

District 1 — Vacant  
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

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\*Commissioners are appointed by corresponding Council Members, but do not need to reside in the Council District.

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## **REGULAR MEETING AGENDA**

5:45 PM

October 8, 2020

Virtual [Zoom Link](#)  
Web ID: **940 5398 8541**  
**888-475-4499 (Toll Free)**

### **\* COVID-19 NOTICE \***

Consistent with the California Governor's Executive Order No. N-29-20, the Housing & Community Development Commission (HCDC) meeting will not be physically open to the public, and Commission members will be teleconferencing from remote locations.

HCDC is meeting via teleconference from remote locations in accordance with State and local orders and measures taken as a result of the COVID-19 pandemic. Members of the public may view and listen to the meeting by following the instructions below. Additional instructions are provided below to those members of the Public who would like to comment on items on the agenda.

### **How to attend the Housing & Community Development Commission Meeting:**

- 1) **Electronic Device Instructions:** For participants who would like to join electronically from a PC, Mac, iPad, iPhone, or Android device, please click this URL: [Zoom Link](#).
  - a. Use a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer. Mute all other audio before speaking. Using multiple devices can cause an audio feedback.
  - b. Enter an email address and name. The name will be visible online and will be used to notify you that it is your turn to speak.
  - c. When the Chair calls for the item on which you wish to speak, click on "raise hand." Speakers will be notified shortly before they are called to speak.
  - d. When called, please limit your remarks to the time limit allotted.
- 2) **Telephone Device Instructions:** For participants who would like to join on their telephones, please dial **888-475-4499 (Toll Free)** and when prompted, enter meeting Webinar ID: **940 5398 8541**. You may also **press \*9 to raise a hand to speak**.

- 3) **Public Comments prior to meeting:** If you would like to submit your comments prior to the meeting, please e-mail [viviane.nguyen@sanjoseca.gov](mailto:viviane.nguyen@sanjoseca.gov) or contact **408-975-4462**. Comments submitted prior to the meeting will be considered as if you were present in the meeting.

*Commissioners are strongly encouraged to log on by 5:30pm to ensure there are no technical difficulties – thank you!*

**APPROX. AGENDA ITEM  
TIME**

*Note that the times for items shown below are 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**  
A. Review logistics for Zoom meetings
- 5:55 II. Introductions**
- 6:00 III. Consent Calendar**  
A. Approve the Minutes for the Meeting of September 10, 2020  
ACTION: Approve the September 10, 2020 action minutes.
- 6:15 IV. Reports and Information Only**  
A. Chair  
B. Director  
C. Council Liaison
- 6:25 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 during Open Forum; however, the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate due to a large number of speaker requests.*
- 6:35 VI. Old Business**
- VII. New Business**
- 6:35 A. Approval of Measure E Spending Plan (R. VanderVeen, Housing Department)**  
ACTION: Accept staff report and a spending plan for the Measure E Property Tax Revenue, review the plan, and provide comments for transmittal to the City Council.

**7:45                    B. Update on the Affordable Housing Siting Policy  
(R. VanderVeen, Housing Department)**

ACTION: Receive a status report and provide feedback to City staff on its workplan to create an Affordable Housing Siting Policy for the location of subsidized restricted-affordable housing developments.

**8:30                    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 during Open Forum; however, the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate due to a large number of speaker requests.*

**8:40                    IX. Meeting Schedule**

The next Commission meeting is a Special Meeting, scheduled to be held on **Wednesday, October 21, 2020, at 4:30 p.m.** online. Items expected to be heard are:

- Inclusionary Housing Ordinance Follow-ups
- Housing Crisis Workplan Update.

The next regular Commission meeting is scheduled to be held on **Thursday, November 12, 2020, at 5:45 p.m.** online.

**8:45                    X. Adjournment**

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 are within the subject matter jurisdiction 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. Agendas, Staff Reports and some associated documents for the Commission items may be viewed on the Internet at <http://www.sanjoseca.gov/hcdc>. 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.

Correspondence to the Housing & Community Development Commission is public record and will become part of the City's electronic records, which are accessible through the City's website. Before posting online, the following may be redacted: addresses, email addresses, social security numbers, phone numbers, and signatures. However, please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the Housing & Community Development Commission, will become part of the public record. If you do not want your contact information included in the public record, please do not include that information in your communication.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the

legislative body will be available for public inspection at the Office of the City Clerk, 200 East Santa Clara Street, 14<sup>th</sup> Floor, San José, California 95113, at the same time that the public records are distributed or made available to the legislative body. Any draft resolutions or other items posted on the Internet site or distributed in advance of the commission meeting may not be the final documents approved by the commission. Contact the Office of the City Clerk for the final document.

On occasion, the Commission may consider agenda items out of order.

The Housing & Community Development Commission meets every second Thursday of each month (except for July and sometimes December) at 5:45pm, with special meetings as necessary. If you have any questions, please direct them to the Commission staff. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

**To request translation or interpretation services, accommodation, or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events, or printed materials, please call (408) 535-1260 as soon as possible, but at least three business days before the meeting.**

**Please direct correspondence, requests, and questions to:**

City of San José Housing Department  
Attn: Viviane Nguyen  
200 East Santa Clara Street, 12<sup>th</sup> Floor  
San José, California 95113  
Tel: (408) 975-4462  
Email: [viviane.nguyen@sanjoseca.gov](mailto:viviane.nguyen@sanjoseca.gov)

**Para residentes que hablan español:** Si desea mas información, favor de llamar a Theresa Ramos al 408-975-4475.

**Tiếng Việt:** Xin vui lòng liên lạc Viviane Nguyen tại 408-975-4462.

**對於說華語的居民:** 請電 408-975-4450 向 Ann Tu 詢問詳細事宜。

**Para sa mga residente na ang wika ay tagalog:** Kung kinakailangan pa ninyo ng inpormasyon, tawagan si Shirlee Victorio sa 408-975-2649. Salamat Po.

**HOUSING & COMMUNITY DEVELOPMENT COMMISSION**  
**MEETING ACTION MINUTES**

**September 10, 2020**

<b>MEMBERS PRESENT (10):</b>	Andrea Wheeler	Chair (D6)
	Alex Shoor	Vice Chair (D2)
	Barry Del Buono	Commissioner (D3)
	Victoria Partida	Commissioner (D7)
	Julie Quinn	Commissioner (D9)
	Roberta Moore	Commissioner (D10)
		<i>Arrived 6:03 PM, exited 6:20 PM</i>
	Ryan Jasinsky	Commissioner (ML)
	Martha O’Connell	Commissioner (MR)
	Nhi Duong	Commissioner (Mayor)
	<i>Arrived 6:00 PM</i>	
<b>MEMBERS ABSENT:</b>	District 1 – VACANT	Commissioner (D1)
	District 8 – VACANT	Commissioner (D8)
	Ruben Navarro	Commissioner (D5)
	Shavell Crawford	Commissioner (D4)
<b>STAFF PRESENT:</b>	Sergio Jimenez	Councilmember
	Kristen Clements	Housing Department
	Viviane Nguyen	Housing Department

**(I) Call to Order & Orders of the Day**

A. Review logistics for Zoom meetings

**Chair Wheeler called the meeting to order at 5:48 p.m.**

**(II) Introductions** – Commissioners and staff introduced themselves.

**(III) Consent Calendar**

A. Approve the Minutes for the meeting of August 13, 2020.

ACTION: Approve the August 13, 2020 action minutes.

**Commissioner O’Connell made the motion to approve the minutes for August 13, 2020, with amendments to Open Forum as requested, with a second by Commissioner Quinn. The motion passed 7-0.**

**Yes: Wheeler, Shoor, Del Buono, Partida, Quinn, O’Connell, Jasinsky (7)**

**No: None (0)**

**Absent: Crawford, Navarro, Moore, Duong (4)**

**Housing & Community Development Commission  
DRAFT Minutes Regular Meeting – September 10, 2020  
Item III-A**

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- B.** Approve the Minutes for the meeting of August 26, 2020 (Retreat Part 1)  
ACTION: Approve the August 26, 2020 action minutes.

**Vice Chair Shoor made the motion to approve the minutes for August 26, 2020, with a second by Commissioner O’Connell. The motion passed 7-0.**

**Yes: Wheeler, Shoor, Del Buono, Partida, Quinn, O’Connell, Jasinsky (7)**

**No: None (0)**

**Absent: Crawford, Navarro, Moore, Duong (4)**

- C.** Approve the Minutes for the meeting of August 27, 2020 (Retreat Part 2)  
ACTION: Approve the August 27, 2020 action minutes.

**Commissioner Jasinsky made the motion to approve the minutes for August 27, 2020, with a second by Vice Chair Shoor. The motion passed 7-0.**

**Yes: Wheeler, Shoor, Del Buono, Partida, Quinn, O’Connell, Jasinsky (7)**

**No: None (0)**

**Absent: Crawford, Navarro, Moore, Duong (4)**

**(IV) Reports and Information Only**

- a. **Chair:** Ms. Andrea Wheeler did not have a report.
- b. **Director:** Ms. Kristen Clements provided an update on City Council items, including the Council’s approval on September 1<sup>st</sup> of a new Commercial Linkage Fee for affordable housing, and both the Citywide Residential Anti-Displacement Strategy and a Substantial Amendment to the 2019-20 Annual Action Plan to be heard by the City Council on September 22<sup>nd</sup>.
- c. **Council Liaison:** Ms. Helen Chapman was not present, as Councilmember Sergio Jimenez will provide updates later in the agenda.

**(V) Open Forum**

**(VI) Old Business**

**(VII) New Business**

**A. Nominations and Voting for Chair and Vice Chair FY 2020-21  
(Chair Wheeler)**

ACTION: Accept additional nominations and vote for positions of Chair and Vice Chair of the Commission to serve in Fiscal Year 2020-21 commencing with the September 2020 Commission meeting. (No memo.)

**No additional nominations were made for Chair or Vice Chair. For Chair, the nominees were Commissioner Shoor and Commissioner O’Connell. The Commission elected Commissioner O’Connell as the new Chair.**

**Yes for Shoor: Shoor, Partida, Quinn (3)**

**Yes for O’Connell: Wheeler, Del Buono, Moore, Duong, O’Connell, Jasinsky (6)**

**For Vice Chair, the nominees were Commissioner Shoor and Commissioner Jasinsky. The Commission elected Commissioner Jasinsky as the new Vice Chair.**

**Yes for Shoor: Shoor, Partida (2)**

**Yes for Jasinsky: Wheeler, Del Buono, Quinn, Moore, Duong, O’Connell, Jasinsky (7)**

**B. Adopt Commission’s Accomplishments for FY 2019-20**

**(K. Clements, Housing Department)**

**ACTION:** Review, discuss, and adopt the Housing and Community Development Commission’s FY 2019-20 Accomplishments for submission to the City Council’s Community and Economic Development Committee at its September 28, 2020, meeting.

**Commissioner Quinn made the motion to adopt the Housing and Community Development Commission’s Accomplishments for FY 2019-20, for submission to the City Council’s Community and Economic Development Committee at its September 28, 2020, meeting, with a second by Commissioner Jasinsky. The motion passed 8-0.**

**Yes: Wheeler, Shoor, Del Buono, Partida, Quinn, O’Connell, Jasinsky, Duong (8)**

**No: None (0)**

**Absent: Crawford, Navarro, Moore (3)**

**C. Adopt Commission’s Workplan for FY 2020-21**

**(K. Clements, Housing Department)**

**ACTION:** Review, discuss, and adopt the Housing and Community Development Commission’s FY 2020-21 Workplan, for consideration by the City Council’s Community and Economic Development Committee at its September 28, 2020, meeting.

**Commissioner Quinn made the motion to adopt the Housing and Community Development Commission’s FY 2020-21 Workplan, for consideration by the City Council’s Community and Economic Development Committee at its September 28, 2020, meeting with amendments per Commission’s recommendations for items:**

- #11: Consider forming an ad hoc committee to review and recommend possible amendments to the Commission’s Bylaws for the Commission’s consideration, and**

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- **#29: Review revised Council Policy 0-4 regarding Commissioners’ outreach authorization with a second by Commissioner Del Buono. The motion passed 8-0.  
Yes: Wheeler, Shoor, Del Buono, Partida, Quinn, O’Connell, Jasinsky, Duong (8)  
No: None (0)  
Absent: Crawford, Navarro, Moore (3)**

**D. Priorities and Issues Facing San José in FY 2020-21  
(Councilmember Jimenez, City Council Liaison to HCDC)**

**Councilmember Sergio Jimenez provided updates on priorities and issues facing San José in FY 2020-21.**

**(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 8, 2020, at 5:45 p.m.** online.

A **special meeting in October** will be set for **October 21, 2020 at 4:30 p.m.** online.

**(X) Adjournment**

**Chair Wheeler adjourned the meeting at 8:05 p.m.**



# Memorandum

**TO:** HOUSING AND COMMUNITY  
DEVELOPMENT COMMISSION AS  
MEASURE E OVERSIGHT COMMITTEE

**FROM:** Rachel VanderVeen

**SUBJECT: SEE BELOW**

**DATE:** October 1, 2020

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Approved

Date

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**SUBJECT: PROPOSED SPENDING PLAN FOR MEASURE E REAL PROPERTY  
TRANSFER TAX**

## **RECOMMENDATION**

Accept staff report and a spending plan for the Measure E Property Tax Revenue, review the plan, and provide comments for transmittal to the City Council.

## **BACKGROUND**

On [June 23, 2020](#), the City Council adopted Resolution #79608 designating the City's Housing and Community Development Commission (HCDC) as the Real Property Transfer Tax Community Oversight Committee and described their responsibilities. The resolution allows HCDC to review and provide comments to City Council regarding:

- a. Transfer Tax revenue spending plan;
- b. Amendments to the plan made under the prior year's plan;
- c. Recommendations prior to City Council approval of the spending plan; and
- d. Review an annual report of the expenditures made with Measure E funds.

The summary of past City Council actions can be found in **Table 1** in accordance with the adoption of Measure E.

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION AS  
MEASURE E OVERSIGHT COMMITTEE

October 1, 2020

**Subject: Proposed Spending Plan for Real Property Transfer Tax**

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**Table 1: Summary of Past City Council Actions on Measure E**

<b>Date of Meeting</b>	<b>City Council Action</b>
<a href="#"><u>June 4, 2019</u></a>	<ul style="list-style-type: none"><li>• City's hired research consultant FM3 conducted a scientific survey of 1,251 San José registered voters asking about potential measures to address housing and homelessness.</li><li>• Approved the staff recommendation, the Administration will return to Council in the fall of 2019 with recommendations for placing a potential real property transfer tax measure on the citywide ballot in March or November of 2020.</li></ul>
<a href="#"><u>November 1, 2019</u></a>	<ul style="list-style-type: none"><li>• Information memo updating the Administration's plan for the March 2020 Ballot Measure and the viability of a New Real Property Transfer Tax.</li></ul>
<a href="#"><u>November 19, 2019</u></a>	<ul style="list-style-type: none"><li>• Approved the staff report regarding the outcome of recent public opinion polling around potential 2020 ballot measures.</li><li>• Directed the City Manager and City Attorney to return with a potential real property transfer tax measure including the proposed ballot question, ordinance, resolution, and other items required for the City Council to call an election to place the tax measure on the March 3, 2020 ballot.</li></ul>
<a href="#"><u>December 3, 2019</u></a>	<ul style="list-style-type: none"><li>• Adopted the Resolution to place a real property transfer tax measure on the March 3, 2020 ballot.</li><li>• Adopted resolution of the real property transfer tax (Transfer Tax), exempting transfers under \$2 million and taxing transfers of \$2 million or more at one of the applicable rates applied to the full value of the consideration paid for the transferred property as follows:<ol style="list-style-type: none"><li>1) Under \$2.0 million – Exempt; 2) \$2.0 million to \$5.0 million – 0.75% of the transferred property value; 3) \$5,000,000.01 million to \$10.0 million – 1.0% of the transferred property value; and 4) Over \$10.0 million – 1.5% of the transferred property value.</li><li>2) Directed the City Attorney to prepare an Impartial Analysis of the measure.</li></ol></li></ul>
<a href="#"><u>December 10, 2019</u></a>	<ul style="list-style-type: none"><li>• Discussed spending priorities for the Potential General Fund Revenue from Transfer Tax and recommendations from the Rules and Open Government Committee of amending Council Policy 1-18, allocation of funds to be spent on affordable housing and homelessness.</li></ul>

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION AS  
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	<ul style="list-style-type: none"><li>• Directed to establish an oversight committee.</li><li>• Prioritized a spending plan on affordable housing, for seniors, veterans, disabled, and low-income families and help homeless residents move into shelters/permanent housing.</li></ul>
<a href="#"><u>March 3, 2020</u></a>	<ul style="list-style-type: none"><li>• San José voters approved the Transfer Tax with over 53% support, adding a new chapter 4.59 to the San José Municipal Code. This new tax went into effect on July 1, 2020. The revenue estimate for 2020-2021 is \$30 million given the uncertainty of the economic environment. For reference, the tax would have raised approximately \$70 million if it was in effect in 2017-2018.</li></ul>
<a href="#"><u>Mayor's March 6, 2020 Budget Message</u></a>	<ul style="list-style-type: none"><li>• Mayor proposed to direct the allocation of Measure E revenues according to the Council-approved percentage set-asides.</li><li>• Additional direction for prioritizing the following developments and programs: Bridge Housing Communities (BHC) or Tiny Homes, SJ Bridge Employment, Homeless Student Housing, Homeless Prevention, Accessory Dwelling Units Loan Program, Navigation Center.</li></ul>
<a href="#"><u>June 5, 2020 Manager's Budget Addendum #19</u></a>	<ul style="list-style-type: none"><li>• Manager's Budget Addendum #19 amended City Council Policy 1-18 adding Section 22 regarding Measure E by incorporating the spending allocations, describing the approach to estimate revenue, clarifying the types of work that would qualify for the 5% allocation for Administration, and describing the process to change the funding allocation that would be spent on Administration and indicates that any changes to the allocation of funds requires:<ul style="list-style-type: none"><li>○ A 60-day notice of the proposed effective date of the allocation change and at least two public hearings prior to City Council action on the allocation change, with a notice of each public hearing posted on the City's website at least 10 days in advance of the public hearing; and</li><li>○ A two-thirds vote of the City Council.</li></ul></li></ul>
<a href="#"><u>June 23, 2020</u></a>	<ul style="list-style-type: none"><li>• Adopted Resolution #79608, designating the City's Housing and Community Development Commission as the Real Property Transfer Tax Community Oversight Committee and describing its responsibilities.</li></ul>

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION AS  
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The general fund revenues from Measure E will be allocated as described below in **Table 2**:

**Table 2: Measure E Spending Priorities**

Spending Priority	% of Transfer Tax Revenue
<i>Program Administration – up to 5% of total Transfer Tax revenues</i>	
Permanent supportive and affordable rental housing for extremely low-income households	45%
Affordable rental housing for low-income households	35%
Below market-rate for-sale housing and rental housing for moderate-income households	10%
Homelessness Prevention & Rental Solutions	10%
<b>Total:</b>	<b>100%</b>

The City Manager’s 2020-2021 Proposed Operating Budget released on May 12, 2020 assumed Transfer Tax revenues of \$30 million and allocated the funding in accordance with the Mayor’s March Budget Message for Fiscal Year 2020-2021, as approved by the City Council. The high-level spending plan is summarized in **Table 3**:

**Table 3: Budget proposal using 2020-2021 Measure E Revenue**

Proposed Budget Activities	Allocation of Funds
Program Administration	\$1,500,000
Permanent supportive and affordable rental housing for extremely low-income households	\$12,710,000
Affordable rental housing for low-income households	\$9,975,000
Below market-rate for-sale housing and rental housing for moderate income households	\$2,850,000
Homelessness Prevention & Rental Solutions	\$2,850,000
Homeless Student Housing	\$115,000
<b>Total:</b>	<b>\$30,000,000</b>

The Mayor’s Budget Message included several specific items to be funded with the Measure E funding allocations. The table below summarizes these items **Table 4:**

**Table 4: Measure E Spending Items included in the 2020-2021 Adopted Operating Budget**

<b>Proposal</b>	<b>Spending Category</b>	<b>Direction for City Manager</b>	<b>Status</b>
<b>Bridge Housing Communities (BHC) or “Tiny Homes” or “Cabins”</b>	Homeless Prevention and Rental Solutions	<ul style="list-style-type: none"> <li>Report to Council in May with an update about (a) the lease-up of the Mabury BHC, (b) the status and well-being of its residents, and (c) the development of the second BHC site.</li> <li>Return to Council in September with the identification of two additional BHC sites, and to obtain Council approval to begin construction that will at least double our transitional housing capacity.</li> </ul>	<i>As a part of the City’s COVID response, funding was identified to build three new Emergency Interim Housing Communities that will function as BHC sites after COVID. Due to the identification of other resources, this item is not included in the Measure E spending plan.</i>
<b>Homelessness Prevention</b>	Homeless Prevention and Rental Solutions	<ul style="list-style-type: none"> <li>Triple the City’s current commitment of \$3 million to \$9 million.</li> </ul>	<i>Measure E spending plan includes \$2,795,000 million for Homelessness Prevention.</i>
<b>Homeless Students</b>	Homeless Prevention and Rental Solutions	<ul style="list-style-type: none"> <li>Provide Bill Wilson Center up to \$55,000 in 2020-2021, and matching funds of up to \$60,000 over the following two years in support of this effort.</li> </ul>	<i>\$55,000 included in the Measure E spending plan.</i>
<b>Accessory Dwelling Units Loan Program (ADUs)</b>	Below market-rate for-sale housing and rental housing for moderate-income households	<ul style="list-style-type: none"> <li>Return to Council by June with a proposal that will allocate the first \$5 million generated within the 10% moderate-income tranche of Measure E revenues for this program, with the requirement that rent restrictions remain on the units for an extended period of time of not less than 5 years or until the homeowner pays off the City loan.</li> </ul>	<i>Included in the Measure E spending plan, limited to the allowed percentage of 10%, which is \$2,850,000 equivalent to the Year One amount of Moderate-Income funds. This program has been put on hold due to COVID-19 priorities</i>

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION AS  
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Proposal	Spending Category	Direction for City Manager	Status
			<i>and the recent departure of the Executive Director of the Housing Trust Silicon Valley. It is anticipated, that capacity for this project will be available next year.</i>
<b>Navigation Center</b>	Homeless Prevention and Rental Solutions	<ul style="list-style-type: none"> <li>• Inform the Council, verbally at Council or through information memorandum, by May of the status of efforts to identify a site, and with specific options for the City move this important work forward.</li> </ul>	<i>On April 21, 2020, Council redirected HHAP funds earmarked for a Navigation Center instead to construct Emergency Interim Housing. This item is not included in the Measure E spending plan.</i>

**ANALYSIS**

The analysis will focus on Measure E spending plan regulations and components: a) designated oversight committee as the Housing and Community Development Commission (HCDC), b) regulations for amendments to spending priorities for Measure E, and c) spending plan.

**A. Oversight Committee and Duties: HCDC**

In June, the City Council adopted Resolution 79608 designating HCDC to serve as the community Oversight Committee for the general fund revenues generated by Measure E. The existing role of HCDC is to focus on issues, policies, funding allocations, and programs related to the housing and community development. HCDC’s current workplan includes providing recommendations on rent stabilization, homelessness, tenant protections, and use of Housing Trust Funds, which aligns with the Council-approved spending priorities for Transfer Tax revenue.

Consistent with the resolution, HCDC will review and provide comments to the City Council on the Measure E Transfer Tax spending plan, any amendments to the plan, and provide recommendations to City Council prior to their approval. Additionally, HCDC will review an annual report of expenditures made with Measure E funds.

October 1, 2020

**Subject: Proposed Spending Plan for Real Property Transfer Tax**

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## **B. Regulations for Amendments to Spending Priorities ([City Council Policy 1-18, Section 22](#))**

The City Council approved Operating Budget and Capital Improvement Program Policy (City Council Policy 1-18) sets forth the guiding principles for the preparation and administration of the Operating Budget and Capital Improvement Program. Upon approval of Measure E, the City Council updated City Council Policy 1-18 to add Section 22 (**Attachment A**) clarifying the intended use of general fund revenues raised from Measure E. Measure E is a general tax and the revenues derived from the tax are unrestricted, which means the City can use Measure E revenues for any governmental purpose. While these revenues are deposited in the General Fund and can be used for any governmental purpose, the City Council intended that the revenues be allocated towards addressing the homelessness crisis. The City's most urgent housing issues including, but not limited to, homeless prevention and developing new affordable housing.

In order to make any amendments to the Measure E spending priorities, the City Council is required to have a two-thirds vote. In addition, the public would need to be informed of any proposed changes. Public notification requires a 60-day notice and at least two public hearings prior to the City Council taking action on any proposed changes to the annual spending plan that could shift any funding. These requirements are included in City Council policy 1-18 to ensure the use of Measure E funds are consistent with the City Council's original intent for the funds.

The Housing and Community Development Commission, serving in its role as Oversight Committee, must review the Measure E spending plan and provide comments on the consistency of the spending plan with the guidelines in City Council Policy 1-18.

## **C. Measure E Spending Plan**

The expected funds available are estimated to be \$30 million for 2020-2021. The estimated amount of transfer tax is based on the percentage allowed, as described in **Table 2**. Amounts allocated to each item in **Table 5**, the proposed spending plan from the real property transfer tax revenue, can decrease or increase proportionally based on actual transfer taxes collected. The proposed spending plan from the real property transfer tax revenue. The non-italicized rows indicate the category as defined by the City Council. The italicized rows indicate the proposed items within the spending plan.

The Administration will reconcile the actual revenues received in the fiscal year as part of the City Manager's Annual Report, which is reviewed and approved by the City Council every October. Any excess or shortfall or revenue will be proportionally allocated between the City Council-approved spending priority allocations.

**Table 5: Measure E Spending Plan for 2020-2021**

<b>Spending Category / Item</b>	<b>%</b>	<b>Dollar Value</b>
<b>Administration</b>	<b>5%</b>	<b>\$1,500,000</b>
<i>Administration - Taken from the total amount collected – Allocations apply to remaining funds</i>		\$1,500,000
<b>Permanent supportive and affordable rental housing for extremely low-income households</b>	<b>45%</b>	<b>\$12,710,000</b>
<i>1) Funding for land acquisition and new development of affordable housing</i>		\$12,710,000
<b>Affordable rental housing for low-income households</b>	<b>35%</b>	<b>\$9,975,000</b>
<i>2) Funding for land acquisition and new development of new affordable housing</i>		\$4,975,000
<i>3) Acquisition and rehabilitation of existing buildings for low-income households</i>		\$5,000,000
<b>Rental and for-sale housing for moderate-income households</b>	<b>10%</b>	<b>\$2,850,000</b>
<i>4) ADU Program</i>		\$2,850,000
<b>Homeless Prevention and Solutions</b>	<b>10%</b>	<b>\$2,850,000</b>
<i>5) Homeless Prevention</i>		\$2,795,000
<i>6) Student Housing</i>		\$55,000
<b>Total:</b>	<b>100%</b>	<b>\$30,000,000</b>

**Program Administration:** Consistent with the 5% limitation on administrative expenses, \$1,500,000 will be set aside for administrative costs related to the implementation of Measure E programs.

**Permanent Supportive and Affordable Rental Housing for Extremely Low-Income Households:** Funding for extremely-low income households (\$12,825,000) will be used to finance the acquisition and/or development of new affordable housing for extremely low-income households. These funds will be made available as a part of the upcoming Notice of Funding Availability or will be used by the Housing Department to acquire sites for future affordable housing development. The selected developments or sites will be limited to specific geographic areas until the Affordable Housing Siting Policy is completed, consistent with the amended Affordable Housing Investment Plan. These areas include North San José, Diridon Station Area, Downtown, West San Carlos Urban Village, Berryessa Bay Area Rapid Transit (BART) Urban Village, and the Blossom Hill/Snell Avenue Urban Village. All funds will be spent consistent with the [Affordable Housing Investment Plan](#).

October 1, 2020

**Subject: Proposed Spending Plan for Real Property Transfer Tax**

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**Affordable Rental Housing for Low-Income Households:** Funding for extremely-low income households (\$9,975,000) will be divided into two categories. Funding in the amount of \$4,975,000 will be used to finance the acquisition and/or development of new affordable housing for low-income households. These funds will also be made available as a part of the upcoming Notice of Funding Availability. Additionally, \$5,000,000 in funding will be made available for acquisition and rehabilitation of existing housing and restricted to low-income households in the future.

**Moderate-Income For-Sale and Rental Housing Programs:** On June 26, 2020, the City Council recommended a proposal that will allocate the first \$5 million generated from Measure E to be put towards Accessory Dwelling Units Loan Program (ADUs) within the 10% moderate-income tranche of Measure E revenues for this program. In Year One, there is \$2,850,000 available for development of an ADU program. This program is currently on hold due to COVID-19 priorities and the recent departure of the Executive Director of the Housing Trust Silicon Valley. These funds will accumulate in Year 1, providing additional resources to be allocated in the Year 2 Measure E spending plan.

**Homeless Prevention and Rental Solutions:** The \$2,850,000 for homeless prevention and rental solutions portion will be broken into two items. The City has made funding homeless prevention a priority for the use of these funds. The majority of funds, \$2,795,000, will be used to fund the homeless prevention program by providing financial assistance and support to at-risk families. Consistent with the Mayor's Budget Message, \$55,000 will be made available through Bill Wilson Center for the homeless student housing program. In partnership with San José State University and Air BnB, Bill Wilson Center will provide temporary housing to college students experiencing homelessness.

## **EVALUATION AND FOLLOW-UP**

Comments from the Commission acting as Oversight Committee will be forwarded to City Council prior to the Community and Economic Development Committee meeting on October 26, 2020. The item is expected to advance to the City Council for its November 10, 2020, meeting.

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION AS  
MEASURE E OVERSIGHT COMMITTEE

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**Subject: Proposed Spending Plan for Real Property Transfer Tax**

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**COORDINATION**

This memorandum was coordinated with the City Manager's Budget Office, the Finance Department, and the City Attorney's Office.

Please note, this memorandum is being authored by the Deputy Director of Housing because the recommended Measure E spending plan includes an allocation for homeless prevention that creates a potential funding opportunity for Destination: Home. Jacky Morales-Ferrand, the Director of Housing, serves as a board member for Destination: Home and therefore has a conflict to make this recommendation to the Commission.

/s/

RACHEL VANDERVEEN  
Deputy Director of Housing

For questions, please contact Rachel VanderVeen at (408) 535-8231.

**ATTACHMENT:**

**Attachment A:** City Council Policy 1-18, Section 22

TITLE	OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY	PAGE	POLICY NUMBER
		10 of 14	1-18

- b) Interfund Loan Documentation Requirements- Loan amount, term, and repayment source will be identified any time a loan is recommended. Loans will be coordinated with the City Attorney’s Office to ensure compliance with the Municipal Code and will be approved by the City Council. Payments made on outstanding loans shall be reflected in the Proposed and Adopted Budget and Annual Report, as applicable. A summary of all outstanding loans will also be included in the annual Proposed and Adopted Operating Budget and the Comprehensive Annual Financial Report (CAFR). The CAFR will also consistently include the loan term, rate of interest, and the interest amount due in its calculation of the total liability associated with the loan.

## **22. Real Property Transfer Tax Revenues**

On March 3, 2020, the voters of San José passed Measure E to enact a new real property transfer tax (“Transfer Tax”) on the transfer of certain real property in the City. The provisions of this section shall apply to the budgeting of Transfer Tax revenues. The Transfer Tax is a general tax and the revenues derived from the tax are unrestricted, which means the City can use the Transfer Tax revenues for any governmental purpose. While these revenues are deposited in the General Fund and can be used for any governmental purpose, the City Council intends for the revenues to be allocated towards addressing the homelessness crisis and the City’s most urgent issues including, but not limited to, homeless prevention and developing new affordable housing. The approach for estimating and budgeting Transfer Tax revenues is described below.

- a) Estimating Revenue from the Transfer Tax – Due to the volatile nature of a real property transfer tax such as the Transfer Tax, the City will conservatively estimate revenue from the Transfer Tax as part of the Proposed Budget process. During the course of the fiscal year, revisions to the Transfer Tax revenue estimate may be recommended to the City Council to align with the pace of actual collections.
- b) Spending Allocations of Transfer Tax – The spending priorities for the Transfer Tax are listed below.
- 1) Up to 5% of the revenues may be allocated for the administration of funding related to increased workload resulting from more robust homeless prevention efforts and the creation of more affordable housing, including, but not limited to, financial, legal, or administrative and policy programmatic support.
  - 2) The remaining revenue is allocated as follows:
    - i. 10% for homelessness prevention and rental assistance;
    - ii. 45% for permanent supportive and affordable rental housing for extremely low-income (ELI) households earning less than 30% of area median income (AMI) as defined by the U.S. Department of Housing and Urban Development;
    - iii. 35% for affordable rental housing for 30% - 80% AMI households; and
    - iv. 10% for below market-rate for-sale housing and moderate-income rental housing up to and including 120% AMI, including but not limited to, rent-restricted

TITLE	PAGE	POLICY NUMBER
OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM POLICY	11 of 14	1-18

Accessory Dwelling Units (ADU) forgivable loans, down payment assistance, and first-time homeownership opportunities for households up to 120% AMI.

- c) Modifications to Spending Allocation – Any revisions to the revenue estimate, as well as a reconciliation of year-end actuals to budgeted estimates, will be proportionally applied to the spending categories described above. Modifying the percentage allocations during the Proposed Budget process or during the year requires:
  - 1) A 60-day notice in advance of the effective date of the proposed allocation change posted on the City’s website and at least two public hearings prior to City Council action on the proposed allocation change, with a notice of each public hearing posted on the City’s website at least 10 days in advance of the public hearing; and
  - 2) A two-thirds vote of the City Council.

## CAPITAL IMPROVEMENT PROGRAM

### 1. *Fiscal Policies*

- a) Capital project proposals should include complete, reliable, and attainable cost estimates. Based upon a thorough analysis of the project, project cost estimates for the Five-Year Capital Improvement Plan will vary in reliability depending upon whether they are to be undertaken in the first or fifth year of the Plan. Project estimates for the Five-Year Capital Improvement Plan should include the basis on which the project costs were prepared (conceptual design, master plan, etc.), and the relative reliability of those estimated costs.
- b) Capital project proposals should include a comprehensive resource plan. This plan should include the amount and type of resources required, and the funding and financing strategies to be employed. The specific fund and timing should be outlined. The plan should indicate resources needed to complete any given phase of a project in addition to the total project. The City Manager’s Office is responsible and accountable for providing Council with an accurate, comprehensive resource plan.
- c) Changes in project estimates for the comprehensive resource plan shall be fully reported to the City Council for review and approval.
- d) Project proposals should indicate the project impact on the operating budget. Each project that is proposed in any year of the 5-year Capital Improvement Program shall have an estimate of the costs for furniture, fixtures, equipment, and technology and the annual operations and maintenance costs in the appropriate year of the Operating Budget or in the Five Year Forecast and Revenue Projections.
- e) During the Annual Capital Budget process for multi-year budgeted projects, the City Manager will provide the Council with more information regarding the project including the original budget, budget addendums, and the projected schedule in spreadsheet format.



# Memorandum

**TO:** HOUSING AND COMMUNITY  
DEVELOPMENT COMMISSION

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** October 1, 2020

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Approved

Date

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**SUBJECT: UPDATE ON THE AFFORDABLE HOUSING SITING POLICY**

## **RECOMMENDATION**

Receive a status report and provide feedback to City staff on its workplan to develop an Affordable Housing Siting Policy for the location of subsidized restricted-affordable housing developments.

## **BACKGROUND**

In 1988, shortly after the formation of the Housing Department, the City Council approved "San José: A Commitment to Housing" - the Final Report of the Mayor's Task Force on Housing. One of the policy statements adopted as a part of that approval was the Dispersion Policy, which encouraged the development of affordable housing throughout the City and in every Council District to promote economic integration. Under this policy, "no area of the City should be arbitrarily precluded from consideration as a site for affordable housing."

The Dispersion Policy was amended by the Council in 1997 to add a provision that housing affordable to lower-income households should be funded in 11 "impacted" Census Tracts in Council Districts 3 and 5 or in the surrounding Census Tracts, only after careful consideration. "Impacted" Census Tracts were defined as those in which more than 50% of the households are very low- or low-income. In today's area median income ranges, the policy would apply to census tracts with household earning less than \$112,150 for a household of four. Additionally, the policy directs that "on a case-by-case-basis, the Council must consider: the proposed project's proximity to other City-financed affordable housing developments; the project's relationship to Council-adopted development plans and strategies; the project's contribution to neighborhood improvement or revitalization; and the existing income mix of the Census Tract it is to be located."

In November 2004, the Housing Department revised the list of “impacted” Census Tracts based on a special Census 2000 tabulation request obtained from the Census Bureau. As a result of that study, 22 tracts were identified as impacted, and 16 tracts were identified as adjacent tracts. The impacted tracts were located in Council Districts 3 (13 tracts), 7 (4 tracts), 5 (2 tracts), 6 (2 tracts), and 2 (1 tract).

In 2017, the City Council voted to pause implementation of the Dispersion Policy to allow for an update to the policy to align with the General Plan and with federal and State guidance on fair housing. It was determined that the current Policy was outdated and inconsistent with the goals and objectives of the General Plan. The 2040 General Plan focuses development in Urban Village areas, concentrating growth along transit corridors throughout the City.

### ***Consultant Selection for Development of an Affordable Housing Siting Policy***

The Housing Department held a Request for Proposals (“RFP”) process commencing in winter 2019 to develop a new, evidence-based “Affordable Housing Siting Policy” for the development of affordable housing. The goal of the RFP was to select a consultant to assist the Department in developing a policy regarding the siting of future affordable housing throughout the City so as to support diverse, equitable, and economically-balanced communities. The RFP included desired qualifications for the selected consultant such as experience in urban planning and policy, general knowledge and familiarity with affordable housing, experience with GIS analysis, a working knowledge of the housing industry including subcategories such as housing affordability, development, financing of affordable housing, barriers to fair housing, and experience in racial and equity analysis.

The Housing Department received two responses, one from California Housing Partnership with a subcontract with the Othering & Belonging Institute from the University of California Berkeley and another from Asakura Robinson. The Housing Department convened an evaluation panel including staff from the Department of Planning, Building and Code Enforcement. The panel selected the California Housing Partnership to move forward with the project described below.

California Housing Partnership is a private nonprofit corporation dedicated to creating and preserving affordable and sustainable homes for California residents with low-incomes by providing expert financial policy solutions to nonprofit and public partners. Since its creation by the California Legislature in 1988, California Housing Partnership has helped more than 150 nonprofit and government organizations leverage over \$18 billion in private and public financing to create and preserve more than 70,000 affordable rental homes throughout California. California Housing Partnership has deep experience in housing siting patterns and demonstrated how local factors such as land use and zoning, demographics, and the design of municipal housing funding programs can influence these patterns and present unique barriers and opportunities to changing them, presenting a need for customized policy responses for San José. California Housing Partnership has co-authored a series of reports with the Urban Displacement Project in 2018, studying the impact of rising housing costs in the Bay Area region that contributed to the displacement of low-income people of color and resulted in new

concentrations of poverty and racial segregation in the Bay Area. This experience will serve as an asset to the work developed specifically for San José.

The California Housing Partnership is partnering with the Othering & Belonging Institute from the University of California Berkeley on this project. The Othering & Belonging Institute brings together researchers, organizers, stakeholders, communicators, and policymakers to identify and eliminate the barriers to an inclusive, just, and sustainable society in order to create transformative change. They are a diverse group generating work centered on realizing a world where all people belong, where belonging entails being respected at a level that includes the right to both contribute and make demands upon society and political and cultural institutions. The Othering & Belonging Institute responds to issues that require both immediate action and long-term strategy. The Institute engages in innovative communications, arts and cultural strategy, and strategic narrative work that attempts to re-frame the public discourse from a dominant narrative of control and fear towards one that recognizes the humanity of all people, cares for the earth, and celebrates our inherent interconnectedness.

## **ANALYSIS**

The Siting Policy is intended to help the City affirmatively further fair housing consistent with Federal and California fair housing laws while delivering much-needed affordable housing. The Policy will seek to balance the City's objectives of building both market-rate and affordable homes, limiting the development in lower resourced "fragile" neighborhoods, mitigating residential displacement, and increasing affordable housing in higher-opportunity neighborhoods of choice.

The consultants will assist in the development of an Affordable Housing Siting Policy with prescriptive solutions and approach, including the application of a racial equity analysis, that are: 1) tailored to the City's housing and neighborhood dynamics; 2) legible and easy to implement for City staff and stakeholders; and, 3) rooted in evidence and best practices. The Consultant will design and propose policies to achieve the level and type of change that is needed to achieve the City's affordable housing siting goals.

***Consultant Tasks and Deliverables:*** The development of the Siting Policy is described in tasks and corresponding services and deliverables. The table below describes the tasks and deliverables that will be included in this project.

<b>TASKS AND SERVICES SUMMARY</b>	
<b>Task</b>	<b>Deliverable Services Summary</b>
1) Research evidence and best practices around siting affordable housing	The Consultant will produce a summary of academic research and current practices around siting of affordable housing that will inform practical considerations around how to design legible and easy-to-implement policy options that align with the City’s goals and are grounded in evidence and best practices.
2) Spatial analysis of demographics and housing problems	The Consultant will spatially analyze San José’s demographic and housing characteristics to identify patterns which could be addressed, in part, through an affordable housing siting policy. Information will be disaggregated by race.
3) Analysis of current and future housing stock	The Consultant will use data provided by the City to analyze spatial patterns of current and future affordable and market-rate housing in San José.
4) Evaluate opportunity frameworks	The Consultant will assess both the State Opportunity Map and possible alternative mapping frameworks to ensure that the spatial criteria used in the policy is adapted to local dynamics and the City’s affordable housing siting goals.
5) Identify mitigating factors for affordable housing development in fragile neighborhoods	The Consultant will draw from academic literature, consultation with City staff, and prior experience to identify mitigating factors for affordable housing development in “fragile neighborhoods.”
6) Produce administrative and final draft reports	The Consultant will produce an administrative report and ultimately a final report highlighting how findings from each area of analysis contributed to the design of three siting policy alternatives. The report will also describe how the City could implement each Siting Policy alternative, pros and cons for the alternatives, and will describe roles, processes, and decision-making frameworks for different City departments involved in implementation.
7) Develop Affordable Housing Siting Zones	The Consultant will leverage analysis to develop a methodology to identify “zones” throughout the city that are referenced in the proposed siting policy options. Consultant will also provide City staff with a web map showing the results of the analysis.

### ***Research to Date***

The California Housing Partnership and the Other & Belonging Institute have delivered their initial research on evidence and best practices around siting affordable housing. The items below summarize key findings made in the literature review.

- 1) **Neighborhoods matter:** Neighborhoods, with both structural characteristics (e.g., amenities economic activity, the built environment) and social characteristics (e.g., peers, social capital, and networks), have powerful and independent effects on critical economic, educational, and health outcomes, particularly for children.
- 2) **Access to opportunity-rich neighborhoods and exposure to concentrated poverty varies considerably by race and income:** Low-income households are much less likely to live in opportunity-rich neighborhoods than in higher-income households; this is true both generally and within individual racial and ethnic groups. However, disparities in access to opportunity-rich neighborhoods between racial and ethnic groups—regardless of income—are in some cases more pronounced than between income groups.
- 3) **Racial segregation and disparities in access to opportunity-rich neighborhoods do not reflect actual location preferences of low-income people of color:** Surveys and recent studies have shown that patterns of segregation do not reflect the location preferences of non-White low-income households, many of whom are interested in moving to opportunity-rich areas but face barriers such as discrimination, information gaps, and lack of affordable housing options.
- 4) **Affordable housing siting patterns have generally followed existing patterns of racial segregation and concentrated poverty:** Affordable housing funding programs have historically had the effect of concentrating new developments in lower-resource areas, roughly following existing patterns of racial segregation, concentrated poverty, and disparities in access to neighborhoods most supportive of positive outcomes. Patterns specific to San Jose will be analyzed as part of this work.
- 5) **Ending place-based disparities requires a “both/and” approach:** Ending disparities in access to opportunity-rich neighborhoods—and racial and economic segregation, more broadly—is critical to reducing inequality. Doing so will require both expanding access to opportunity-rich areas and reducing inequality of resources and opportunities between neighborhoods (e.g. via comprehensive revitalization in low-resource areas).

### ***Other Cities Results***

The Consultant also completed a review of other cities’ policies or program rules which relate to Affirmatively Furthering Fair Housing (“AFFH”) siting principles. The review included a broad range of jurisdictions across the country including Austin, Washington D.C., Chicago, Minneapolis, Portland, New York, San Francisco, San Diego, Seattle, Oakland, Los Angeles, Albuquerque, and Nashville. The broad review revealed that only three cities, Austin, Washington D.C., and Albuquerque, incorporated locally-generated answers on how to balance different AFFH-related siting priorities.

- Albuquerque’s approach in its Consolidated Plan is straightforward: all new construction affordable housing, including permanent supportive housing, is targeted to high-opportunity areas, while preservation and rehabilitation of existing affordable housing is targeted to lower-resource areas.
  
- Austin’s approach is more multidimensional: of the 60,000 affordable homes contemplated in the City of Austin Strategic Housing Blueprint, one-quarter are targeted to high-opportunity areas, one-quarter to high frequency transit areas, and one quarter to gentrifying areas with high displacement risk. The remaining quarter are required to be spread across council districts, with higher allocations to districts with fewer existing affordable homes.
  
- Washington D.C.’s approach in the DC Housing Equity Blueprint establishes affordable housing production targets for each planning area in the city based on the level of currently available affordable housing (both deed-restricted and naturally occurring), with higher targets for areas with lower rates of affordability than the citywide average. The Blueprint emphasizes the need to build more affordable housing in high-opportunity areas, but the methodology for establishing targets does not explicitly account for neighborhood opportunity.

***Next Steps:***

The Housing Department will continue to work with its consultant to deepen its research and further refine the data to develop an Affordable Housing Siting Policy that expands housing choice and opportunities, addresses inequalities and promotes access for residents of San José. City staff is currently working with California Housing Partnership and the Other & Belonging Institute to complete the remaining analysis as outlined above. City staff will review the proposed Affordable Housing Siting Policy with the Housing and Community Development Commission as a part of the upcoming steps in developing this critical policy.

<b>Milestone &amp; Timetable</b>	
<b>Task</b>	<b>Completion Time</b>
1) Research evidence and best practices around siting affordable housing	August 2020
2) Spatial analysis of demographics and housing problems	September 2020
3) Analysis of current and future housing stock	September 2020
4) Evaluate opportunity frameworks	December 2020
5) Identify mitigating factors for affordable housing development in fragile neighborhoods	January 2021

<b>Milestone &amp; Timetable</b>	
6) Produce administrative and final draft reports	March 2021
7) Public Meetings	March – April 2021
8) Develop Affordable Housing Siting Zones	Spring 2021
9) City Council Approval of Affordable Housing Siting Policy	Prior to July 2021

The Siting Policy is intended to help the City affirmatively further fair housing consistent with federal and California laws while delivering much-needed affordable housing. The Policy will seek to balance the City’s objectives of building both market-rate and affordable homes, limiting the development in fragile neighborhoods, mitigating urban displacement, and increasing affordable housing in high opportunity neighborhoods of choice. The resulting Policy also must be easy to understand and administer for both City staff and the development community.

**PUBLIC OUTREACH**

The City staff and consultant team want to ensure the community is engaged in the development of the affordable housing siting policy. A meeting was held on August 13, 2020, with community members in District 3 who are interested in discussing the future of this policy. The team plans to hold listening sessions as the policy is developed and then will bring the draft policy to the Housing and Community Development Commission for consideration prior to City Council approval.

/s/  
JACKY MORALES-FERRAND  
Director of Housing

For questions, please contact Rachel VanderVeen, Deputy Director, at (408) 535-8231.

## Housing & Community Development Commission Workplan for FY 2020-21

#	Topics for FY 2020-21	Actions	HCDC Function, Power, Duty	Type of Item	Tentative Date
1.	<b>Anti-Displacement Draft Strategy</b>	Review draft Anti-Displacement Strategy and make possible recommendation	Policies	Report	Aug 2020
2.	<b>Commercial Impact Fee</b>	Review report on Commercial Impact Fee Nexus Study and Feasibility Study and make possible recommendation	Local funds	Report	Aug 2020
3.	<b>Commission Elections</b>	Elect Chair and Vice Chair for FY 2020-21	Governance	Administration	Sep 2020
4.	<b>Adopt Commission FY 2019-20 Accomplishments</b>	Review, discuss, and adopt HCDC's FY 2019-20 Accomplishments based on work completed at Annual Retreat	Administrative	Governance	Sep 2020
5.	<b>Adopt Commission FY 2020-21 Workplan</b>	Review, discuss, and adopt HCDC's FY 2020-21 Workplan based on work completed at Annual Retreat	Administrative	Governance	Sep 2020
6.	<b>Draft Diridon Affordable Housing Implementation Plan</b>	Review draft Affordable Housing Implementation Plan and make possible recommendation	New plan	Plan	Oct 2020
7.	<b>Inclusionary Housing Ordinance</b>	Review proposed revisions to the Inclusionary Housing Ordinance and related programs and make possible recommendations	Existing program	Policy	Oct 2020
8.	<b>Approval of Measure E Spending Plan</b>	Review proposed spending plan for Measure E funds to ensure it is consistent with City Council direction and make recommendations	Local funds (New)	Plan	Oct 2020
9.	<b>Affordable Housing Siting Policy Framework</b>	Provide input on the process for development of the City's policy on siting permanent affordable housing and make possible recommendation	New Policy	Policy	Oct 2020
10.	<b>Housing Crisis Workplan Updates</b>	Review progress report on implementation of prioritized items in the Housing Crisis workplan and make possible recommendation	Housing goals	Report	Oct 2020
11.	<b>Amended Commission Bylaws</b>	Form an ad hoc committee on Bylaws to review and recommend to the Commission possible changes to	Administrative	Governance	Nov 2020

## Final Housing & Community Development Commission Workplan for FY 2020-21

		Commission Bylaws, then consider possible amendments to Commission Bylaws			
12.	<b>Annual Homeless Report</b>	Review report and provide input on overall budget, policies, and programs to address homelessness	Existing program	Report	Dec 2020
13.	<b>Consolidated Annual Performance and Evaluation Report (CAPER)</b>	Hold a public Hearing for the FY 2019-20 Consolidated Annual Performance and Evaluation (CAPER) and make possible recommendation to City Council to approve report	Federal funds	Hearing	Dec 2020
14.	<b>Assessment of Fair Housing Draft</b>	Review reports on draft findings of AFH Plan and make possible recommendations	Federal funds	New Plans	Dec 2020
15.	<b>FY 2021-22 Annual Action Plan Funding Priorities</b>	Hold a Public Hearing and review funding priorities for FY 2021-22 Annual Action Plan and make possible recommendation	Federal funds	Hearing	Dec 2020
16.	<b>HCDC Workplan Amendments</b>	Review amended 2020-21 HCDC Workplan and make possible recommendation for submission to the Community and Economic Development Committee	Governance	Plan	Jan 2021 (if needed)
17.	<b>Moderate-income Housing Strategy</b>	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	Feb 2021
18.	<b>Affordable Housing Siting Draft Policy</b>	Provide input on proposing Siting Policy for siting permanent affordable housing and make possible recommendation	Revised policy	Policy	Mar 2021
19.	<b>Rent Stabilization Program Budget (Fee) Recommendations</b>	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 2021
20.	<b>Housing Crisis Workplan</b>	Review progress report on implementation of prioritized items in the Housing Crisis workplan and make possible recommendation	Housing goals	Report	Apr 2021
21.	<b>Draft FY 2021-22 Annual Action Plan</b>	Hold a Public Hearing and review FY 2021-22 draft Annual Action Plan for the use of federal funds from HUD and make possible recommendation	Federal funds	Hearing	Apr 2021
22.	<b>Housing Trust Fund Budget</b>	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 2021

## Final Housing & Community Development Commission Workplan for FY 2020-21

23.	<b>Annual Progress Report on the Housing Element</b>	Review progress report on the Annual Progress Report to the State on the City's Housing Element and make possible recommendation	Housing goals	Report	May 2021
24.	<b>Soft Story Program Framework and Ordinance</b>	Review draft soft story program framework and ordinance and make possible recommendation	New program	Program	May 2021
25.	<b>Commission Nominations/Elections</b>	Nominate and select Chair and Vice Chair for FY 2021-22	Governance	Administration	May/June 2021
26.	<b>Assessment of Fair Housing Draft Plan</b>	Review draft Plan on housing challenges and community needs and make possible recommendation	New plan	Plan	June 2021
27.	<b>Quarterly and Annual Reports</b>	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
28.	<b>Outreach Authorization for Commissioners</b>	Review revised Council Policy 0-4 regarding commissioner outreach and make possible recommendations	Administrative	Governance	As needed
29.	<b>Reports on Housing Data</b>	Review reports on housing data	Report	Report	As needed
30.	<b>Amendment(s) to FY 2019-20 Annual Action Plan</b>	Hold a Public Hearing and review Amendments to FY 2019-20 Annual Action Plan for the use of federal CARES Act funds from HUD and make possible recommendation	Federal funds	Hearing	As needed
31.	<b>Amendment(s) to FY 2020-21 Annual Action Plan</b>	Hold a Public Hearing and review Amendments to FY 2020-21 Annual Action Plan for the use of federal funds from HUD and make possible recommendation	Federal funds	Hearing	As needed
32.	<b>Proposed State/Federal Legislation</b>	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 needed
33.	<b>Topics related to Chapters 17.22 and 17.23 of the San José Municipal Code</b>	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
34.	<b>Topics related to Chapter 20.180 of the San José Municipal Code</b>	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

## Final Housing & Community Development Commission Workplan for FY 2020-21

35.	<b>Board and Care Regulations and Properties*</b>	Hold a Commissioner-initiated discussion of board and care regulations and properties located in San José and take possible action	New programs or policies	Program Policy	TBD
36.	<b>Mental Health Proposition 2 Funding*</b>	Hold a Commissioner-initiated discussion of Mental Health Proposition 2 bond funding from 2018 and potential leverage through collaboration with the County of Santa Clara and take possible action	New programs or policies	Program Policy	TBD
37.	<b>Additional Density Bonus for Affordable Housing*</b>	Hold a Commissioner-initiated discussion of a potential additional City-authorized density bonus for affordable housing developments and take possible action	New, revised programs or policies	Program	TBD
38.	<b>Nonprofit Housing Co-ops First Opportunity to Buy Affordable Housing Properties*</b>	Hold a Commissioner-initiated discussion of a potential program to give nonprofit housing co-ops the first opportunity to buy affordable housing properties and take possible action	New programs or policies	Program Policy	TBD
39.	<b>Commission-initiated discussions under the purview of Commission*</b>	Hold Commissioner-initiated discussions on existing or potential programs, 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

***Note\*: Commissioner-initiated items are researched and prepared by the Commissioners. All of these actions are to be taken consistent with Policy 0-4. 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.***

## Final Housing & Community Development Commission Workplan for FY 2020-21

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

- 1 – Anti-Displacement Draft Strategy
- 8 – Approval of Measure E Spending Plan
- 10, 20 – Housing Crisis Workplan Updates
- 14, 26 – Assessment of Fair Housing
- 15, 21, 30, 31 – Annual Action Plans
- 19 – RSP Budget
- 23 – Annual Progress Report on the Housing Element
- 27 – Quarterly and Annual Reports
- 29 – Reports on Housing Data
- 32 – Proposed State/Federal Legislation
- 33 – Topics related to Chapters 17.22 and 17.23 of the San José Municipal Code
- 34 – Topics related to Chapter 20.180 of the San José Municipal Code
- 39 – Commission-initiated discussions under the purview of Commission\*

***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 agendaized and prioritized around the Commission's regular workload. The proposed agendaized items may be subject to change.***