except that a local government may apply written, objective standards that include all of the following:

(i) The maximum number of beds or persons permitted to be served nightly by the facility.

(ii) Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone.

(iii) The size and location of exterior and interior onsite waiting and client intake areas.

(iv) The provision of onsite management.

(v) The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart.

(vi) The length of stay.

(vii) Lighting.

(viii) Security during hours that the emergency shelter is in operation.

(B) The permit processing, development, and management standards applied under this paragraph shall not be deemed to be discretionary acts within the meaning of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(C) A local government that can demonstrate to the satisfaction of the department the existence of one or more emergency shelters either within its jurisdiction or pursuant to a multijurisdictional agreement that can accommodate that jurisdiction's need for emergency shelter identified in paragraph (7) may comply with the zoning requirements of subparagraph (A) by identifying a zone or zones where new emergency shelters are allowed with a conditional use permit.

(D) A local government with an existing ordinance or ordinances that comply with this paragraph shall not be required to take additional action to identify zones for emergency shelters. The housing element must only describe how existing ordinances, policies, and standards are consistent with the requirements of this paragraph.

(5) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, local processing and permit procedures, and any locally adopted ordinances that directly impact the cost and supply of residential development. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7).

(6) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Section 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Section 65584. The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create

a gap between the locality's planning for the development of housing for all income levels and the construction of that housing.

(7) An analysis of any special housing needs, such as those of the elderly; persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. The need for emergency shelter shall be assessed based on annual and seasonal need. The need for emergency shelter may be reduced by the number of supportive housing units that are identified in an adopted 10-year plan to end chronic homelessness and that are either vacant or for which funding has been identified to allow construction during the planning period. An analysis of special housing needs by a city or county may include an analysis of the need for frequent user coordinated care housing services.

(8) An analysis of opportunities for energy conservation with respect to residential development. Cities and counties are encouraged to include weatherization and energy efficiency improvements as part of publicly subsidized housing rehabilitation projects. This may include energy efficiency measures that encompass the building envelope, its heating and cooling systems, and its electrical system.

(9) An analysis of 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. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916.

(A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use, and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.

(B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project-by-project cost estimate.

(C) The analysis shall identify public and private nonprofit corporations known to the local government that have legal and managerial capacity to acquire and manage these housing developments.

(D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs that can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community. In considering the use of these financing and subsidy programs, the analysis shall identify the amounts 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.

(b) (1) A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.

(2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category, including extremely low income, that can be constructed, rehabilitated, and conserved over a five-year time period.

(c) A program that sets forth a schedule of actions during the planning period, each with a timeline for implementation, that may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, the utilization of appropriate federal and state financing and subsidy programs when available, and the utilization of moneys in a low- and moderate-income housing fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code). In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

(1) Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with

the requirements of Section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.

(A) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, rezoning of those sites, including adoption of minimum density and development standards, for jurisdictions with an eight-year housing element planning period pursuant to Section 65588, shall be completed no later than three years after either the date the housing element is adopted pursuant to subdivision (f) of Section 65585 or the date that is 90 days after receipt of comments from the department pursuant to subdivision (b) of Section 65585, whichever is earlier, unless the deadline is extended pursuant to subdivision (f). Notwithstanding the foregoing, for a local government that fails to adopt a housing element within 120 days of the statutory deadline in Section 65588 for adoption of the housing element, rezoning of those sites, including adoption of minimum density and development standards, shall be completed no later than three years and 120 days from the statutory deadline in Section 65588 for adoption of the housing element.

(B) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall identify sites that can be developed for housing within the planning period pursuant to subdivision (h) of Section 65583.2. The identification of sites shall include all components specified in Section 65583.2.

(C) Where the inventory of sites pursuant to paragraph (3) of subdivision (a) does not identify adequate sites to accommodate the need for farmworker housing, the program shall provide for sufficient sites to meet the need with zoning that permits farmworker housing use by right, including density and development standards that could accommodate and facilitate the feasibility of the development of farmworker housing for low- and very low income households.

(2) Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.

(3) Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. Supportive housing, as defined in Section 65650, shall be a use

by right in all zones where multifamily and mixed uses are permitted, as provided in Article 11 (commencing with Section 65650).

(4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.

(5) Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law.

(6) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance.

(7) Include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals.

(8) Include a diligent effort by the local government to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.

(9) (A) Affirmatively further fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2. The program shall include an assessment of fair housing in the jurisdiction that shall include all of the following components:

(i) A summary of fair housing issues in the jurisdiction and an assessment of the jurisdiction's fair housing enforcement and fair housing outreach capacity.

(ii) An analysis of available federal, state, and local data and knowledge to identify integration and segregation patterns and trends, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs within the jurisdiction, including displacement risk.

(iii) An assessment of the contributing factors for the fair housing issues identified under clause (ii).

(iv) An identification of the jurisdiction's fair housing priorities and goals, giving highest priority to those factors identified in clause (iii) that limit or deny fair housing choice or access to opportunity, or negatively impact fair housing or civil rights compliance, and identifying the metrics and milestones for determining what fair housing results will be achieved.

(v) Strategies and actions to implement those priorities and goals, which may include, but are not limited to, enhancing mobility strategies and encouraging development of new affordable housing in areas of opportunity, as well as place-based strategies to encourage community revitalization, including preservation of existing affordable housing, and protecting existing residents from displacement.

(B) A jurisdiction that completes or revises an assessment of fair housing pursuant to Subpart A (commencing with Section 5.150) of Part 5 of Subtitle A of Title 24 of the Code of Federal Regulations, as published in Volume 80 of the Federal Register, Number 136, page 42272, dated July 16, 2015, or an analysis of impediments to fair housing choice in accordance with the requirements of Section 91.225 of Title 24 of the Code of Federal Regulations in effect prior to August 17, 2015, may incorporate relevant portions of that assessment or revised assessment of fair housing or analysis or revised analysis of impediments to fair housing into its housing element.

(C) The requirements of this paragraph shall apply to housing elements due to be revised pursuant to Section 65588 on or after January 1, 2021.

(d) (1) A local government may satisfy all or part of its requirement to identify a zone or zones suitable for the development of emergency shelters pursuant to paragraph (4) of subdivision (a) by adopting and implementing a multijurisdictional agreement, with a maximum of two other adjacent communities, that requires the participating jurisdictions to develop at least one year-round emergency shelter within two years of the beginning of the planning period.

(2) The agreement shall allocate a portion of the new shelter capacity to each jurisdiction as credit toward its emergency shelter need, and each jurisdiction shall describe how the capacity was allocated as part of its housing element.

(3) Each member jurisdiction of a multijurisdictional agreement shall describe in its housing element all of the following:

(A) How the joint facility will meet the jurisdiction's emergency shelter need.

(B) The jurisdiction's contribution to the facility for both the development and ongoing operation and management of the facility.

(C) The amount and source of the funding that the jurisdiction contributes to the facility.

(4) The aggregate capacity claimed by the participating jurisdictions in their housing elements shall not exceed the actual capacity of the shelter.

(e) Except as otherwise provided in this article, amendments to this article that alter the required content of a housing element shall apply to both of the following:

(1) A housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when a city, county, or city and county submits a draft to the department for review pursuant to Section 65585 more than 90 days after the effective date of the amendment to this section.

(2) Any housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when the city, county, or city and county fails to submit the first draft to the department before the due date specified in Section 65588 or 65584.02.

(f) The deadline for completing required rezoning pursuant to subparagraph (A) of paragraph (1) of subdivision (c) shall be extended by one year if the local government has completed the rezoning at densities sufficient to accommodate at least 75 percent of the units for low- and very low income households and if the legislative body at the conclusion of a public hearing determines, based upon substantial evidence, that any of the following circumstances exist:

(1) The local government has been unable to complete the rezoning because of the action or inaction beyond the control of the local government of any other state, federal, or local agency.

(2) The local government is unable to complete the rezoning because of infrastructure deficiencies due to fiscal or regulatory constraints.

(3) The local government must undertake a major revision to its general plan in order to accommodate the housing-related policies of a sustainable communities strategy or an alternative planning strategy adopted pursuant to Section 65080.

The resolution and the findings shall be transmitted to the department together with a detailed budget and schedule for preparation and adoption of the required rezonings, including plans for citizen participation and expected interim action. The schedule shall provide for adoption of the required rezoning within one year of the adoption of the resolution.

(g) (1) If a local government fails to complete the rezoning by the deadline provided in subparagraph (A) of paragraph (1) of subdivision (c), as it may be extended pursuant to subdivision (f), except as provided in paragraph (2), a local government may not disapprove a housing development project, nor require a conditional use permit, planned unit development permit, or other locally imposed discretionary permit, or impose a condition that would render the project infeasible, if the housing development project (A) is proposed to be located on a site required to be rezoned pursuant to the program action required by that subparagraph and (B) complies with applicable, objective general plan and zoning standards and criteria, including design review standards, described in the program action required by that subparagraph. Any subdivision of sites shall be subject to the Subdivision Map Act (Division 2 (commencing with Section 66410)). Design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

(2) A local government may disapprove a housing development described in paragraph (1) if it makes written findings supported by substantial evidence on the record that both of the following conditions exist:

(A) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density.

As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(B) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(3) The applicant or any interested person may bring an action to enforce this subdivision. If a court finds that the local agency disapproved a project or conditioned its approval in violation of this subdivision, the court shall issue an order or judgment compelling compliance within 60 days. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders to ensure that the purposes and policies of this subdivision are fulfilled. In any such action, the city, county, or city and county shall bear the burden of proof.

(4) For purposes of this subdivision, "housing development project" means a project to construct residential units for which the project developer provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of at least 49 percent of the housing units for very low, low-, and moderate-income households with an affordable housing cost or affordable rent, as defined in Section 50052.5 or 50053 of the Health and Safety Code, respectively, for the period required by the applicable financing.

(h) An action to enforce the program actions of the housing element shall be brought pursuant to Section 1085 of the Code of Civil Procedure.

SEC. 3. Section 65583.2 of the Government Code, as amended by Section 3 of Chapter 375 of the Statutes of 2017, is amended to read:

65583.2. (a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583 shall be used to identify sites throughout the community, consistent with paragraph (9) of subdivision (c) of Section 65583, that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, "land suitable for residential development" includes all of the sites that meet the standards set forth in subdivisions (c) and (g):

(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, including the airspace above sites owned or leased by a city, county, or city and county.

(4) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to

rezone the site, as necessary, rezoned for, to permit residential use, including sites owned or leased by a city, county, or city and county.

(b) The inventory of land shall include all of the following:

(1) A listing of properties by assessor parcel number.

(2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.

(3) For nonvacant sites, a description of the existing use of each property.

(4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.

(5) (A) A description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.

(B) Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer service, to secure sufficient water, sewer, and dry utilities supply to support housing development. This paragraph does not impose any additional duty on the city or county to construct, finance, or otherwise provide water, sewer, or dry utilities to parcels included in the inventory.

(6) Sites identified as available for housing for above moderate-income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.

(7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction's general plan, for reference purposes only.

(c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate the development of some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The inventory shall specify for each site the number of units that can realistically be accommodated on that site and whether the site is adequate to accommodate lower-income housing, moderate-income housing, or above moderate-income housing. A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality's housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households. A city that is an unincorporated

area in a nonmetropolitan county pursuant to clause (ii) of subparagraph (B) of paragraph (3) shall not be subject to the requirements of this subdivision to allow residential use by right. analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. The city or county shall determine the number of housing units that can be accommodated on each site as follows:

(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency's calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulation requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.

(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583, the realistic development capacity for the site, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

(A) A site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing.

(B) A site larger than 10 acres shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site can be developed as lower income housing. For purposes of this subparagraph, "site" means that portion of a parcel or parcels designated to accommodate lower income housing needs pursuant to this subdivision.

(C) A site may be presumed to be realistic for development to accommodate lower income housing need if, at the time of the adoption of the housing element, a development affordable to lower income households has been proposed and approved for development on the site.

(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to,

factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

(B) The following densities shall be deemed appropriate to accommodate housing for lower income households:

(i) For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre.

(ii) For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 10 units per acre.

(iii) For a suburban jurisdiction: sites allowing at least 20 units per acre.

(iv) For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.

(d) For purposes of this section, a metropolitan county, nonmetropolitan county, and nonmetropolitan county with a micropolitan area shall be as determined by the United States Census Bureau. A nonmetropolitan county with a micropolitan area includes the following counties: Del Norte, Humboldt, Lake, Mendocino, Nevada, Tehama, and Tuolumne and other counties as may be determined by the United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.

(e) (1) Except as provided in paragraph (2), a jurisdiction shall be considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction's population is greater than 100,000, in which case it shall be considered metropolitan. A county, not including the City and County of San Francisco, shall be considered suburban unless the county is in an MSA of 2,000,000 or greater in population in which case the county shall be considered metropolitan.

(2) (A) (i) Notwithstanding paragraph (1), if a county that is in the San Francisco-Oakland-Fremont California MSA has a population of less than 400,000, that county shall be considered suburban. If this county includes an incorporated city that has a population of less than 100,000, this city shall also be considered suburban. This paragraph shall apply to a housing element revision cycle, as described in subparagraph (A) of paragraph (3) of subdivision (e) of Section 65588, that is in effect from July 1, 2014, to December 31, 2028, inclusive.

(ii) A county subject to this subparagraph shall utilize the sum existing in the county's housing trust fund as of June 30, 2013, for the development and preservation of housing affordable to low- and very low income households.

(B) A jurisdiction that is classified as suburban pursuant to this paragraph shall report to the Assembly Committee on Housing and Community Development, the Senate Committee on Transportation and Housing, and the Department of Housing and Community Development regarding its progress in developing low- and very low income housing consistent with the requirements of Section 65400. The report shall be provided three times:

once, on or before December 31, 2019, which report shall address the initial four years of the housing element cycle, a second time, on or before December 31, 2023, which report shall address the subsequent four years of the housing element cycle, and a third time, on or before December 31, 2027, which report shall address the subsequent four years of the housing element cycle and the cycle as a whole. The reports shall be provided consistent with the requirements of Section 9795.

(f) A jurisdiction shall be considered metropolitan if the jurisdiction does not meet the requirements for "suburban area" above and is located in an MSA of 2,000,000 or greater in population, unless that jurisdiction's population is less than 25,000 in which case it shall be considered suburban.

(g) (1) For sites described in paragraph (3) of subdivision (b), the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the city's or county's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

(2) In addition to the analysis required in paragraph (1), when a city or county is relying on nonvacant sites described in paragraph (3) of subdivision (b) to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use identified pursuant to paragraph (3) of subdivision (b) does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.

(3) Notwithstanding any other law, and in addition to the requirements in paragraphs (1) and (2), sites that currently have residential uses, or within the past five years have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low or very low income households, shall be subject to a policy requiring the replacement of all those units affordable to the same or lower income level as a condition of any development on the site. Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915.

(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c), shall be at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c) and shall meet the standards set forth in subparagraph (B) of paragraph (5) of subdivision (b). At least 50 percent 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, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed uses if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed-use project.

(i) For purposes of this section and Section 65583, the phrase "use by right" shall mean that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act. A local ordinance may provide that "use by right" does not exempt the use from design review. However, that design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

(j) Notwithstanding any other provision of this section, within one-half mile of a Sonoma-Marin Area Rail Transit station, housing density requirements in place on June 30, 2014, shall apply.

(k) For purposes of subdivisions (a) and (b), the department shall provide guidance to local governments to properly survey, detail, and account for sites listed pursuant to Section 65585.

(*l*) This section shall remain in effect only until December 31, 2028, and as of that date is repealed.

SEC. 3.5. Section 65583.2 of the Government Code, as amended by Section 3 of Chapter 375 of the Statutes of 2017, is amended to read:

65583.2. (a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583

shall be used to identify sites throughout the community, consistent with paragraph (9) of subdivision (c) of Section 65583, that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, "land suitable for residential development" includes all of the following sites that meet the standards set forth in subdivisions (c) and (g):

(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, including sites owned or leased by a city, county, or city and county.

(4) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the site, as necessary, rezoned for, to permit residential use, including sites owned or leased by a city, county, or city and county.

(b) The inventory of land shall include all of the following:

(1) A listing of properties by assessor parcel number.

(2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.

(3) For nonvacant sites, a description of the existing use of each property.

(4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.

(5) (A) A description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.

(B) Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer service, to secure sufficient water, sewer, and dry utilities supply to support housing development. This paragraph does not impose any additional duty on the city or county to construct, finance, or otherwise provide water, sewer, or dry utilities to parcels included in the inventory.

(6) Sites identified as available for housing for above moderate-income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.

(7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction's general plan, for reference purposes only.

(c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate the development of some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section

65584. The inventory shall specify for each site the number of units that can realistically be accommodated on that site and whether the site is adequate to accommodate lower-income housing, moderate-income housing, or above moderate-income housing. A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality's housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households. An unincorporated area in a nonmetropolitan county pursuant to clause (ii) of subparagraph (B) of paragraph (3) shall not be subject to the requirements of this subdivision to allow residential use by right. The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. The city or county shall determine the number of housing units that can be accommodated on each site as follows:

(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency's calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulation requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.

(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583, the realistic development capacity for the site, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

(A) A site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing.

(B) A site larger than 10 acres shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units

as projected for the site or unless the locality provides other evidence to the department that the site can be developed as lower income housing. For purposes of this subparagraph, "site" means that portion of a parcel or parcels designated to accommodate lower income housing needs pursuant to this subdivision.

(C) A site may be presumed to be realistic for development to accommodate lower income housing need if, at the time of the adoption of the housing element, a development affordable to lower income households has been proposed and approved for development on the site.

(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

(B) The following densities shall be deemed appropriate to accommodate housing for lower income households:

(i) For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre.

(ii) For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 10 units per acre.

(iii) For a suburban jurisdiction: sites allowing at least 20 units per acre.

(iv) For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.

(d) For purposes of this section, a metropolitan county, nonmetropolitan county, and nonmetropolitan county with a micropolitan area shall be as determined by the United States Census Bureau. A nonmetropolitan county with a micropolitan area includes the following counties: Del Norte, Humboldt, Lake, Mendocino, Nevada, Tehama, and Tuolumne and other counties as may be determined by the United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.

(e) (1) Except as provided in paragraph (2), a jurisdiction shall be considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction's population is greater than 100,000, in which case it shall be considered metropolitan. A county, not including the City and County of San Francisco, shall be considered suburban unless the county is in an MSA of 2,000,000 or greater in population in which case the county shall be considered metropolitan.

(2) (A) (i) Notwithstanding paragraph (1), if a county that is in the San Francisco-Oakland-Fremont California MSA has a population of less than 400,000, that county shall be considered suburban. If this county includes an incorporated city that has a population of less than 100,000, this city

shall also be considered suburban. This paragraph shall apply to a housing element revision cycle, as described in subparagraph (A) of paragraph (3) of subdivision (e) of Section 65588, that is in effect from July 1, 2014, to December 31, 2028, inclusive.

(ii) A county subject to this subparagraph shall utilize the sum existing in the county's housing trust fund as of June 30, 2013, for the development and preservation of housing affordable to low- and very low income households.

(B) A jurisdiction that is classified as suburban pursuant to this paragraph shall report to the Assembly Committee on Housing and Community Development, the Senate Committee on Transportation and Housing, and the Department of Housing and Community Development regarding its progress in developing low- and very low income housing consistent with the requirements of Section 65400. The report shall be provided three times: once, on or before December 31, 2019, which report shall address the initial four years of the housing element cycle, a second time, on or before December 31, 2023, which report shall address the subsequent four years of the housing element cycle, and a third time, on or before December 31, 2027, which report shall address the subsequent four years of the housing element cycle and the cycle as a whole. The reports shall be provided consistent with the requirements of Section 9795.

(f) A jurisdiction shall be considered metropolitan if the jurisdiction does not meet the requirements for "suburban area" above and is located in an MSA of 2,000,000 or greater in population, unless that jurisdiction's population is less than 25,000 in which case it shall be considered suburban.

(g) (1) For sites described in paragraph (3) of subdivision (b), the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the city's or county's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

(2) In addition to the analysis required in paragraph (1), when a city or county is relying on nonvacant sites described in paragraph (3) of subdivision (b) to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use identified pursuant to paragraph (3) of subdivision (b) does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential

development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.

(3) Notwithstanding any other law, and in addition to the requirements in paragraphs (1) and (2), sites that currently have residential uses, or within the past five years have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low or very low income households, shall be subject to a policy requiring the replacement of all those units affordable to the same or lower income level as a condition of any development on the site. Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915.

(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c), shall be at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c) and shall meet the standards set forth in subparagraph (B) of paragraph (5) of subdivision (b). At least 50 percent 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, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed uses if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed-use project.

(i) For purposes of this section and Section 65583, the phrase "use by right" shall mean that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act. A local ordinance may provide that "use by right" does not exempt the use from design review. However, that design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Use by right for all rental multifamily residential

housing shall be provided in accordance with subdivision (f) of Section 65589.5.

(j) Notwithstanding any other provision of this section, within one-half mile of a Sonoma-Marin Area Rail Transit station, housing density requirements in place on June 30, 2014, shall apply.

(k) For purposes of subdivisions (a) and (b), the department shall provide guidance to local governments to properly survey, detail, and account for sites listed pursuant to Section 65585.

(*l*) This section shall remain in effect only until December 31, 2028, and as of that date is repealed.

SEC. 4. Section 65583.2 of the Government Code, as amended by Section 4 of Chapter 375 of the Statutes of 2017, is amended to read:

65583.2. (a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583 shall be used to identify sites throughout the community, consistent with paragraph (9) of subdivision (c) of Section 65583, that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, "land suitable for residential development" includes all of the sites that meet the standards set forth in subdivisions (c) and (g):

(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, sites owned or leased by a city, county, or city and county.

(4) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the sites, as necessary, to permit residential use, including sites owned or leased by a city, county, or city and county.

(b) The inventory of land shall include all of the following:

(1) A listing of properties by assessor parcel number.

(2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.

(3) For nonvacant sites, a description of the existing use of each property.

(4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.

(5) (A) A description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.

(B) Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer service, to secure sufficient water, sewer, and dry utilities supply to support housing development. This

paragraph does not impose any additional duty on the city or county to construct, finance, or otherwise provide water, sewer, or dry utilities to parcels included in the inventory.

(6) Sites identified as available for housing for above moderate-income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.

(7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction's general plan for reference purposes only.

(c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate the development of some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The inventory shall specify for each site the number of units that can realistically be accommodated on that site and whether the site is adequate to accommodate lower-income housing, moderate-income housing, or above moderate-income housing. A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality's housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households. A city that is an unincorporated area in a nonmetropolitan county pursuant to clause (ii) of subparagraph (B) of paragraph (3) shall not be subject to the requirements of this subdivision to allow residential use by right. The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. The city or county shall determine the number of housing units that can be accommodated on each site as follows:

(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency's calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulation requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.

(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583,

the realistic development capacity for the site, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

(A) A site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing.

(B) A site larger than 10 acres shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site can be developed as lower income housing. For purposes of this subparagraph, "site" means that portion of a parcel or parcels designated to accommodate lower income housing needs pursuant to this subdivision.

(C) A site may be presumed to be realistic for development to accommodate lower income housing need if, at the time of the adoption of the housing element, a development affordable to lower income households has been proposed and approved for development on the site.

(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

(B) The following densities shall be deemed appropriate to accommodate housing for lower income households:

(i) For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre.

(ii) For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 10 units per acre.

(iii) For a suburban jurisdiction: sites allowing at least 20 units per acre.

(iv) For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.

(d) For purposes of this section, a metropolitan county, nonmetropolitan county, and nonmetropolitan county with a micropolitan area shall be as determined by the United States Census Bureau. A nonmetropolitan county with a micropolitan area includes the following counties: Del Norte, Humboldt, Lake, Mendocino, Nevada, Tehama, and Tuolumne and other

counties as may be determined by the United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.

(e) A jurisdiction shall be considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction's population is greater than 100,000, in which case it shall be considered metropolitan. A county, not including the City and County of San Francisco, shall be considered suburban unless the county is in an MSA of 2,000,000 or greater in population in which case the county shall be considered metropolitan.

(f) A jurisdiction shall be considered metropolitan if the jurisdiction does not meet the requirements for "suburban area" above and is located in an MSA of 2,000,000 or greater in population, unless that jurisdiction's population is less than 25,000 in which case it shall be considered suburban.

(g) (1) For sites described in paragraph (3) of subdivision (b), the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the city's or county's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

(2) In addition to the analysis required in paragraph (1), when a city or county is relying on nonvacant sites described in paragraph (3) of subdivision (b) to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use identified pursuant to paragraph (3) of subdivision (b) does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.

(3) Notwithstanding any other law, and in addition to the requirements in paragraphs (1) and (2), sites that currently have residential uses, or within the past five years have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low or very low income households, shall be subject to a policy requiring the replacement of all those units affordable to the same or lower income level

as a condition of any development on the site. Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915.

(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c), shall be at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c), and shall meet the standards set forth in subparagraph (B) of paragraph (5) of subdivision (b). At least 50 percent 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, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed uses if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed uses project.

(i) For purposes of this section and Section 65583, the phrase "use by right" shall mean that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act. A local ordinance may provide that "use by right" does not exempt the use from design review. However, that design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

(j) For purposes of subdivisions (a) and (b), the department shall provide guidance to local governments to properly survey, detail, and account for sites listed pursuant to Section 65585.

(k) This section shall become operative on December 31, 2028.

SEC. 4.5. Section 65583.2 of the Government Code, as amended by Section 4 of Chapter 375 of the Statutes of 2017, is amended to read:

65583.2. (a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583 shall be used to identify sites throughout the community, consistent with

paragraph (9) of subdivision (c) of Section 65583, that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, "land suitable for residential development" includes all of the following sites that meet the standards set forth in subdivisions (c) and (g):

(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, including sites owned or leased by a city, county, or city and county.

(4) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the site, as necessary, to permit residential use, including sites owned or leased by a city, county, or city and county.

(b) The inventory of land shall include all of the following:

(1) A listing of properties by assessor parcel number.

(2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.

(3) For nonvacant sites, a description of the existing use of each property.

(4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.

(5) (A) A description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.

(B) Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer service, to secure sufficient water, sewer, and dry utilities supply to support housing development. This paragraph does not impose any additional duty on the city or county to construct, finance, or otherwise provide water, sewer, or dry utilities to parcels included in the inventory.

(6) Sites identified as available for housing for above moderate-income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.

(7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction's general plan, for reference purposes only.

(c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate the development of some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The inventory shall specify for each site the number of units that

can realistically be accommodated on that site and whether the site is adequate to accommodate lower-income housing, moderate-income housing, or above moderate-income housing. A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality's housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households. An unincorporated area in a nonmetropolitan county pursuant to clause (ii) of subparagraph (B) of paragraph (3) shall not be subject to the requirements of this subdivision to allow residential use by right. The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. The city or county shall determine the number of housing units that can be accommodated on each site as follows:

(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency's calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulation requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.

(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583, the realistic development capacity for the site, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

(A) A site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing.

(B) A site larger than 10 acres shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the

department that the site can be developed as lower income housing. For purposes of this subparagraph, "site" means that portion of a parcel or parcels designated to accommodate lower income housing needs pursuant to this subdivision.

(C) A site may be presumed to be realistic for development to accommodate lower income housing need if, at the time of the adoption of the housing element, a development affordable to lower income households has been proposed and approved for development on the site.

(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

(B) The following densities shall be deemed appropriate to accommodate housing for lower income households:

(i) For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre.

(ii) For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 10 units per acre.

(iii) For a suburban jurisdiction: sites allowing at least 20 units per acre.

(iv) For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.

(d) For purposes of this section, a metropolitan county, nonmetropolitan county, and nonmetropolitan county with a micropolitan area shall be as determined by the United States Census Bureau. A nonmetropolitan county with a micropolitan area includes the following counties: Del Norte, Humboldt, Lake, Mendocino, Nevada, Tehama, and Tuolumne and other counties as may be determined by the United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.

(e) A jurisdiction shall be considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction's population is greater than 100,000, in which case it shall be considered metropolitan. A county, not including the City and County of San Francisco, shall be considered suburban unless the county is in an MSA of 2,000,000 or greater in population in which case the county shall be considered metropolitan.

(f) A jurisdiction shall be considered metropolitan if the jurisdiction does not meet the requirements for "suburban area" above and is located in an MSA of 2,000,000 or greater in population, unless that jurisdiction's population is less than 25,000 in which case it shall be considered suburban.

(g) (1) For sites described in paragraph (3) of subdivision (b), the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the city's or county's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

(2) In addition to the analysis required in paragraph (1), when a city or county is relying on nonvacant sites described in paragraph (3) of subdivision (b) to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use identified pursuant to paragraph (3) of subdivision (b) does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.

(3) Notwithstanding any other law, and in addition to the requirements in paragraphs (1) and (2), sites that currently have residential uses, or within the past five years have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low or very low income households, shall be subject to a policy requiring the replacement of all those units affordable to the same or lower income level as a condition of any development on the site. Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915.

(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c), shall be at least 20 units per acre in jurisdictions described in clauses

(iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c), and shall meet the standards set forth in subparagraph (B) of paragraph (5) of subdivision (b). At least 50 percent 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, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed uses if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed-use project.

(i) For purposes of this section and Section 65583, the phrase "use by right" shall mean that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act. A local ordinance may provide that "use by right" does not exempt the use from design review. However, that design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

(j) For purposes of subdivisions (a) and (b), the department shall provide guidance to local governments to properly survey, detail, and account for sites listed pursuant to Section 65585.

(k) This section shall become operative on December 31, 2028.

SEC. 5. Section 2.5 of this bill incorporates amendments to Section 65583 of the Government Code proposed by both this bill and Assembly Bill 2162. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2019, (2) each bill amends Section 65583 of the Government Code, and (3) this bill is enacted after Assembly Bill 2162, in which case Section 2 of this bill shall not become operative.

SEC. 6. Section 3.5 of this bill incorporates amendments to Section 65583.2 of the Government Code proposed by both this bill and Senate Bill 1078. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2019, (2) each bill amends Section 65583.2 of the Government Code, and (3) this bill is enacted after Senate Bill 1078, in which case Section 3 of this bill shall not become operative.

SEC. 7. Section 4.5 of this bill incorporates amendments to Section 65583.2 of the Government Code proposed by both this bill and Senate Bill 1078. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2019, (2) each bill amends Section 65583.2 of the Government Code, and (3) this bill is enacted after

Senate Bill 1078, in which case Section 4 of this bill shall not become operative.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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