



Housing

San José Proposed Tenant Preferences

Kristen Clements, Acting Deputy Director

Josh Ishimatsu, Acting Division Director

Avni Desai, Executive Fellow

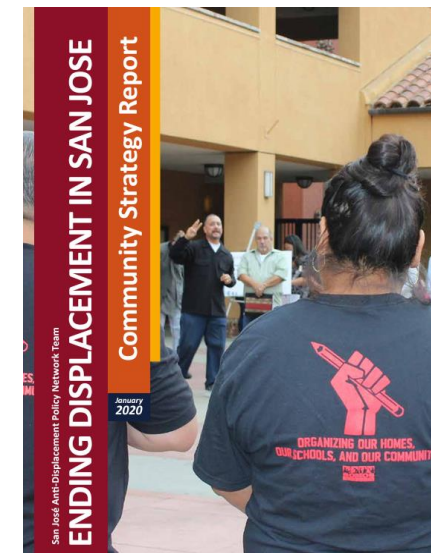
Tenant Preferences

- **What are they?**
 - Set aside a percentage of apartments in an affordable housing property for those who qualify
 - Lower-income residents would apply for the affordable apartments and have a better chance of being accepted in a set-aside apartment
- **Goals**
 - Prevent displacement of lower-income renters
 - Provide appropriately-sized units
 - Allow residents to stay in their communities



Tenant Preferences: History

- 🏠 A priority of the Citywide Anti-Displacement Strategy (adopted 2020)
- 🏠 Prioritized by community groups and stakeholders
- 🏠 Researched other jurisdictions with preferences, including SF and Oakland



Requirements to Approve Tenant Preferences

- **Analysis conducted for Fair Housing requirements**
 - Anti-Displacement: Race, Disability, Family Size, Women HOH, Veteran Status, Seniors (protected classes)
 - Neighborhood: 1-mile, 2-mile, Council District for all races
- **State Housing & Community Development (HCD) requirements & SB 649**
 - HCD: Approve tenant preferences proposals after reviewing analyses
 - SB 649 (2021)
- **City Council approval**



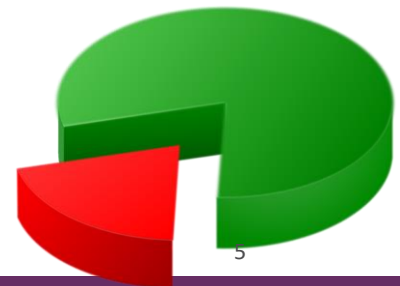
Proposal in San José

Citywide Anti-Displacement Tenant Preference

- Sets aside a portion of affordable apartments for lower-income applicants who live in certain identified areas that have a high likelihood of displacement
- Increases the likelihood that lower-income renters at the highest risk of displacement can access affordable homes and stay in the City

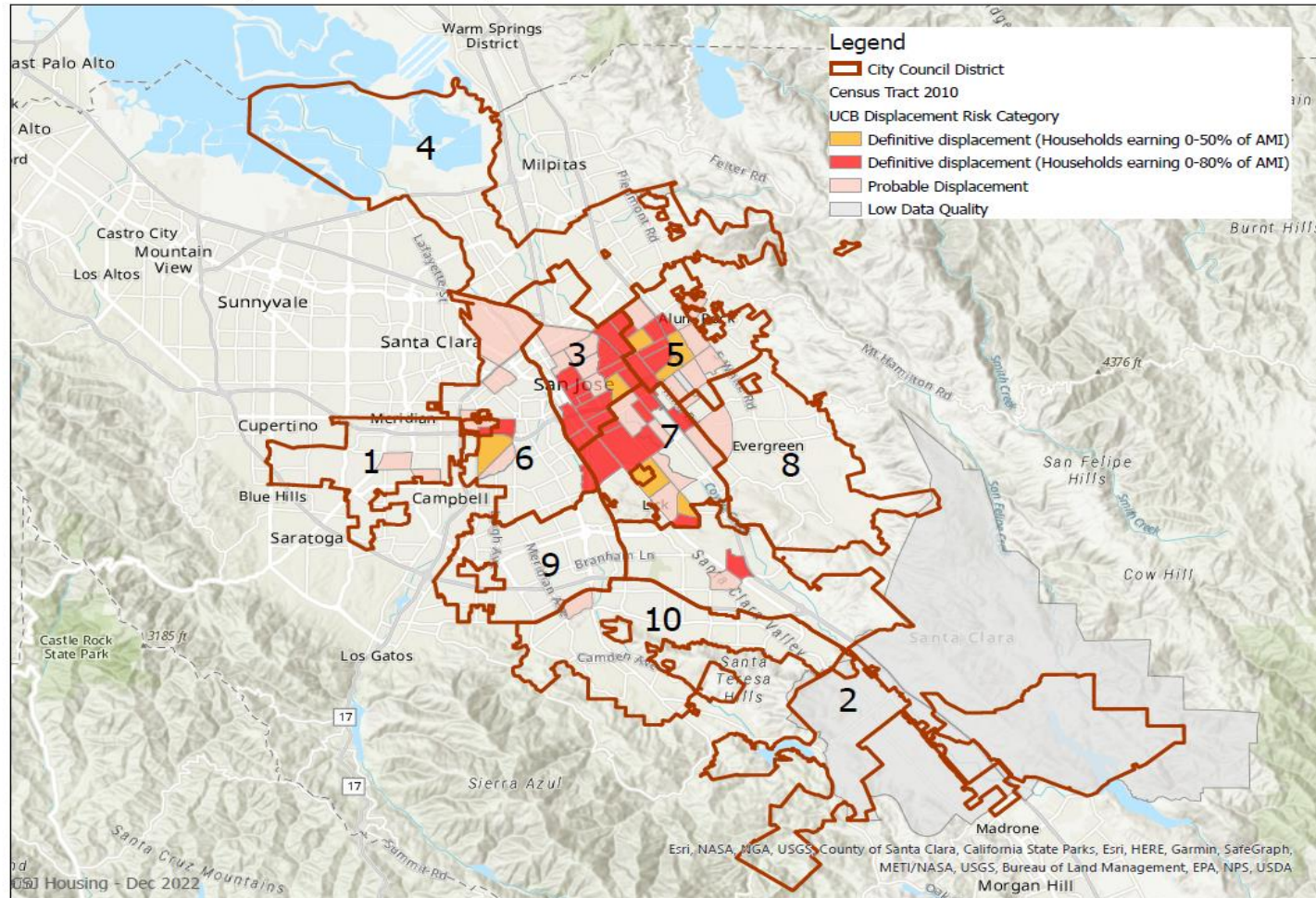
Neighborhood Tenant Preference

- Sets aside a portion of affordable apartments for lower-income applicants who already live in the vicinity of the available affordable apartments
- Increases the likelihood that lower-income renters staying in their communities



Displacement Tract Maps

UC Berkeley CA Estimated Displacement Risk Model - June 2022 - San José Census Tracts



Proposed Framework: Eligibility

- **Who qualifies?**
 - Lower-income San José residents ($\leq 80\%$ AMI)
 - Anti-Displacement Preference: Households that currently live in Census tracts with definitive and probable displacement
 - Neighborhood Preference: Households currently living in the same Council District as an affordable housing property



Proposed Framework: Applicability

- **Which properties?**
 - New City-funded properties and new acquisition/rehab properties in San José
 - Including state-funded properties, pending HCD approval
 - Existing City-funded affordable housing properties that are refinanced, renegotiated, or modified
 - Affordable units subject to City Development Agreement or other negotiation
- **Where?**
 - All subject properties in process by the effective date of the approved ordinance



Proposed Framework: Applicability

- **Set-aside of units**
 - 35% of all restricted affordable units otherwise available to the general public in a property subject to the preferences
 - Limit of 15% of units for Neighborhood preference
 - Does include senior housing
 - Does not include:
 - Units for special populations (i.e., permanent supportive housing)
 - Inclusionary Housing affordable rental apartments
 - Units subject only to City bond regulatory agreement
 - HUD-funded properties
 - Units restricted over 80% AMI
 - Unrestricted units



Proposed Framework: Implementation

- **Housing Department would:**
 - Integrate preferences into online tenant application portal (Doorway): <https://housing.sanjoseca.gov/listings>
 - Explanation of preferences
 - Backend: geocoding of Census tracts for both preferences
 - Pilot program completed by end of 2023
 - Place preferences into new and refinanced properties' loan documents
 - Create manual for property managers



Proposed Framework: Implementation

- **Property managers would:**
 - Receive list(s) of applicants
 - Identify 35% set-aside of units
 - Ensure commensurate number, size (studio, 1-BR, 2-BR, etc.) and AMI levels are set aside
 - Qualify applicants, including those eligible for one or both preferences in set-aside units
 - Income eligibility
 - Applicant's current address in displacement Census tract and/or same Council District as the property



Proposed Framework: Implementation

- **A San José resident would:**
 - Apply for a specific property that is accepting applications
 - On Doorway tenant portal
 - Paper application
 - Provide their current residential address, household size, and income with evidence
 - Read about the tenant preferences they qualify for and automatically be selected for those preferences
 - Or opt-out of the tenant preferences they qualify for, if they choose
 - Be placed on property managers' qualified tenant preferences list(s)



Proposed Framework: Engagement & Education

- Disseminate information
 - Create materials for community distribution
 - Audience: community partners, public sites (libraries, City buildings), affordable housing sites
- Hold information sessions with property managers post-adoption
- Make community presentations at or near new affordable sites



Proposed Framework: Implementation Timeline

- **When?**
 - Immediately after adoption, OR
 - 90-120 days after adoption



Next Steps

- **Summer/fall 2023:** Present draft framework to property managers, stakeholders, and the public
 - Revise framework based on feedback
 - Make presentations to stakeholders
 - Hold public meetings in August
- **September - December 2023:** Present to public bodies
 - Housing and Community Development Commission
 - Community and Economic Development Committee
 - City Council
- **December 2023:** Integrate tenant preferences into online affordable housing portal (Doorway)



Discussion & Q&A





Housing

Thank You!

Kristen Clements, Acting Deputy Director
Kristen.Clements@sanjoseca.gov

Josh Ishimatsu, Acting Division Director
Joshua.Ishimatsu@sanjoseca.gov

Avni Desai, Executive Fellow
Avni.Desai@sanjoseca.gov