Attachment B
Affordable Housing Investment Plan Addendum

The Affordable Housing Investment Plan includes priorities for future funding of affordable housing. These priorities include Funding for Acquisition and/or Rehabilitation of Existing Apartments, Minimum Investment for Extremely Low-income households, and a place-based strategy.

Funding for Acquisition and/or Rehabilitation of Existing Apartments

Priorities for funding in the coming year will also include a set-aside of funds for acquisition and/or rehabilitation of existing developments. In these cases, a developer will propose the purchase of a market-rate rental development with the assistance of City funding. An affordability restriction associated with the funding will be placed on the property, creating new affordable housing. The City Council created a set-aside of up to $10 million in the upcoming NOFA cycle for acquisition/rehabilitation.

Minimum Investment for Extremely Low-income (ELI) Housing

With the last update to the Affordable Housing Investment Plan, the City Council set a minimum of 45% of total funds be used to fund extremely low-income (ELI) homes. This focus on serving our community’s neediest residents is consistent with the Department’s major source of funding for new affordable housing, the Low and Moderate-Income Housing Asset Fund. California Health and Safety Code Section 34176.1(a)(3)(B) requires that at least 30% of the Low and Moderate-Income Housing Asset Fund be expended for development of rental housing affordable to and occupied by households earning at or below 30% AMI. If the Housing Department fails to comply with the ELI requirement in any five-year report, then the City as Housing Successor must ensure that at least 50% of the funds remaining in the Low and Moderate Income Housing Fund be expended in each fiscal year on households earning 30% or less of the area median income until the Housing Department demonstrates compliance with the ELI requirement. Additionally, the need for extremely low-income housing continues to far outpace the supply.

Placed-Based Strategy

While work proceeds on the Affordable Housing Siting Policy, upcoming funding for affordable housing will be directed to growth areas throughout the City including 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.