



# Memorandum

**TO:** NEIGHBORHOOD SERVICES  
AND EDUCATION COMMITTEE

**FROM:** Jacky Morales Ferrand

**SUBJECT:** SEE BELOW

**DATE:** February 25, 2022

Approved

Date

3/3/22

**SUBJECT: STATUS REPORT ON THE BETTER HOUSING INITIATIVE**

## RECOMMENDATION

Accept the status report on the Better Housing Initiative, including proposed future funding and the development of program services for selected affordable housing developments.

## OUTCOME

This report provides a status update on the Housing Department's implementation of the Better Housing Initiative pilot program. Approval of the report will provide staff with input on the approaches in continuing services and strategizing efforts to optimize City influence among external stakeholders involved in subsidized affordable housing developments.

## EXECUTIVE SUMMARY

This memorandum provides an update on the Better Housing Initiative, a community development pilot program that engages development owners, management firms, and the tenant community in a collaborative partnership to promote the responsible management and upkeep of selected multifamily residential properties. Staff has outline efforts to build and strengthen relationships with key stakeholders to unify mutually held goals to improve the quality of life for residents living in subsidized affordable housing.

The Better Housing Initiative is uniquely positioned to facilitate workable solutions by leveraging the Housing Department's Asset Management and Compliance Team's expertise in the financing and regulatory structure of affordable developments and industry practices in promoting resolutions that prioritize responsive property management practices.

The Better Housing Initiative program highlights:

- The importance of managing a broader City approach to enhance interdepartmental coordination and expand cross-functional collaboration.
- Current efforts in facilitating collaboration with diverse stakeholders to identify and guide solution-driven discussions that integrate the input of the tenant community.
- The development and implementation of the program's activities and flexibility to adapt and respond to real-time circumstances and emergencies in the community, such as:
  - Focusing targeted outreach and direct services at target properties to protect tenants from eviction due to COVID-19 pandemic-related hardship,
  - Providing tenants with immediate assistance to apply for rental aid and other available resources.
- Program updates on strategies, workplan developments, and updated timelines with program activities at each target property.

Finally, this report presents the Housing Department's plans to propose future funding from the General Fund to continue program services under the Better Housing Initiative and ongoing efforts to revive program services under the former Responsible Landlord Engagement Initiative to work with smaller-sized (less than 50-units) residential properties.

## **BACKGROUND**

### **The Better Housing Initiative**

#### ***Dissolution of the Responsible Landlord Engagement Initiative***

In early 2020, Catholic Charities of Santa Clara County (Catholic Charities) discontinued the longstanding community program known as the Responsible Landlord Engagement Initiative (RLEI). RLEI initially operated under a separate grassroots nonprofit corporation (Neighborhood Housing Services of Silicon Valley) in 2009, and from 2015 onward, worked under Catholic Charities. The program promoted essential values to resolve habitually problematic properties and improve the quality of life for neighborhoods throughout the City. Further details about the original program model and historical context are available in the [City Manager's Budget Addendum #12](#),<sup>1</sup> published on May 18, 2021.

#### ***City Direction to Focus on Affordable Housing Portfolio***

As a result of RLEI's dissolution, the [Mayor's 2020 June Budget Message](#)<sup>2</sup> allocated one-time funds to the Housing Department to create an Affordable Housing Portfolio management position. Staff was directed to assess the work of RLEI and explore pathways to develop a

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<sup>1</sup> <https://www.sanjoseca.gov/home/showpublisheddocument/73141/637570438015000000>

<sup>2</sup> <https://www.sanjoseca.gov/home/showpublisheddocument/59606/637272888534830000>

separate framework to collaborate with tenants, property owners, and stakeholders to address reoccurring property issues and strategize collaborative solutions.

### ***Developing the Better Housing Initiative Program Scope***

The Better Housing Initiative program model was inspired by the efforts of the former RLEI program to engage tenants, property owners, and other stakeholders to strengthen partnerships and promote the responsible management and upkeep of residential properties. In spring 2021, the Housing Department onboarded a new staff member devoted to advancing these efforts. Staff developed a program framework, identified target properties, and launched pilot project activities in the community.

The Better Housing Initiative was developed to focus on multifamily affordable housing developments – a contrast from RLEI’s approach, which focused on single-family dwellings, small apartment complexes, and commercial buildings. The emphasis on serving the City’s affordable housing portfolio supports the Department’s position to further our mission in strengthening and revitalizing our community through housing and neighborhood investment while serving our most vulnerable population of residents.

#### A) Collaborative Partnership

Through partnership and collaboration, the Better Housing Initiative provides a unique and focused opportunity to assess the current and ongoing needs at target sites through an affordable housing perspective. Program efforts include examining reoccurring property issues and providing recommendations for improvements while engaging cross-functional stakeholder partners in strategizing workable solutions. Such partnerships and collaboration require dedicated and consistent interaction to ensure that partners identify overlapping priorities and unify in mutual efforts.

#### B) Advancing City and Housing Roadmap Priorities

This initiative aligns with the City’s current roadmap enterprise priorities for projects supporting Safe, Vibrant, and Inclusive Neighborhoods and Public Life and the COVID-19 Pandemic: Community and Economic Recovery strategies. Additionally, program activities also support the Housing Department’s Roadmap policy and enterprise priorities for increasing, preserving, and improving San José’s affordable housing supply and protecting vulnerable households from instability and displacement.

### **Program Launch**

During the Better Housing Initiative launch in late spring 2021, the immediate focus was on the implementation and status of the City’s specific negotiated provisions written into the Valley Palms Apartments bond regulatory agreement. In summer 2021, as program activities accelerated, the Better Housing Initiative initiated engagement at Foxdale Village Apartments. Staff worked to integrate alongside interdepartmental efforts with the Parks, Recreation and

Neighborhood Services Department's Project Hope program and the Planning, Building, and Code Enforcement Department's Multiple Housing Occupancy Permit Tier and Risk-Based Inspection program.

Due to staffing constraints and available program resources, the Better Housing Initiative is focused on working with two target properties: Foxdale Village Apartments and Valley Palms Apartments. Both properties are owned by the same developer corporation. The Better Housing Initiative has created an approach to engage decision-makers at the ownership and property management level toward deepened collaboration to improve deficiencies on the property and lead revitalization efforts wherever possible.

### ***Response to Community Needs***

Although the unique and unprecedented nature of the COVID-19 pandemic has limited the course of action for planned program activities, it has also allowed program staff to detect new opportunities and adjust on-demand program development to address real-time circumstances and emergencies. The Better Housing Initiative is strategically positioned to quickly engage and deploy support as needs evolve at each target property. Staff monitors surfacing situations, obtains timely and accurate information to identify areas of concern, and facilitates discussions to resolve issues. The Better Housing Initiative's engagement has fostered a pathway to address unmet needs at target properties. These efforts allow the Department to readily respond at the stakeholder level and coordinate communication leading to improved direct services to the City's affordable housing residents.

### **Neighborhood Services and Education Committee – Verbal Report Summary**

On October 14, 2021, the Housing Department presented a verbal status report on the Better Housing Initiative for selected affordable housing developments to the Neighborhood Services and Education Committee. [Committee members accepted staff's verbal report](#)<sup>3</sup> and expressed satisfaction with the overall objective and direction of the program's efforts to continue building and strengthening partnerships with stakeholders at Valley Palms and Foxdale Village Apartments.

Staff highlighted updates about the status of monitoring the City's provisions outlined in an addendum (Exhibit E) of the Valley Palms Apartments State bond regulatory agreement and outreach and engagement efforts to establish a presence among the tenant community and stakeholder partners. Staff also provided updates about working with Foxdale Village Apartments to build and strengthen partnerships and staff's active role in assisting with various existing and emerging issues on the property.

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<sup>3</sup> <https://sanjose.legistar.com/View.ashx?M=M&ID=894222&GUID=16263249-2BDA-4D56-8594-89BA80FEB0FD>

Additional details included in the presentation can be viewed in the recording of [staff's verbal report](#)<sup>4</sup> or [PowerPoint](#)<sup>5</sup> presented to the Neighborhood Services and Education Committee.

### ***Refining Program Scope***

Committee members expressed interest in selecting a future target property from the Apartment Rent Ordinance housing inventory. Staff provided a response regarding the narrowed project criteria to serve large residential properties with a minimum threshold of 50 units. Staff also explained the program's scope, which focuses on strengthening partnerships and facilitating collaboration with deed-restricted multifamily affordable housing developments. This approach expands the Department's ability to engage the City's expertise and deliver more impact by leveraging and aligning resources to improve reoccurring issues at affordable housing developments.

### ***Committee Direction to Revive RLEI***

During the staff report on October 14, 2021, Committee members also requested that the Housing Department pursue efforts in reviving the former RLEI program to focus on residential properties with less than 50 units. Staff provided an update that the former parent nonprofit organization of RLEI, Catholic Charities, confirmed its interest in reviving the program if the City could provide \$392,000 annually in funding for its operations. As a result, Committee members directed the Housing Department to forward a proposal through the City's general budget process and expand discussions to revive RLEI.

### ***General Feedback from Committee Members***

Committee members and the Housing department discussed the importance of recognizing the limitations that individual departments face when operating independently to address complex issues at problematic properties where patterns of disrepair or broken communications emerge. Committee members were supportive of the Housing Department continuing to develop a role to support intervention and engagement efforts while also recognizing that the Housing Department's position has a limited reach absent a broader and more coordinated Citywide approach to intervene and strategize on solutions to remedy systemic issues.

## **ANALYSIS**

The Analysis section provides an update on the Better Housing Initiative's workplan progress and further develops the scope of priority services and project activities.

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<sup>4</sup> [https://sanjose.granicus.com/MediaPlayer.php?view\\_id=52&clip\\_id=12686](https://sanjose.granicus.com/MediaPlayer.php?view_id=52&clip_id=12686)

<sup>5</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=9876691&GUID=FD5A55-723B-41BF-AAA8-6CB5892B1FBA>

### **Identifying the Affordable Housing Lens in Cross-Functional Partnership**

The Better Housing Initiative's involvement with stakeholders and the tenant community has evolved while program implementation efforts have advanced. Staff have identified several areas of unmet needs in these communities related to navigating practices and regulations in the affordable housing industry, such as improving property management plans and policies that foster longer-term solutions. In addition, connecting and collaborating with interdepartmental partners and external stakeholders has offered various platforms to listen and understand the complexity of the issues on-site at the target properties and grasp a deeper knowledge of the tenant community's concerns.

While many of these community challenges are vast, and a comprehensive approach is needed to cultivate meaningful mid-to-long-term interventions and monitor recommended improvements, the current pathway under the work of the Better Housing Initiative provides a narrowed approach to identify and prioritize actionable items that are specific to affordable housing matters into community partner interactions. By leveraging the internal subject matter expertise of the Housing Department's Asset Management and Compliance Team, staff are positioned to facilitate engagement at the stakeholder level to support mediating issues related to housing quality standards and guide solution-driven discussions. The Asset Management team's technical background in understanding the financing structure of affordable developments and knowledge of industry practices and standards, coupled with strengthened community partnerships, allow staff to identify and implement actionable strategies to resolve a variety of existing and surfacing property challenges. In addition, staff can integrate the input of cross-functional partners and the tenant community to promote solutions that prioritize responsive business practices and improved property management policies.

### **Workplan Progress**

The Better Housing Initiative's workplan items include various activities that position program staff to engage in ongoing and strategic communication with property owners, management firms, and community and interdepartmental partners. While multiple tasks have been accomplished, several require continued engagement and management to sustain, and other tasks include modified timelines to complete. Overall, staff have strengthened connections with the target sites' property owners and management teams to improve two-way communication and promote meaningful collaboration. Through these engagements, staff prioritize issues and work collaboratively with key stakeholders to develop and implement workable community-driven solutions to improve service delivery operations on-site at the target properties.

Table 1 provides an update on the status of each outlined goal of the program's workplan overview.

**Table 1 – Better Housing Initiative Workplan Overview – Status Update**

Workplan Item	Status
Develop a pilot program framework consistent with the vision to engage tenants, property owners, regulators and other stakeholders in collaborative communication and strengthened partnership.	Completed
Create program objectives and desired outcomes to model an initial implementation at pre-identified affordable housing properties.	Completed
Design an assessment tool to survey the physical and social condition of the identified properties as it relates to the safety and needs of the community.	In Progress
Compose individual building specific workplans for all three pilot sites to identify on-site issues and guide the collective work of seeking and monitoring solutions to improve the identified issues and support targeted strategies to mitigate the likelihood of reoccurring issues.	Ongoing*

\*Pilot sites reduced to two target properties for 2021-2022 fiscal year due to staffing and resource constraints.

See **Attachment A** for an overview and status update on the implementation of each item (1.1 to 3.3) from the objectives (goals) and key results (program activities) plan.

***Workplan Goals and Program Development***

Three primary activities have emerged as the workplan moves forward. The program is engaging stakeholders, facilitating collaborative communication and developing strategic solutions. The following section describes these efforts in further detail.

Engaging Stakeholders

The Better Housing Initiative focuses its efforts on identifying and prioritizing tenant concerns related to property management practices and facilitating dialogue that includes the voice of the tenant community. Staff provide interdepartmental partners and community-based workgroups with technical assistance in specialized subject areas related to affordable housing to promote enhanced interactions and strengthen teamwork to systematically improve property management practices. Such partnerships include collaboration with the City’s Parks, Recreation and Neighborhood Services Department’s Project Hope program, Planning, Building, and Code Enforcement, Santa Clara County’s Probation Department’s Neighborhood Safety/Services Unit, and resident service providers such as Project Access and Valley Palms Unidos. These partners provide valuable services to the community in areas where the Better Housing Initiative’s scope of work and limited resources do not provide sufficient coverage. See **Attachment B** for an overview of key stakeholder partners that Housing staff have engaged to advance mutual efforts in serving the target properties.

During fall 2021, staff identified that key stakeholder partners were actively conducting surveys to the tenant community and have extended the timeline to develop and deploy a property survey (key results 1.1 to 1.3). Staff leveraged this opportunity to understand our partners' survey content better and integrate collective efforts. Partners reported that most tenant engagement required a significant number of resources primarily using face-to-face interaction or door-to-door outreach strategies. The initial findings of partner survey efforts helped inform Housing staff how to prioritize and support immediate areas of opportunity at the target properties. Additionally, with the statewide eviction moratorium's guidelines sunseting in September 2021, emergency rental assistance was at the forefront of the City's outreach and engagement with San José residents. As such, staff focused outreach resources during fall and winter 2021 to identify tenants at the target properties in need of this assistance and actively engage them with supportive resources.

### Collaborative Communication

Staff have formed several partnerships with key stakeholders involved with each target property to maintain open communication that engages the voice of the tenant community. These interactions and engagements informed various approaches to working with on-site decision-makers. Staff have also formed consistent interactions with property owners and management and have established a mutual commitment to host reoccurring working meetings with key stakeholders to strategize and coordinate efforts to address property issues and concerns raised by the tenant community.

Staff currently manage an individualized workplan for each target property and monitor ownership and property management commitments to improve deficiencies (key result 2.1). Staff also provide technical assistance in project planning and management to develop collaborative approaches for sustainable solutions. Currently, staff host bi-monthly meetings with property administration and meet more frequently as needs arise. Additionally, staff also attend and support other working meetings with community partners and the tenant community to foster and maintain open lines of communication (key results 2.2 to 2.3).

Staff have identified additional opportunities to develop new program activities and have facilitated various engagements to support collaborative efforts.

At both target properties, staff strategize priorities by:

- Hosting bimonthly meetings with ownership/management to strengthen communication and cultivate solutions to remedy on-site issues.
- Soliciting tenant input through various engagement efforts, including in-person interaction at on-site community events, virtually through online community meetings hosted by tenant groups and stakeholder partners, and one-on-one assistance to tenants with housing concerns.
- Maintaining individualized workplan to strategize and coordinate efforts to address property issues and housing concerns raised by the tenant community.

At Valley Palms, staff have monitored and supported tenant requests regarding security patrolling by:

- Assessing security patrolling needs.
- Facilitating communication and implementing recommendations for a more effective security patrol to improve the tenant's sense of safety.
- Ensuring security patrol staffing remains consistent with provisions outlined in the property's bond regulatory agreement (see **Attachment C** – item E).

At Foxdale Village, staff have worked closely to collaborate and support mutual efforts with Project Hope by:

- Supporting efforts for improved communication between tenants and property ownership/management, and other stakeholders.
- Participating in outreach efforts with tenant community to promote awareness and bridge support about City services and tenant rights and responsibilities.
- Facilitating stakeholder discussions based on tenant feedback regarding concerns or requests for on-site services.

### Strategizing Solutions

Housing staff have identified various layers of collaboration where Code Enforcement program functions and Better Housing Initiative efforts intersect and can expand the City's reach to influence improving housing quality standards at challenging residential properties. Similarly, staff partnered with the Parks, Recreation and Neighborhood Services Department's Project Hope resident engagement and empowerment program to support mutual efforts to engage the tenant community voice. Specifically, housing staff presented on the Better Housing Initiative in a community meeting in August 2021, supported engagement through various tabling events, attended monthly implementation meetings, and provided one-on-one assistance to residents with housing concerns. Staff continue to engage with both partners to maintain open dialogue, align program activities wherever possible, and support community interactions to identify tenant concerns and incorporate their feedback into discussions with property administrators. These efforts require continued cross-functional and interdepartmental collaboration to develop and implement strategic approaches and monitor the continuity of commitments.

Staff continue to research and explore options to design an assessment tool to survey the social and physical condition of the target properties. Currently, staff are researching methods that leverage cross-functional processes to complement existing pathways of City service areas to propose an approach that comprehensively examines these factors. Developing a screening tool will help staff take a systematic approach to understand needs of each target property and inform partner discussions and workplan priorities. Staff require additional time for key results 3.1 to 3.3 to thoroughly research different methods to develop a functional tool and more time to collaborate with interdepartmental partners.

Housing staff have initiated numerous partner discussions with property ownership and management to mitigate and improve planning efforts for a variety of on-site property matters. In addition, property administrators continue to cooperate with the recommendations provided by

the Better Housing Initiative, which has included recent updates and improvements to management plan policies and procedures.

Additionally, at Valley Palms, staff have identified areas to integrate program efforts with Code Enforcement's procedures into collaboration with the property's current rehabilitation construction project by:

- Identifying history of previous code enforcement violations.
- Monitoring residents' concerns and ensuring ownership/management are informed while developing rehab work and completing construction.
- Ensuring active and ongoing collaboration and engagement wherein future open code violations are included in the rehabilitation project scope or general maintenance repairs.

Meaningful opportunities to collaborate with Code Enforcement's procedures and align efforts for improvements in property management's protocols have also surfaced at Foxdale Village by:

- Identifying history of previous code enforcement violations.
- Engaging Code Enforcement in collaborative efforts to provide guidance and education to property management to enhance their understanding of potential violations and proactively identify and correct violations to achieve compliance and reduce violations.
- Facilitating ongoing collaboration for the onboarding of a digital management software system where tenants can electronically report repair work orders.
- Strategizing active efforts to fully implement the digital communication program by engaging outreach and educational activities to enhance maximum tenant participation.

### ***Additional Impact Measures***

While program development is currently centered around three long-range goals (objectives), our program benchmarks (key results 1.1 – 3.3) monitor progress toward meeting each goal. Staff have also identified and achieved additional outcomes that advance our overarching mission to improve housing quality standards and engage key stakeholders to address tenants concerns at the target properties.

In 2020, the City held a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing for the bond issuance to Valley Palms Apartments. The City specifically negotiated requirements detailed in Exhibit E into the regulatory agreement, to ensure certain public concerns about the property are addressed. **Attachment C** provides a status update about the items in Exhibit E. While most items are completed, some require ongoing engagement with involved stakeholder partners or further monitoring due to policy changes at the property and are marked as "in progress". Staff continues to work with property ownership, management and involved stakeholders to monitor the fulfillment of Exhibit E.

Table 2 illustrates on-demand intervention strategies and outcomes of the Better Housing Initiative’s engagement and facilitation with property administrators, stakeholder partners, and the tenant community.

**Table 2 – On-Demand Intervention Strategies and Outcomes**

<b>Target Property</b>	<b>BHI Impact</b>
Valley Palms Foxdale Village	<ul style="list-style-type: none"> <li>Leveraged partnerships with property ownership and management to provide targeted outreach which prevented pandemic-hardship related evictions.</li> <li>Coordinated City response to deliver on-site services; Valley Palms and Foxdale Village Apartments were the only locations citywide to offer place-based pop-up application clinics for tenants.</li> <li>Maintained communication with property management to exchange updates with tenant engagement efforts and obtain additional referrals to reach vulnerable residents at-risk of eviction.</li> </ul>
<b>Issue</b>	
Emergency Rental Assistance	
<b>Resolution</b>	
Deploy on-site services at target properties to reach vulnerable tenants in need of rent relief resources.	
<b>Target Property</b>	<b>BHI Impact</b>
Valley Palms	<ul style="list-style-type: none"> <li>Facilitated discussions with property ownership and management which resulted in direction to security vendor to modify service delivery to be more responsive to the tenant community’s needs and requests.</li> <li>Communicated concerns on behalf of tenants which resulted in the expansion of patrol services to concentrated areas around the property and modified the dispersion of security guards into smaller groups to promote interactions for a broader age range of tenants.</li> </ul>
<b>Issue</b>	
Private Property Security Patrol Services	
<b>Resolution</b>	
Address requests and concerns from tenants regarding private security patrol tactics and deployment strategies.	
<b>Target Property</b>	<b>BHI Impact</b>
Foxdale Village	<ul style="list-style-type: none"> <li>Developed a preliminary tenant relations plan for property management to strengthen outreach to tenants using consistent and proactive modes of communication and engagement, including:                             <ul style="list-style-type: none"> <li>Bi-monthly stakeholder meetings with property ownership/management engagement,</li> <li>Monthly informational newsletter distributed to tenant community – published by property management,</li> <li>Monthly meetings led by property management to engage and plan with Neighborhood Association Board Members and stakeholder partners,</li> <li>Quarterly property-wide tenant meetings hosted by property management.</li> </ul> </li> </ul>
<b>Issue</b>	
Management-and-Tenant Communication	
<b>Resolution</b>	
Develop communication planning strategies to enhance effective outreach to tenants.	
<b>Target Property</b>	<b>BHI Impact</b>

Valley Palms Foxdale Village	<ul style="list-style-type: none"> <li>• Obtained input from tenant community and initiated discussions with management to improve processes for tenants to report work orders and obtain updates about their requests.</li> <li>• Facilitated discussion with management to prioritize implementation of newly procured technological resources at Foxdale Village to allow tenants to electronically submit and work order repairs and track updates.</li> </ul>
<b>Issue</b>	
Maintenance and Repair Request System	
<b>Resolution</b>	
Enhance processes and user-experience for tenants to report maintenance and repair requests.	

Coordinated City Response to Deploy Emergency Rental Assistance

In October 2021, the statewide eviction moratorium was lifted, leaving many residents in a vulnerable situation. Staff pivoted the focus of the Better Housing Initiative to meet this urgency. Staff met with owner and management teams at the target properties to mitigate and reduce the likelihood of eviction proceedings. Better Housing Initiative staff partnered with the City’s Eviction Prevention Help Center to provide tenant/landlord education, coordinate tenant services, and assistance in applying for rental aid. These collective efforts at the two target properties averted tenant evictions related to pandemic-associated financial hardship for a vulnerable population of residents at risk of displacement and homelessness.

From August to November 2021, Better Housing Initiative staff continued coordinated collaboration with the City’s Eviction Prevention Help Center team to conduct targeted outreach at Valley Palms and Foxdale Village Apartments to identify and connect with tenants eligible for emergency rental assistance. Staff also coordinated pop-up help centers on-site at the target properties to provide tenants with technical support and application assistance. In December 2021, staff deployed additional engagement strategies with property ownership and management to develop a secondary outreach plan to streamline efforts to prevent nonresponsive tenants from receiving eviction notifications and help connect them to relevant resources. As a result of this outreach, additional pathways to support tenants experiencing financial hardship for other reasons unrelated to the pandemic were also identified and coordinated with partner community organizations with readily available local, state, and federal supportive resources.

**Table 3 – Outcomes from Coordinated Outreach for Emergency Rental Assistance at Target Properties, August to December 2021**

Property Characteristics	Valley Palms Apartments	Foxdale Village Apartments
<b>Total Residential Units</b>	354	287
<b>Total On-Site Pop-Up Application Clinics</b>	2	3
<b>Total Households Applied</b>	70	54
<b>Total Evictions Due to Rent Non-Payment/ Related to Pandemic Hardship</b>	0	0

## **Future Funding**

### ***Better Housing Initiative***

As part of the Department's budget proposals for Fiscal Year 2022-2023, we included a request for funding the Housing Department's Community Programs Administrator position to continue the implementation of the Better Housing Initiative. The majority of funds managed by the Housing Department are restricted to be used in connection with affordable developments that have received funding from the City. Due to these restrictions, staff recommends this position be funded by the General Fund, which is more flexible and does not have these use-limitations.

### ***Responsible Landlord Engagement Initiative***

In October 2021, the Neighborhood Services and Education Committee directed Housing staff to forward a budget proposal to revive the RLEI program. The Housing Department worked with our nonprofit partner, Catholic Charities, to develop a budget to reinstate the RLEI program. The projected cost is \$392,000 annually. The Housing Department is working to identify an appropriate source of funding to support the RLEI effort and plans to submit a proposal through the City's budget process.

Additionally, in December 2021, the Housing Department submitted an application through the City's Intergovernmental Relations team to seek an earmark grant to revive the RLEI community program. The proposal requested operating funds for a two-year period. As of February 2022, the City is waiting for the results of our proposal.

## **CONCLUSION**

The Better Housing Initiative facilitates collaboration among tenants, landlords, and internal and external stakeholders to develop sustainable solutions to address housing conditions and improve tenant relations at affordably subsidized multifamily residential developments. The program also supports revitalization efforts to enhance the vibrancy of targeted communities and reduce disparities in the quality of life for residents living in affordable housing in San José. Staff have implemented program services at target properties and made progress in workplan objectives during the first half of the fiscal year 2021-2022. The program provides a valuable service to the community, and the Department plans to continue investing in this effort for our next fiscal year to continue our workplan goals.

## **EVALUATION AND FOLLOW-UP**

Housing staff will provide periodic update information to the Housing and Community Development Commission and Neighborhood Services and Education Committee during fiscal year 2022-2023 meetings.

## **CLIMATE SMART SAN JOSE**

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

## **PUBLIC OUTREACH**

This memorandum will be posted on the agenda website for the Neighborhood Services and Education Committee meeting on March 10, 2022. Staff also solicited input from the tenant community through various engagements, including interaction at on-site/in-person community events, virtually through online community meetings hosted by tenant community leaders and stakeholder partners. Additionally, staff continue to initiate dialogue with key stakeholders during working meetings and other ongoing discussion loops.

## **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, City Manager's Budget Office, Planning, Building and Code Enforcement Department, Parks, Recreation and Neighborhood Services Department, and the Police Department.

## **COMMISSION RECOMMENDATION/INPUT**

On February 10, 2022, staff delivered a status report presentation on the Better Housing Initiative's program development and pilot project activities to the Housing and Community Development Commission. Commissioners were supportive of further developing existing program elements. The Commission understood that program development will require more time, and requested that staff implement:

- Additional outcome metrics for future program activities,
- Benchmarks that indicate when program criteria are met to conclude services at a target property, and
- Plans to transition to new target properties.

Commissioners also emphasized the importance of working alongside place-based partners that focus services on community organizing and leadership development to build capacity for tenant communities to operate as self-sufficiently as possible. Namely, to continue operating beyond the assignment duration of time-limited City programs like the Better Housing Initiative.

Additionally, Housing staff discussed proposals about future funding to continue the Better Housing Initiative and revive the former RLEI program. Commissioners expressed their

overwhelming support to continue efforts underway by the Better Housing Initiative and reinstate the local RLEI program. Commissioners and staff also discussed the purpose and strategy of operating separate program scopes and service models if both programs operated concurrently.

Essentially, the City's in-house program would serve pre-identified affordable residential properties (50 units or more) and work in partnership with key stakeholders, including private property owners and management firms, to improve on-site business practices and coordinate City resources and service delivery to residents at target properties. Whereas RLEI would work with single-family and multi-family (less than 50 units), both market-rate and affordable properties, to support neighborhood groups and address property-specific issues.

### **FISCAL/POLICY ALIGNMENT**

The recommendations outlined in this memorandum are in alignment with the following fiscal and policy priorities:

- Housing Element, from the City's General Plan:
  - H-1: provide housing throughout the City that addresses the needs of all San José residents.
  - H-2: increase, preserve, and improve San José's affordable housing stock.
- Citywide Residential Anti-Displacement Strategy Goal:
  - Support equitable COVID-19 recovery and impact mitigation measures for renters.

### **CEQA**

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/  
JACKY MORALES-FERRAND  
Director of Housing

The principal author of this memorandum is Bianca Madrid, Community Programs Administrator for the Better Housing Initiative. For questions, please contact Rachel VanderVeen, Deputy Director, at (408) 535-8231.

### **Attachments**

**Attachment A:** Overview of Better Housing Initiative OKRs – Status Update

**Attachment B:** Key Stakeholder Partners

NEIGHBORHOOD SERVICES AND EDUCATION COMMITTEE

**Subject: Status Report on the Better Housing Initiative**

February 25, 2022

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**Attachment C:** Valley Palms State Bond Regulatory Agreement, Exhibit E, City of San José Requirements – Status Update

**Attachment A**

**OVERVIEW OF BETTER HOUSING INITIATIVE OKRs – STATUS UPDATE**

<b>Overview of Better Housing Initiative OKRs</b>			
<b>Vision:</b> Engage tenants, property owners, and other stakeholders in collaborative communication and strengthened partnership.			
<b>Strategy</b>	<b>Objective</b>	<b>Key Result</b>	<b>Status</b>
Engage Stakeholders	Support the effective management of target properties to maximize tenant engagement and quality of on-site service delivery.	1.1) Create a property survey	<b>Summer 2022</b>
		1.2) Conduct property survey	<b>Summer 2022</b>
		1.3) Prioritize key insights from survey results	<b>Fall 2022</b>
Collaborative Communication	Facilitate communication to support an integrated multi-disciplinary service approach to align efforts for increased on-site collaborative resources.	2.1) Develop a Collaborative Partner Workplan	<b>Ongoing</b>
		2.2) Identify and support efforts to assemble potential partnerships	<b>Ongoing</b>
		2.3) Support working meetings to advance efforts toward improved communication	<b>Ongoing</b>
Strategize Solutions	Effectively inventory and assess target properties' social and physical conditions and develop strategies to improve identified areas of opportunity.	3.1) Develop an assessment tool to inventory social and physical conditions	<b>In Process</b>
		3.2) Administer the assessment	<b>Fall 2022</b>
		3.3) Monitor the continuity of improvement commitments	<b>Winter 2022</b>

**Attachment B**  
**KEY STAKEHOLDER PARTNERS**

Interdepartmental and Agency Partnerships		
Stakeholder Partner	Function/Service Area	Better Housing Initiative
<b><u>City Department:</u></b> Planning, Building, and Code Enforcement	A tiered, proactive inspection program which inspects multifamily buildings of three units or more for code violations on a 3-, 5-, or 6 -year cycle. Buildings are categorized and prioritized into tiers based on the severity and number of code violations and number of complaints over time.	<ul style="list-style-type: none"> <li>• Collaborate interdepartmentally during the designated inspection cycle to inform discussions with property management.</li> <li>• Engage strategic collaboration with property administrator to prioritize sustainable solutions in improving the condition of their property.</li> </ul>
<b>Multiple Housing Program</b>		
<b><u>City Department:</u></b> Parks, Recreation and Neighborhood Services	A community engagement and empowerment program that helps residents learn how to work in partnership with the City and external partners to coordinate and mobilize resources to address ongoing neighborhood issues to improve the quality of life.	<ul style="list-style-type: none"> <li>• Communicate with property management the concerns that Project Hope, as the resident liaison, gathers from residents.</li> <li>• Advance efforts in property administrator and tenant community engagement.</li> <li>• Support tenant community engagement efforts by attending Neighborhood Association meetings and Project Hope interdepartmental implementation meetings.</li> <li>• Promote awareness and resources specific to affordable housing and property management practices.</li> </ul>
<b>Project Hope Program</b>		
<b><u>City Department:</u></b> San José Police	Provide police services, build trust by participating in	

<p align="center"><b>Bureau of Field Operations (Patrol) and Crime Prevention</b></p>	<p>community events, co-police issues to make the environment safer. Liaison with on-site security as well as provide crime prevention training and strategies. SJPD attends community meetings, assists with management concerns and supports other stakeholders.</p>	<ul style="list-style-type: none"> <li>• Collaborate on matters related to safety and crime that occur at the target properties.</li> <li>• Maintain open lines of communication to facilitate concerns or questions related to police services.</li> </ul>
<p><u>Agency:</u> Santa Clara County, Probation Department</p>	<p>Promote community engagement, violence prevention through pro-social programming, and strategic collaboration. Programs help to identify meaningful community action goals and provide leadership training for residents.</p>	<ul style="list-style-type: none"> <li>• Advance mutual efforts to engage property ownership and management with the tenant community.</li> <li>• Support tenant community engagement efforts.</li> <li>• Promote awareness and align housing/tenant resources.</li> </ul>
<p align="center"><b>Neighborhood Safety/Services Unit</b></p>		

<p align="center"><u>Community Partnerships</u></p>		
<p><b>Stakeholder Partner</b></p>	<p><b>Function/Service Area</b></p>	<p><b>Better Housing Initiative</b></p>
<p align="center"><b>Valley Palms Unidos</b></p>	<p>A community group promoting access to higher quality opportunities, resources, and services for the community to improve living conditions and quality of life at Valley Palms Apartments. Group members collaborate with a variety of stakeholders to achieve its mission and objectives.</p>	<ul style="list-style-type: none"> <li>• Maintain working relationship and open lines of communication.</li> <li>• Attend various tenant and partner meetings to obtain community input and inform discussions with property ownership and management.</li> <li>• Promote awareness and resource information specific to affordable housing and property management practices.</li> </ul>
<p align="center"><b>Foxdale Building a Better Future – Neighborhood Association</b></p>	<p>A newly-formed community group organized through the efforts of the Project Hope program to unify the tenant voice of Foxdale Village Apartments. The Neighborhood Association works to increase collaboration and address property concerns and strengthened communication with property ownership and management.</p>	<ul style="list-style-type: none"> <li>• Attend monthly Neighborhood Association meetings and partner meetings and events to obtain tenant input and inform discussions with ownership and management.</li> <li>• Engage in management/Foxdale Neighborhood Association Board meetings to support board members in coordinating</li> </ul>

		<p>communication with ownership and management.</p> <ul style="list-style-type: none"> <li>• Promote awareness and resource information specific to affordable housing and property management practices.</li> </ul>
<p><b>East San José PEACE Partnership – Anti-Displacement Workgroup</b></p>	<p>A community collaborative made up of residents and organizations working together to build a healthy, peaceful, and empowered community in East San José.</p>	<ul style="list-style-type: none"> <li>• Participate in PEACE workgroup meetings.</li> <li>• Share program updates and development and solicit feedback from group members.</li> <li>• Promote awareness and resource information specific to affordable housing and property management practices.</li> </ul>

**Attachment C**

**VALLEY PALMS STATE BOND REGULATORY AGREEMENT, EXHIBIT E,  
CITY OF SAN JOSE REQUIREMENTS – STATUS UPDATE**

Item	Requirement	Status
a.	The Owner must ensure that the installation of security cameras and exterior lighting described in the agreement with the Owner's security installation contractor, Safe and Sound Security, is complete and operational within six months of the recording of this Regulatory Agreement. The Owner agrees that cameras and lighting and their placement will be consistent with the written recommendations provided by the San José Police Department after the February 26, 2020 walk through.	In Progress
b.	The Owner must ensure that the construction of the expanded family resource center and soccer field as described in the scope of work in agreement with its general contractor, Flex Ground, is complete within twelve months of the recording of this Regulatory Agreement.	Completed
c.	The Owner must replace the current Property Manager, VPM Management, Inc., with a new Property Manager from a list of City-approved property management companies, or other property manager experienced with successfully managing projects with security concerns in San José and approved by the City with a goal to complete the replacement within six months, but in no event later than twelve months, after the recording of this Regulatory Agreement.	Completed
d.	The Owner agrees to execute the agreement presented by the County of Santa Clara (and any successor public entity services funder) on March 10, 2020 regarding access to the Project for resident service provider, including hours of access and minimum insurance coverage.	Completed
e.	For three years, the Owner must contract for and maintain with the on-site security contractor at a staffing level that is sufficient to provide security for the Project with at least six dedicated armed security guards patrolling the Project on site between the hours of 3pm and 2am, seven days per week, and provide additional patrols in the summer (May 1 to September 15) which shall include a minimum of two additional security personnel to assigned to patrol the Project site. The Owner agrees that this patrol staffing increase shall be implemented as soon as possible with a goal to complete the replacement within sixty days, but in no event later than three months, after the recording of this Regulatory Agreement. After the three years of such patrols, the Owner will cooperate in good faith with the San José Police Department in an annual review of the Project's security needs and provide at least four dedicated armed security guards, eight hours per day five days per week. In the event that the Project's security needs have decreased according to a written evaluation by the County of Santa Clara Probation Department or the San José Police	Completed

	Department that is provided to the City, the Owner may decrease the staffing level as indicated by the evaluation. If a subsequent evaluation requires the staffing level to be resumed, the Owner agrees to reinstate such minimum staffing of four security armed guards, five days per week, eight hours per day.	
f.	The Owner must ensure that the Project Manager and Project's onsite security contractor collaborates with the San José Police Department and agrees to share data and surveillance footage on an ongoing basis.	In Progress
g.	The San José Police Department conducted a walk through on February 26, 2020 to evaluate the security of the site. The Owner agrees to respond to such evaluation in writing to the City within five days, to future evaluations within ten days. In the response, the Owner must state whether the Owner will comply with each recommendation within six months, and to provide explanations regarding any recommendations that the Owner does not agree to implement within six months.	Completed
h.	The Owner must incorporate the following into the property management plan: a resident grievance process, a tenant participation plan, a procedure for handling late rent payments, a procedure for residents to request use of the community facilities and a protocol for access to the Project for resident service providers. The Owner must provide a copy of the property management plan to the City for approval within 12 months of the recording of this Regulatory Agreement. The Owner must ensure that the tenants receive 30 days' notice of policy changes.	In Progress
i.	The Owner must conduct an anonymous resident survey regarding the services provided by Project access, or any subsequent services provider and develop a plan for improvement.	In Progress
j.	The Owner shall obtain and maintain translations of the current form lease/rental agreement into Spanish and Vietnamese and make these documents readily available to any requesting resident.	In Progress
k.	The Owner agrees to maintain the Project, or cause the Project to be maintained, during the term of this Regulatory Agreement (i) in a safe and secure condition and (ii) in good repair and good operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof such that the Project is safe and in good repair and operating condition, and the City shall serve as the administrator for this condition, and the requirements of this Exhibit E. The Owner agrees the City may inspect the Project on reasonable notice to the Project Manager and may request reports and documents as the City determines are needed to document compliance annually, and that the Owner will promptly provide such documentation within 30 days of the request.	In Progress