

Opportunity Housing Frequently Asked Questions (FAQ)

1) What is “opportunity housing”?

Opportunity housing is a term that the City will use to refer to multi-unit housing on properties with a Residential Neighborhood General Plan land use designation. Properties with the Residential Neighborhood land use designation are typically in single-family neighborhoods and this designation generally supports single family homes at 8 dwelling units to the acre. Opportunity housing would allow up to four units per parcel which include duplexes, triplexes, fourplexes, and bungalow courts. This type of development was allowed in San José prior to World War II and still exists in many of San José’s older neighborhoods.

Staff is proposing to establish a policy framework to provide more opportunities to build housing and provide more housing options. Opportunity housing is affordable by design since the units would presumably be smaller compared to a single-family residence on a property. With the current housing affordability crisis, opportunity housing is intended to allow more housing options for residents that find single family neighborhoods desirable, but single-family homes unattainable.

2) What is the staff recommendation for opportunity housing?

Staff recommended a preliminary policy framework and action plan to allow opportunity housing during the February 27th Task Force meeting. It is important to emphasize that this is a preliminary recommendation that will change with the input of the public, Task Force, Planning Commission, and City Council. Staff will proceed with more focused and targeted community engagement after a recommendation on the Opportunity Housing conceptual policy framework is considered by City Council in the Spring of 2021. With additional analyses, community engagement, and changes to various City documents to allow opportunity housing, it would likely take up to two years to fully implement Opportunity Housing.

At the February 27th Task Force meeting, staff recommended the following preliminary criteria for properties that would allow opportunity housing:

“Allow parcels with a Residential Neighborhood land use designation to redevelop with up to four units per parcel if it meets the following criteria:

- 1. The site is within half-mile of a Regional and Local Urban Village boundary.*
- 2. If the site is outside of a half-mile radius from a Regional and Local Urban Village boundary, the site must share a property line with a property that has an existing residential development with more than two units or has a General Plan land use designation of Mixed-Use Neighborhood, Urban Village, Transit Residential, Urban Residential, or Downtown.*
- 3. The site is not a qualifying property under the Apartment Rent Ordinance.*
- 4. The site has not been occupied by renters within the last seven years.*
- 5. The site adaptively reuses structures that are on or are eligible for inclusion on the City of San José’s Historic Resources Inventory.”*

Since then, staff has refined the methodology to define Opportunity Housing areas to be measured as a walkshed, using transit corridors and light rail and heavy rail stations as the point of origin. This differs from the previous staff recommendation which defined Opportunity Housing areas using a straight “as the crow flies” radius with the Transit Urban Village boundary as the point of origin. Staff recommends using the walkshed methodology because it uses the existing sidewalk and street network for a more accurate depiction of walkability to transit corridors and stations and serves as better metric of walkable access to

transit, retail, and services. Staff then applied natural and human-made boundaries that separate neighborhoods (e.g., freeways and creeks) and neighborhood boundaries or streets to further refine these areas.

If the City Council approves the conceptual policy framework and next steps, staff will begin working to complete the approved action plan. After all next steps are completed, all analyses and the proposed policy and ordinance framework will be brought to Planning Commission and City Council for consideration as one opportunity housing implementation framework package. Staff recommended the following tasks as the next steps for opportunity housing:

- Public Outreach
- General Plan amendments
- Zoning Code amendments
- Establishing design standards
- Displacement risk assessment

3) What do the maps show?

The attached maps conceptually show the approximate potential areas that could allow opportunity housing. These maps are only preliminary and do not reflect the final properties that would allow opportunity housing under the proposed criteria.

4) Which Urban Villages are considered “Regional Transit Urban Villages” and “Local Transit Urban Villages”?

Regional Transit Urban Villages

- VT2 - Berryessa BART / Berryessa Rd / Lundy Av (v)
- VT3 - Five Wounds BART
- VT4 - The Alameda (East)
- VT6 - Blossom Hill / Hitachi

Local Transit Urban Villages (Existing Lightrail)

- VR8 - Curtner Light Rail / Caltrain (v)
- VR9 - Race Street Light Rail (v)
- VR10 - Capitol / 87 Light Rail (v)
- VR11 - Penitencia Creek Light Rail
- VR12 - N. Capitol Av / Hostetter Rd (v)
- VR13 - N. Capitol Av / Berryessa Rd (v)
- VR14 - N. Capitol Ave / Mabury Rd
- VR15 - N. Capitol Av / McKee Rd (v)
- VR17 - Oakridge Mall and Vicinity (v)
- VR18 - Blossom Hill Rd / Cahalan Av
- VR19 - Blossom Hill Rd / Snell Av
- CR20 - N. 1st Street
- CR21 - Southwest Expressway (v)

Local Transit Urban Villages (Planned BRT/Lightrail)

- VR22 - Arcadia / Eastridge (potential) Light Rail (v)

- VR23 - E. Capitol Expy / Silver Creek Rd
- CR28 - E. Santa Clara Street
- CR29 - Alum Rock Avenue
- CR30 - The Alameda (West)
- CR31 - W. San Carlos Street
- CR32 - Stevens Creek Boulevard

5) Why are areas that are far away from Transit Urban Villages shown on the map?

Single family neighborhoods can have properties that qualify to build opportunity housing if they meet the proposed criteria of sharing a property line with: (1) a property that has existing multiple units on a Residential Neighborhood designated property or (2) a higher density land use designation such as Mixed-Use Neighborhood, Transit Residential, Urban Residential, Downtown, and Urban Village.

An example of criteria (1) above would be allowing a property with a Residential Neighborhood designation to develop up to four units if it shares a property line with a property that also has a Residential Neighborhood land use designation and is currently developed with a duplex. An example of criteria (2) above would be allowing a property with a Residential Neighborhood designation to develop up to four units if it shares a property line with a single family home that has a Mixed-Use Neighborhood land use designation.

6) How did staff choose the parameters in its recommendation?

The approved General Plan 4-Year Review Scope of Work included direction for staff and the Task Force to explore allowing single-family parcels to redevelop up to 4 units per parcel. It also included several stipulations, with one of them pertaining to the qualifying criteria of properties that would be allowed to develop with Opportunity Housing. The Scope of Work outlined that it should be limited “to parcels proximate to transit-oriented Urban Villages or immediately adjacent to residential parcels with existing medium-density building types, e.g., duplexes or triplexes.”

Staff interpreted “proximate” to mean half-mile and “transit-oriented Urban Villages” to mean Regional Transit Urban Villages and Local Transit Urban Villages. The half-mile distance (approximately a 10-minute walk) was chosen because it is the widely accepted walkable distance standard for transit-oriented development.

Staff has not recommended a gradation of higher density towards Urban Villages, but are open to different ideas on how to shape the criteria.

7) What are High Resource Areas and why is it analyzed if it is not in the criteria?

High Resource Areas are areas of higher opportunity as mapped by the California Fair Housing Task Force. Staff analyzed the qualifying Opportunity Housing areas with Higher Resource Areas (moderate to highest resource areas) to see how many qualifying areas would be in Higher Resource Areas. Higher Resource Areas typically have the characteristics of minimal residential segregation, less income inequality, quality primary schools, greater social capital, and greater family stability. They provide access to certain amenities or community attributes that are believed to increase economic mobility for their residents. Staff concluded that approximately 59% of the qualifying areas in staff’s recommendation would be in Higher Resource

Areas, therefore, potentially providing additional housing opportunities for families that typically could not have access to these resources.

The Tax Credit Allocation Committee (TCAC) and the Department of Housing and Community Development (HCD) Opportunity Map shows where these areas are and include four domains and many subsequent indicators:

1. Economic
 - a. Poverty
 - b. Adult Education
 - c. Employment
 - d. Job Proximity
 - e. Median Home Value
2. Environmental
 - a. CalEnviroScreen 3.0 indicators
3. Educational
 - a. Math Proficiency
 - b. Reading Proficiency
 - c. High School Graduation Rates
 - d. Student poverty Rate

For more information visit:

<https://www.treasurer.ca.gov/ctcac/opportunity/draft-2020-tcac-hcd-methodology-december.pdf>

8) What is the reasoning behind excluding properties that have had renters in the past 7 years? What if a renter left voluntarily?

Staff has recommended excluding properties that have had renters in the past 7 years to protect existing tenants and minimize the displacement of residents and families who are renters. Staff analyzed previously proposed Senate Bill (SB) 50, a bill that would have required all California jurisdictions to allow opportunity housing-type development, to help inform criteria that could limit potential displacement impacts. SB 50 outlined that properties with renters in the past 7 years should not be allowed to redevelop with opportunity-type housing to discourage developers from buying property, and then evicting the tenants in order to redevelop.

It would be difficult to prove if a renter left voluntarily, and this approach aims to protect renters that are the most vulnerable.

9) If a property already has four units, would they be allowed to include more units?

No, if a property with a Residential Neighborhood land use designation already has four units, they would be considered existing opportunity housing, maxing out at four units. The property would not be allowed to build additional units under our proposal. However, the property could still develop ADUs consistent with the City's ADU Ordinance and State law (see question 13).

10) What will be the development standards for opportunity Housing?

The development standards for opportunity housing, including allowable height and square footage, as well as parking requirements, would need to be established in the next steps after consideration of the conceptual

policy framework by the City Council in the Spring of 2021. Both the Zoning Code and the Citywide Design Standards & Guidelines document would determine these standards. Additional research and public outreach will inform these requirements.

11) What would be the application process be for Opportunity Housing?

Although the permit process would be established during the next phase of work, after Council consideration of the conceptual framework, staff anticipates a permit process similar to that of single-family homes; projects that conform to the zoning ordinance and established urban design standards would be by-right, with no public hearing, unless the property is considered a historic property in which it would have to go through a discretionary permit process.

12) Would opportunity housing have environmental impacts?

The qualifying Opportunity Housing criteria that staff has recommended are for areas that have been developed previously. This is also commonly referred to as “infill” development. Because opportunity housing is likely to occur as infill development projects, significant environmental impacts of development projects are not anticipated. However, environmental analysis under California Environmental Quality Act (CEQA) will evaluate the conceptual opportunity housing policy framework as part of the General Plan Four-Year Review, and again during the Implementation Framework more robustly once the project description and extent of opportunity housing is more defined.

The General Plan EIR established a maximum residential capacity which is distributed among Growth Areas in the city. Most areas that qualify under the approved opportunity housing criteria are unlikely to be within the Growth Area boundaries. Staff will need to finalize the capacity tracking methodology prior to City Council consideration of future actions (General Plan amendments, Zoning Ordinance updates) to implement Opportunity Housing.

13) How would the City and State’s Accessory Dwelling Unit (ADU) regulations apply to Opportunity Housing?

Under the City’s existing ADU Ordinance and as required by state law, duplexes and multifamily are allowed two detached ADUs. For a duplex, one attached ADU may also be allowed. For multifamily lots, a number of attached ADUs equivalent to up to 25% of existing units may also be allowed (for example, a building with 12 units may qualify for 3 attached ADUs).. To be consistent with State law, the same rules would need to apply to Opportunity Housing. See the ADU Universal Checklist for more details: <https://www.sanjoseca.gov/home/showdocument?id=39038>