

District 1 — Roma Dawson
District 3 — Barry Del Buono
District 5 — Ruben Navarro
District 7 — Victoria Partida (VC)
District 9 — Don Jackson
Mayor — Zenia Cardoza
Lived Experience (Mayor) — Sketch Oppie
Lived Experience Alternate (Mayor) — Jerome Shaw

VACANT — District 2
Linh Vong — District 4
Jen Beehler — District 6
Huy Tran — District 8
Roberta Moore — District 10
Daniel Finn — CAAC MR
(C) Ryan Jasinsky — CAAC ML

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

REGULAR MEETING AGENDA

AUGUST 10, 2023

Virtual [Zoom Link](#)

Start time: 5:45 PM

Web ID: **940 5398 8541**

Location: City Hall Wing, Room 118-120

888-475-4499 (Toll Free)

Members of the public have a choice to attend the meeting either in person at the location listed above, or to attend virtually, viewing and listening 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) **In person:** For participants that would like to attend in person, the physical location is listed on the upper left of this page.
- 2) **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.
- 3) **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**.
- 4) **Public Comments prior to meeting:** If you would like to submit your comments prior to the meeting, please e-mail Luisa.Cantu@sanjoseca.gov or call **(408) 535-8357 no less than 90 minutes before the start of the meeting**. Comments submitted prior to the meeting will be considered as if you were present in the meeting.

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, and plan accordingly.

APPROX. TIME	AGENDA ITEM
5:45	<p>I. Call to Order & Orders of the Day</p> <p style="padding-left: 20px;">A. Chair reviews logistics for Zoom meetings</p>
5:46	<p>II. Introductions and Roll Call</p>
5:50	<p>III. Consent Calendar</p> <p style="padding-left: 20px;">A. Approve the Minutes for the Regular Meeting of June 8, 2023 ACTION: Approve the June 8, 2023 action minutes.</p>
6:00	<p>IV. Reports and Information Only</p> <p style="padding-left: 20px;">A. Director</p> <p style="padding-left: 40px;">i. Update on recruitment for open Commission seats</p> <p style="padding-left: 20px;">B. Council Liaison</p> <p style="padding-left: 20px;">C. Chair</p>
6:10	<p>V. Open Forum</p> <p style="padding-left: 20px;"><i>Members of the Public are invited to speak on any item that does <u>not</u> 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.</i></p>
	<p>VI. Old Business</p>
	<p>VII. New Business</p>
6:15	<p>A. Commendation for Commissioner Wheeler (K. Clements, Housing Department) ACTION: No Memo.</p>
6:30	<p>B. Rent Stabilization Program Draft Strategic Plan (E. Hislop, Housing Department) ACTION: Review the draft Rent Stabilization Program Strategic Plan and make possible recommendations to staff and/or City Council.</p>
7:30	<p>C. Housing Catalyst Work Plan (J. Ferguson, Planning, Building and Code Enforcement)</p>

ACTION: Review the status report on the work to initiate the Housing Catalyst Work Plan and make possible recommendations to staff and/or City Council.

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 (per [Section 2.08.2840](#) of the San José Municipal Code). 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.

8:35 IX. Meeting Schedule

The next meeting will be a **Special Meeting** for the Commission Annual Retreat scheduled to be held on **Saturday, August 26, 2023, at 9 a.m. in Tower Room 1734 at San José City Hall, 200 E. Santa Clara St., San José, CA 95113.**

The next **Regular Meeting** for the Commission is scheduled to be held on **Thursday, September 11, 2023, at 5:45 p.m. in Tower Room 550 at San José City Hall, 200 E. Santa Clara St., San José, CA 95113.** Items tentatively expected to be heard are:

- HCDC FY 2022-23 Annual Accomplishments
- HCDC FY 2023-24 Annual Workplan
- Draft CAPER
- Draft Tenant Preferences Programs
- Draft Soft Story Retrofit Program

8:40 X. Adjournment

The City's [Code of Conduct](#) is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, their Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view. 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, 14th 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: Luisa Cantu
200 East Santa Clara Street, 12th Floor
San José, California 95113
Tel: (408) 535-8357
Email: Luisa.Cantu@sanjoseca.gov

Para residentes que hablan español: Si desea mas información, favor de llamar a Luisa Cantu al 408-535-8357.

Tiếng Việt: Xin vui lòng liên lạc Janie Le 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。

HOUSING & COMMUNITY DEVELOPMENT COMMISSION

MEETING ACTION MINUTES

June 8, 2023

MEMBERS PRESENT:	Roma Dawson Alex Shoor Linh Vong Ruben Navarro Victoria Partida Huy Tran Don Jackson Roberta Moore Zenia Cardoza Daniel Finn Ryan Jasinsky Sketch Oppie	Vice Chair (D1) Chair (D2) Commissioner (D4) <i>left at 9:45pm</i> Commissioner (D5) <i>left at 7:03pm</i> Commissioner (D7) Commissioner (D8) Commissioner (D9) Commissioner (D10) Mayor (CW) Commissioner (MR) Commissioner (ML) Lived Experience (CW)
MEMBERS ABSENT:	Andrea Wheeler Barry Del Buono	Commissioner (D6) Commissioner (D3)
STAFF PRESENT:	Kristen Clements Luisa Cantu Lucas Ramirez Rachel VanderVeen Josh Ishimatsu Emily Hislop Noel Padilla Vanessa Pacheco	Commission Acting Secretary, Housing Department Commission Assistant Secretary, Housing City Council Liaison (District 2) Assistant Director Housing Senior Development Officer, Housing Department Division Manager, Housing Department Senior Analyst, Housing Department Analyst, Housing Department

(I) Call to Order & Orders of the Day

- A. Chair Shoor called the meeting to order at 5:50 p.m. and reviewed logistics for Zoom meetings**

(II) Introductions – Commissioners and staff introduced themselves.

(III) Consent Calendar

- A. Approve the Minutes for the Regular Meeting of May 11, 2023.**

ACTION: Approve the May 11, 2023 action minutes.

Commissioner Oppie made the motion to approve the minutes for the meeting of May 11, 2023, with a second by Commissioner Cardoza. The motion passed 12-0.

**Housing & Community Development Commission
Draft Minutes – Regular Meeting of June 8, 2023**

Yes	Finn, Jasinsky, Dawson, Shoor, Vong, Navarro, Partida, Tran, Jackson, Moore, Cardoza, Oppie (12)
No	None (0)
Absent	Del Buono, Wheeler (2)

B. Rent Stabilization Program Fiscal Year 2022-23 Quarter 3 Report for Apartments, Including the Apartment Rent Ordinance, Tenant Protection Ordinance, and Ellis Act Ordinance

ACTION: Review the report on the Rent Stabilization Program for apartments in Quarter 3 of Fiscal Year 2022-2023 and provide possible recommendations to staff.

Commissioner Jasinsky made the motion to remove Item III-B and III-C off the consent calendar and move to after Item VII-B, with a second by Commissioner Navarro. The motion passed 12-0.

Yes	Finn, Jasinsky, Dawson, Shoor, Vong, Navarro, Partida, Tran, Jackson, Moore, Cardoza, Oppie (12)
No	None (0)
Absent	Del Buono, Wheeler (2)

C. Rent Stabilization Program Fiscal Year 2022-23 Quarter 3 Report for Mobilehomes

ACTION: Review the report on the Rent Stabilization Program for mobilehomes in Quarter 3 of Fiscal Year 2022-2023 and provide possible recommendations to staff.

(IV) Reports and Information Only

- A. Chair:** Chair Alex Shoor reviewed logistics and guidelines for participation. He also reminded commissioners to consider nominations for officers.
- B. Director:** Ms. Kristen Clements updated the Commission on recruitment of commissioners. Reappointments for three seats will be considered by the Council on June 13, 2023. New nominees for Districts 2 and 6 were still pending. Ms. Clements recognized Chair Shoor for speaking on behalf of the Commission on Measure E at a recent Council meeting. She previewed items to be heard at the Council meeting on June 13, 2023, including the Mayor’s Budget and Measure E. She also noted that at its meeting on June 20, 2023, the Council will consider the Housing Element and the City’s application for a Prohousing Designation from the state, which is closely tied to the Housing Element.
- C. Council Liaison:** Mr. Lucas Ramirez mentioned that the Council is proceeding with additional interim housing locations in District 9 and 4 with backup sites in District 2. In addition, he noted John Sobrato’s generous philanthropic contribution of land and units to be built in District 10 for a

**Housing & Community Development Commission
Draft Minutes – Regular Meeting of June 8, 2023**

new 5-year emergency interim housing community. Regarding Measure E’s reallocation, the Council’s Rules Committee elected not to wave the two-thirds voting rule required to establish a revised spending framework. Any modification of Measure E funds will therefore require two-thirds of the vote at Council. Mr. Ramirez expressed his appreciation for Chair Shoor and all the parting commissioners.

(V) Open Forum

(VI) Old Business

(VII) New Business

**A. Outgoing Commissioner Recognition
(K. Clements, Housing Department)**

ACTION: None (No memo.)

Chair Shoor was presented with a Commendation plaque for all his hard work with Housing Community Development Commission. Ms. Clements was also recognized for her service to the Commission over the past five years.

**B. Elections for Chair and Vice Chair for Fiscal Year 2023-2024
(K. Clements, Housing Department)**

ACTION: Make nominations for and hold elections for positions of Chair and Vice Chair of the Commission to serve in Fiscal Year 2023-2024 commencing with the first Commission meeting after the June regular meeting.

Commissioner Navarro made a motion to elect Commissioner Ryan Jasinsky as Chair and Commissioner Victoria Partida as Vice Chair, with a second by Vice Chair Dawson. The motion passed 12-0.

Yes	Finn, Jasinsky, Dawson, Shoor, Vong, Navarro, Partida, Tran, Jackson, Moore, Cardoza, Oppie (12)
No	None (0)
Absent	Del Buono, Wheeler (2)
Abstain	None (0)

**C. Draft 2023-2031 Housing Element
(J. Ishimatsu, Housing Department)**

ACTION: Review the Draft 2023-2031 Housing Element and the Planning Commission Memorandum dated May 24, 2023 and recommend the City Council approve the Housing Element.

**Housing & Community Development Commission
Draft Minutes – Regular Meeting of June 8, 2023**

Commissioner Tran moved that the Commission recommend the City Council approve the Housing Element, with a second by Commissioner Finn. The motion passed 6-2.

Yes	Finn, Dawson, Shoor, Partida, Tran, Jackson (6)
No	Jasinsky, Moore (2)
Absent	Del Buono, Vong, Navarro, Wheeler, Cardoza, Oppie (6)
Abstain	None (0)

(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 Meeting for the Commission is scheduled to be held on **Thursday, August 10, 2023, at 5:45 p.m., in Wing Rooms 119-120, at San José City Hall, 200 E. Santa Clara St., San José, CA 95113.** Items expected to be heard are (updated):

- Commendation for Commissioner Wheeler
- Housing Catalyst Work Plan
- Rent Stabilization Program Annual Report FY 21-22
- Rent Stabilization Program Draft Strategic Plan

(X) Adjournment

Chair Shoor adjourned the meeting at 11:00 p.m.



Memorandum

TO: HOUSING AND COMMUNITY
DEVELOPMENT COMMISSION

FROM: Rachel VanderVeen

SUBJECT: SEE BELOW

DATE: August 3, 2023

Approved

Date

**SUBJECT: REVIEW THE DRAFT RENT STABILIZATION PROGRAM
STRATEGIC PLAN**

RECOMMENDATION

Review the draft Rent Stabilization Program Strategic Plan and make possible recommendations to staff and/or City Council.

SUMMARY AND OUTCOME

The Housing and Community Development Commission will review the draft of the Rent Stabilization Programs' Three-Year Strategic Plan (Strategic Plan) prepared by the Rent Stabilization Program (Program) and its consultant, RSG, Inc. Program Staff and RSG, Inc. will provide an overview of the draft Strategic Plan and the Commission and the public will have an opportunity to provide feedback.

BACKGROUND

In 1979, the City Council appointed a task force to address issues in rental housing and adopted a rent stabilization ordinance for mobilehome parks and apartments. The Rent Stabilization Program's (Program) mission is to enforce the City's housing ordinances through education, engagement, and collaboration to build and maintain safe, healthy, and sustainable communities. In 2016, Council began a series of actions to strengthen the City's rent ordinance, address rising housing costs, and help avoid the displacement of vulnerable residents. In 2016, the City Auditor issued an extensive report – the Apartment Rent Ordinance: Additional Investment, Improved Processes, and Strategic Resource Deployment Needed to Better Serve Tenants and Landlords (City Auditor's Report)¹ – which included 19 recommendations regarding additional investment,

¹ <https://www.sanjoseca.gov/home/showpublisheddocument?id=10563>

improved processes, and strategic resource deployment needed to better serve tenants and landlords.

Over the next several years, at the direction of City Council, the Program developed and implemented multiple policies and programs aimed at protecting the rental community and covering approximately 38,000 rent-stabilized apartments, 47,000 market-rate apartments, and 10,000 mobilehome spaces. A summary of the significant policy changes in the past five years includes:

- **2017 Adoption of the Tenant Protection Ordinance and Ellis Act Ordinance and Staffing and Fee Implementation:** On June 17, 2017, the adoption of the Tenant Protection Ordinance provided just-cause protections for residents and property owners of apartments in the City. In addition, the Ellis Act Ordinance was adopted to allow property owners to withdraw apartments from the rental market while providing notification and relocation benefits to impacted residents.
- **2018 Updated Apartment Rent Ordinance Regulations and Adoption and Launch of Rent Registry:** City Council made substantial amendments to the Apartment Rent Ordinance that included an update on the hearing process, rent registry, capital improvement, and a refined fair-return process. The Rent Registry is an online database comprised of rental information that rent-stabilized property owners must submit annually. During the open registration period, property owners update rent increases and vacancy information.
- **2019 Adoption of the Housing Payment Equality Ordinance:** On August 13, 2019, City Council adopted the Housing Payment Equality Ordinance to prevent discrimination based on a resident's payment method (e.g., use of a rental voucher).
- **2017 and 2019 Adoption of the Administrative Citation Program:** On November 14, 2017, City Council adopted amendments to the Apartment Rent Ordinance, Tenant Protection Ordinance, and Ellis Act Ordinance which gave the Director of the Housing Department the authority to issue administrative citations for violations of these ordinances. On December 3, 2019, City Council approved amendments to the administrative citation schedule of fines to include violations of the Apartment Rent Ordinance, Tenant Protection Ordinance, and Ellis Act Ordinance. The adoption of the schedule of fines allowed the Housing Department to implement the administrative citation program.
- **2020 and 2021 Adoption of the Eviction Moratorium and Moratorium on Rent Increases:** In response to the COVID-19 pandemic, City Council took three actions to stabilize residents affected by the Program. In March 2020, it adopted the Eviction Moratorium and Moratorium on Rent Increases. Then, in May 2020, City Council amended the Apartment Rent Ordinance to allow a temporary reduction of rent without impacting a property owner's ability to raise rents at the termination of the COVID-19 public health emergency. Lastly, in June 2020, to further mitigate the economic impacts on property owners, City Council approved temporarily reduced program fees for apartments and

mobilehomes subject to Apartment Rent Ordinance, Ellis Act Ordinance, Tenant Protection Ordinance, and Mobilehome Rent Ordinance.

Recommendation #15 of the City Auditor's Report was that the Housing Department develop a strategic plan for the Program that outlines desired goals and outcomes, and establishes measures of program effectiveness². A strategic plan provides a foundation for effective administration of the programs that defines desired results and plans tasks to meet those results. The City Auditor's report recommended that the plan include objectives, strategies, activities, outcome measures, and targets.

In April 2021, Program staff presented a draft Strategic Plan to the Housing and Community Development Commission. Commissioners had significant feedback and recommendations on the draft. Given this feedback and the staff's need to focus on COVID-19-related responsibilities, the Housing Department decided to procure the services of a consultant to help develop a Strategic Plan. The consultant would assist staff with information gathering, self-assessments, consensus building on Strategic Plan objectives, and focusing on program and operational priorities.

In spring 2022, the Housing Department posted a request for proposals for consulting assistance to create a Strategic Plan. The City received two proposal submissions. A selection panel determined that RSG, Inc. (RSG), would be awarded the consultant contract. Staff executed a contract with RSG in July 2022 and began work shortly thereafter.

ANALYSIS

In developing the Strategic Plan, Staff examined goals, outcomes, and measurements of program effectiveness to ensure the community is receiving necessary housing services. Staff also incorporated recommendations from the City Auditor's Report. Staff plans to publish Program annual reports to reflect the implementation of the Strategic Plan, which will be presented to the Commission as part of the Program's periodic reporting.

To develop its Strategic Plan in partnership with RSG, staff outlined the Program's goals and strategic questions in its Request for Proposals with a focus on stabilizing housing through various policy and program implementation efforts³. The strategic questions align with the four ordinances that fall within the jurisdiction of the Program. The questions served as a guide for the development of the Strategic Plan and will assist Program staff in developing its framework to provide improved community services and education. **Table 1** details the tasks and timeline for development of the Strategic Plan.

Table 1: Timeline of development of the Strategic Plan

² *ibid*

³ Summary and policy goals for each ordinance are detailed in Attachment A to the Rent Stabilization Program Strategic Plan Update made to the Housing and Community Development Commission on February 9, 2023 <https://www.sanjoseca.gov/home/showpublisheddocument/94859/638126605259900000>

Strategic Plan Task	Completion Deadline	Status
Award Consultant	Summer 2022	Completed
Project Kickoff	Summer/Fall 2022	Completed
Review Ordinances / Program Documents	Summer/Fall 2022	Completed
Analyze Historic Data	Fall 2022/Winter 2023	Completed
Identify Comparable Jurisdiction Best Practices	Winter 2023	Completed
Stakeholder Engagement	Winter/Spring 2023	Completed
Draft Strategic Plan	Summer 2023	Completed
Community and Economic Development City Council Committee Meeting	September 25, 2023	

In preparation for drafting the Strategic Plan, RSG first performed an analysis of effectiveness of programs by examining historical data collected by the program and other data sources. This analysis followed by an examination of other jurisdictions' practices that have similar programs, populations, and issues. The Program presented RSG's preliminary findings and status report to the Commission on February 9, 2023⁴ and collected feedback and input from Commission members.

In February and March 2023, RSG and Staff engaged tenants, property owners and managers, mobilehome residents and park owners in a series of meetings and by online input for feedback on what is working with the Program, what is not working, and suggestions for improvements. On April 4, 2023 RSG presented online a summary of the stakeholder engagement meetings and community input⁵.

RSG and Program staff prepared the draft Strategic Plan (**Attachment A**) to guide Program implementation over the next three years, by establishing a set of goals and objectives intended to evaluate and improve the effectiveness of the overall Program. This Plan also draws from the goals and strategies for housing stability and tenant protections that were recently developed for the Draft Housing Element.

The draft Strategic Plan focuses on improving the Rent Stabilization Program in four general areas: (1) Data Collection and Metrics, (2) Process and Operations, (3) Outreach and Engagement, and (4) Program Design. Short-term and long-term objectives are established for each general area. Overall, the main focus of the three-year Strategic Plan is to improve data

⁴ <https://www.sanjoseca.gov/home/showpublisheddocument/94859/638126605259900000>

⁵ April 4, 2023 RSP Report Out on Stakeholder Engagement <https://youtu.be/pij-PuFqAdc>

collection and measures, assessment of outcomes, increased engagement with the community and improvements to Program administration. The draft Strategic Plan does not propose any changes to the Ordinances.

EVALUATION AND FOLLOW-UP

Program staff will incorporate feedback and comments from the Housing and Community Development Commission into the draft Strategic Plan. The draft Strategic Plan is scheduled to be brought to the City Council's Community and Economic Development Committee on September 25, 2023 and that report will include input received from the Commission.

PUBLIC OUTREACH

- This memorandum will be posted on the Housing Department website for the August 10, 2023 date Commission meeting.
- The Council version of this memorandum will be posted on the City's Council Agenda website for the September 25, 2023 Community and Economic Development Committee meeting.
- Outreach was undertaken for this item in addition to the agenda posting described above. These outreach efforts are described below.

The Commission's feedback on this topic in April 2021 and February 9, 2023, and feedback from the public was used to help scope the Strategic Plan work. In-person and virtual stakeholder engagement sessions occurred in late February through March 2023. The draft Strategic Plan was posted on the Housing Department website on July 31, 2023 and communications were sent out to give the public an opportunity to provide input. The public comment period will be open until August 18, 2023.

COMMISSION RECOMMENDATION/INPUT

Recommendations and input from the Commission will be used to adjust or edit the draft Strategic Plan. City Council will be informed of the Commission's input and recommendations in the item being brought to the City Council's Community and Economic Development Committee on September 25, 2023.

August 3, 2023

Subject: Review the Draft Rent Stabilization Program Strategic Plan

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FISCAL/POLICY ALIGNMENT

Ensuring that the City operates effective tenant Protection programs along with Production and Preservation programs is consistent with the City's *Residential Citywide Anti-Displacement Strategy*, approved by the City Council in September 2020, and aligns with the following City anti-displacement goals:

- General Plan Policy H-1.16: Identify, assess, and implement potential tools, policies, or programs to prevent or to mitigate the displacement of existing low-income residents due to market forces or to infrastructure investment.
- Fifth Cycle Housing Element Program #34: Consider proposed policies or ordinances to protect low- and moderate-income residents in market-rate and deed-restricted affordable housing from displacement.

City Council approved on June 20, 2023 the proposed revised Sixth Cycle Housing Element which includes Housing Strategy S-29:

- Rent Stabilization Program Strategic Plan and program assessment: Complete a Strategic Plan for the Rent Stabilization Program and assess the efficacy of the program in meeting its goals to protect and stabilize tenants' housing. Include examination of the Program's effectiveness at helping to prevent Detainers and preventing evictions.

/s/

Rachel VanderVeen

Assistant Director, Housing Department

The principal author of this memorandum is Emily Hislop, Division Manager. For questions, please contact Emily.Hislop@sanjoseca.gov.

ATTACHMENT A: City of San José Rent Stabilization Program Draft Strategic Work Plan 2023-2026

DRAFT JULY 2023



RENT STABILIZATION PROGRAM

Draft Strategic Work Plan 2023-2026

**City of San José
Housing Department**

July 2023



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INTRODUCTION

The City of San José (“City”) Rent Stabilization Program (“Program” or “RSP”) consists of education, engagement, collaboration, and enforcement of policies and regulations intended to build and maintain safe, healthy, and sustainable communities. Over the last several years, the City has developed, adopted, and implemented policies and programs aimed at protecting its rental community, which according to the City’s 2020-2021 annual report, includes over 38,000 rent stabilized apartments, over 47,000 market rate units (buildings with three units or more built after September 1979), and more than 10,000 mobilehome spaces.

Over the past year, Program staff procured the services of a consultant, RSG Inc., to assist with research, data analysis, and stakeholder engagement focused on assessing program effectiveness. Based on their findings, RSG and Program staff prepared this Strategic Work Plan (“Plan”) to guide Program implementation over the next three years¹, by establishing a set of goals and objectives intended to evaluate and improve the effectiveness of the overall Program. This Plan also draws from the goals and strategies for housing stability and tenant protections that were recently developed for the Draft Housing Element.

Rent Stabilization Program Background and Goals

The City originally adopted a rental dispute ordinance in 1979 which covered both apartments and mobilehome park spaces. Beginning 2017, the City expanded the scope and services of the Rent Stabilization Program through significant legislative and policy changes, including amendments and adoption of five (5) related Ordinances intended to stabilize and protect the renter community². These actions also included bifurcating the original rental dispute ordinance so mobilehome parks and spaces are covered by their own stand-alone ordinance³. The current suite of rental stabilization ordinances and their primary goals are as follows:

¹ Due to the rapid changes in housing markets, community demographics, and legislation, the Plan should be reviewed periodically and course action updated after several years at a minimum.

² It should be noted that in response to the COVID-19 pandemic, beginning in March 2020 and ending in March 2022, action was taken by the City and State and Federal government bodies at different times to limit evictions and rent increases and to ensure emergency rental assistance funds were deployed to property owners on behalf of impacted tenants.

³ Mobilehome parks are governed by the State’s Mobilehome Residency Law and having an ordinance that only pertains to mobilehome parks was necessary to avoid inconsistencies or intereference with State law.

<i>Ordinance</i>	Key Provisions	Primary Goals
<i>Apartment Rent Ordinance (ARO)</i>	Limits rent increases to 5% per annum.	Promote stable and long renter tenancy. Stabilize rents in apartments covered by the ARO.
<i>Tenant Protection Ordinance (TPO)</i>	Limits termination notices to 13 just causes; provides for relocation assistance.	Keep tenants housed. Maintain tenancies and mitigate displacement of apartment residents.
<i>Ellis Act Ordinance (EAO)</i>	Regulates owner move-ins or demolitions, provides for relocation assistance, tenant right to return, and re-control of new rental units.	Maintain rent stabilized housing stock.
<i>Mobilehome Rental Ordinance (MRO)</i>	Allows rent increases based on 75% of CPI, with a min of 3% and max of 7%. Provides for a fair return petition process.	Stabilize mobilehome rents and support residents to maintain affordable housing.
<i>Housing Payment Equality Ordinance (HPEO)</i>	Prohibits refusing to rent to households due to source of income, such as rental assistance.	Protect low-income households receiving rental assistance from discriminatory practices, particularly those who are disabled, single-parent female households, or formerly homeless.

STRATEGIC WORK PLAN GOALS OVERVIEW

This Plan aims to improve the Rent Stabilization Program in four general areas. Each area addresses related key findings derived from data analysis, research, comparable jurisdiction program review, and stakeholder feedback. In general, the Program would benefit from more robust data collection and tools for evaluating program effectiveness, enhancements to implementation and enforcement, increased engagement efforts, and modification of Program administration to better protect tenants and support property owners.

1. <i>Data Collection and Metrics</i>	Consider methods and tools to improve the breadth and quality of program-related data and metrics.
2. <i>Process/Operations</i>	Consider systems and operational enhancements to more effectively implement the Ordinances.
3. <i>Outreach and Engagement</i>	Foster positive relationships between residents and property owners. Further fair housing through inclusive education and outreach.
4. <i>Program Design</i>	Evaluate the effectiveness of the existing RSP Ordinances to provide residents with more effective protections from displacement, while ensuring a fair return on investment to owners.

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GOAL 1 – IMPROVE DATA COLLECTION AND METRICS

Key Findings

Collecting high-quality data in rent stabilization programs offers numerous benefits, including accurate decision-making, effective policy evaluation, compliance monitoring, and long-term planning. Reliable data empowers policymakers to make equitable decisions based on accurate information, fostering trust among tenants, landlords, and policymakers. It allows for the evaluation of existing policies, identification of improvements, and informed adjustments. Furthermore, high-quality data serves as a foundation for proactive long-term planning, enabling anticipation of future challenges and informed strategy development. This enhances the effectiveness and fairness of the program.

The City's rent registry system provides a good, but limited, base for the collection of information from apartment building owners. In its current form, the rent registry can only be viewed and utilized by the City which reduces transparency and the ability for both landlords and tenants to access information. With modifications and enhancements, the rent registry system could be a more effective tool for gathering and tracking data, and providing transparency and reporting to tenants and property owners.

For example, the system collects information relating to rent increases, security deposits, vacancies and reasons for vacancies. However, this information can be hard to extract for reporting and monitoring purposes, and is missing some key elements such as outcomes of unlawful detainer proceedings and termination notices which are necessary to determine the effectiveness of the RSP. This is not unique to San José's program, as many other jurisdictions report a lack of data and limited access to eviction outcomes.

The rent registry includes only apartments covered by the ARO, which are those in buildings with 3 or more units and built before September 7, 1979. This represents approximately 27% of the entire rental housing market in San José. As such, the registry does not track tenant outcomes for units under the TPO, nor can it provide data on how ARO tenants fare versus those in market-rate units.

Over 96% of property owners with ARO rental units have registered in the most recent registration period. Program staff have previously issued Notices of Violation and Corrective Action letters, to be followed by issuing Administrative Citations.

There is a lack of program data available for assessing the acceptance by landlords of tenants with rental assistance (e.g. vouchers), nor is there any demographic details that would provide insight on potential

discrimination. Rent registry analysis shows that approximately 5% to 7% (depending on registration period) of rent registry units are tenants who receive rental assistance vouchers, and that rent increases were greater for those receiving rental assistance vouchers. This suggests a need to better monitor equity impacts for this vulnerable group of tenants.

To effectively measure outcomes specifically related to unlawful detainer court proceedings, it is crucial for the City to establish a reliable method of capturing this data and tracking outcomes. Unfortunately, consistent and accurate reporting of relevant information, such as reasons for eviction and outcomes is not available.

Relating to the Ellis Act Ordinance, rental registry data revealed that more rent-stabilized units and fewer market rate units were withdrawn in recent years, and the average relocation assistance amount decreased. Further investigation would be needed to identify the reasons behind these changes.

Objectives

Ultimately, the City should seek to enhance its ability to measure how well ARO tenants are faring compared to non-ARO tenants, and how well the TPO is allowing tenants to maintain stable occupancy by having the capability to measure outcomes. To address the need for improved data collection and metrics and allow the City to better measure if the ARO and TPO are successfully stabilizing rents and preventing unjust evictions, the following objectives are being recommended. Short-term objectives are reasonable to pursue over the next 3 years, while the long-term objectives will require additional review and planning.

Short-Term	
1.1	Identify all property owners of rent stabilized units that are not in the rent registry. Use notification, encouragement, and administrative citations to achieve at least 95% compliance of units.
1.2	Review capabilities of existing rental registry system to allow for modifications to collect additional information and easily report out on RSP metrics aimed at measuring the effectiveness of the program. If necessary, the City could consider an RFP to solicit a vendor that specializes in the creation of such systems that include reporting functions.

Short-Term	
1.3	<p>Consider an operational policy and database configuration plan for the rental registry that would:</p> <ul style="list-style-type: none"> • standardize the registration period dates for consistent comparison across periods. • automatically notify property owners and tenants when no data was entered in a registration period. • proactively notify property owners and tenants of potential violation if rent increase field is greater than 5%. • track when units are subject to eviction proceeding and track the outcomes. • add data fields for building location zip code, unit sq ft, total tenure of household in unit, % change in rent at start of lease and thereafter, age of building or year of completion and dates of any major rehab, notes to explain any unusual circumstances for the unit or tenant. <p>If and when changes are made to the registry requirements, the City will need to modify the annual registration process, including landlord noticing, to include information on the additional requirements.</p>
1.4	Consider requesting demographic data on petition forms.
1.5	Determine what resources and procedures are needed to identify and track termination notices, voluntary vacancies and unlawful detainer proceedings.
Long-Term	
1.6	Consider creating a tool for tracking impacts/outcomes of tenants displaced through Ellis Act buyouts.

GOAL 2 – IMPROVE IMPLEMENTATION THROUGH PROCESS AND OPERATIONAL ENHANCEMENTS

Key Findings

Rent stabilization programs have been implemented in several jurisdictions throughout California. As part of the comparable jurisdiction research process for this Plan, interviews were conducted with representatives from other cities with rent stabilization programs including Mountain View, Berkeley, Richmond, Santa Monica, West Hollywood, and Inglewood. Some of these rent stabilization programs have been in place for several decades, while others were established more recently. Each city's program has its own unique structure and approach. This diversity provides an opportunity to gather best practices from a range of rent stabilization programs. Many jurisdictions interviewed mentioned the positive impact of being a member of the Rent Stabilization Consortium. The Rent Stabilization Consortium is a group of

representatives from California cities, including San José, with rent stabilization programs. This consortium provides opportunities to discuss challenges, successes, and collaborate with other cities on the topic of rent stabilization.

The ARO provides that tenants who live in rent stabilized units may file petitions for mediation and/or hearing to the Rent Stabilization Program. These petitions may be based on invalid rent increases, health and safety concerns, or a service reduction. The current petition hearing and mediation process may require enhancements. In Mountain View, having separate individuals serve as mediators and hearing officers was considered a strength. Mediation is a confidential voluntary proceeding where mediators assist parties in coming to a resolution of their own making which can address matters outside of the petitions if the parties wish. In contrast, a hearing officer considers evidence presented by parties at the hearing and in their petition or response and then issues a binding decision. Different hearing officers can present alternative solutions that may lead to more favorable outcomes for both tenants and property owners. Mountain View’s hearing officers hold regular meetings to foster collaboration and stay informed about the latest regulations and developments in the field of rent stabilization.

As part of the stakeholder engagement process for this Strategic Plan, landlords reported they struggle with the current capital improvement process. Landlords believe the limited ability to recoup repair costs through a 3% pass-through creates disincentives for landlords to make improvements, particularly in older properties subject to ARO regulations. They argue this is due to the financial challenge posed by ongoing repairs without sufficient cost recovery, hindering investment in necessary upgrades.

Objectives

To improve the implementation, processes, and operations of the Program, the following objectives are recommended. Short-term objectives are reasonable to pursue over the next 3 years, while the long-term objectives will require additional review and planning.

Short-Term	
2.1	Continue to participate and leverage relationships as part of the Rent Stabilization Consortium where members share best practices and results.
2.2	Evaluate staffing level for the current Program and determine if any additional resources are necessary to meet Strategic Plan goals and objectives.

2.3	Collaborate with representatives of Housing and RSP program staff, Police Dept, Code Enforcement, other key City and County Depts including local courts, Legal Aid and other tenant support groups, churches, and schools to share current trends and concerns in the community as it relates to the RSP.
2.4	Establish regular meetings among Hearing Officers to create consistency and coordination, and to elevate best practices.
Long-Term	
2.5	Consider improvements to petition hearing and mediation process.
2.6	Conduct a study to establish base year rent standards for use in fair return petition reviews.
2.7	Implement a pre-approval process for proposed capital improvements to allow property owners to determine feasibility of cost recovery.
2.8	Allow tenants to file a “hardship petition” in response to a proposed increase petition from property owner.

GOAL 3 – IMPROVE COMMUNITY OUTREACH AND MARKETING

Key Findings

Public awareness is a challenge for all jurisdictions, even programs like Berkeley's which have been in effect for decades. All jurisdictions consider public awareness of their programs a challenge and engage in a variety of activities—many of which San José does as well—for their marketing efforts. All jurisdictions emphasized the importance of outreach to both landlords and tenants through multiple channels. Collaboration with other entities can create opportunities both for providing services and receiving input from landlords and tenants, as exemplified by Mountain View's partnership with their Housing and Eviction Help Center.

As part of the stakeholder engagement process for this Plan, both residents and landlords indicated that they were only somewhat familiar with the various provisions of the Rent Stabilization Program. All stakeholder groups provided feedback that minority groups are more vulnerable to displacement and would like the City to ensure protection of these groups, including language accessibility, building trusting

relationships with racial minorities, posting requirements for notices in mobilehome parks, and accessibility for people with disabilities, etc. Landlords indicated they would seek to develop greater partnerships between the City and advocacy groups. The overall feedback received from tenants and landlords during the stakeholder engagement was for greater communication and outreach from the City to ensure landlords and tenants are aware of the ordinances and enforcement of regulations, particularly for the most vulnerable communities.

Objectives

To increase community awareness, outreach, and marketing, the following objectives are recommended. Short term objectives are reasonable to pursue over the next 3 years, while the longer term objectives will require additional review and planning.

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Short-Term	
3.1	Collaborate with community organizations and other City/public departments who can assist in sharing information with the public.
3.2	Consider collaboration with community organizations who may have well-established relationships with vulnerable populations in an effort to increase awareness of tenants' rights under the TPO.
3.3	Create basic 'Know Your Rights and Responsibilities' materials for landlords and tenants, including fair housing information. Produce materials in multiple languages with accessible vocabulary, pictures, and infographics. Create an outreach strategy to share this information widely including partners such as schools, community-based nonprofits, and housing providers. Provide links to additional resources including more information on fair housing. Identify eligible ongoing funding for this purpose.
3.4	Increase education and resources provided to tenants and landlords on City programs and their rights at tenant / landlord education centers located throughout the City. Locations should include Diridon Station Area, the City's forthcoming transit center, to maximize transit access as well as neighborhoods with high displacement risk according to UC Berkeley Urban Displacement Project analysis. Use digital tools, pop-ups, and/or mobile sites, and partner with community-based organizations to deliver services in ways that are convenient and accessible for all users, especially those with disabilities.
3.5	Distribute periodic program surveys to tenants and property owners.
3.6	Organize annual engagement sessions, such as listening sessions, with mobilehome park residents and owners.
Long-Term	
3.7	Increase fair housing education, monitoring, and enforcement in target neighborhoods, especially on source of income discrimination. Consult legal assistance partners and analyze City data to determine target neighborhoods. Create a plan for outreach together with nonprofit and community-based partners. Identify more ongoing funding for this activity. Enter into contracts with qualified legal services organizations.
3.8	Identify ongoing funding to increase nonprofit organizations' support of San José tenants' rights. Increase funding of nonprofits to do broad tenant outreach, education, and legal representation on housing issues, including fair housing issues, to all tenants in the City. Support a nonprofit-run hotline for information and referrals on general tenant/landlord issues (not legal advice) for all tenants, regardless of income or type of home.

3.9	Explore a San José Right to Counsel program and/or alternative housing collaborative court model for the City Council's consideration. Issue a Request for Proposals and work with selected consultant to study costs and benefits of a right to counsel program and other court intervention alternatives and identify necessary legal, financial and other resources. Evaluate program options and seek City Council approval of a feasible program. Additionally, explore potential regional partnerships for a regional Right to Counsel study and implementation as an alternative.
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GOAL 4 – EVALUATE PROGRAM EFFECTIVENESS OF ARO, TPO AND RELATED POLICIES

Key Findings

The vast majority of ARO tenants experienced rent increases under 5% over the four rent registration periods from August 2018 through September 2022. In the most recent rent registration period (Aug. to Sep. 2022), ARO tenants had an average rent increase of about 2%. In contrast, for units with new tenants following vacancy decontrol, the average rent increase was 8.7% in the fourth registration period. The average increase over the four registration periods was 2.3%. The low average increase is partly due to rent moratoriums that occurred for seven months in 2020 and another five months in 2021. However, even with a rent registry in place, noncompliance with the rent limit was not uncommon and hundreds of ARO tenant households experienced rent increases above the allowed limit of 5%. Although the rent registry identifies this as non-compliant, and the City sends the tenant information about their rights, other tools may be needed to ensure compliance.

A review of rent stabilization policies in six comparable jurisdictions revealed that it is more common to use CPI as a variable for setting annual allowable rent increases, versus a fixed 5% in San José. The cities of Mountain View and Inglewood use 100% of CPI, while Richmond, Berkeley, Santa Monica, and West Hollywood use 60-75% of CPI. Several jurisdictions also included a cap or maximum, as well as a floor or minimum. For example, Mountain View uses the CPI change, but also has a max of 5% and a minimum rent increase of 2%. Some jurisdictions also allow property owners to “bank” allowable increases and apply them in subsequent years.

Any evaluation of rent increases in ARO units must also examine whether property owners are able to preserve their rights to a fair return on investment under the ARO and its provisions. This would consider the outcomes of any petition for fair return or for specified capital improvements that is submitted to RSP.

The ARO and TPO together apply only to buildings with 3 or more units (unless units fall under an exemption) which accounts for approximately 97% of the multifamily units. There are also more than 49,000 duplexes, single-family homes, condominiums, and townhomes that are rented and not subject to the ARO or TPO.⁴

In the past five years, the number of ARO units has been declining and EAO withdrawals have increased. Although EAO-affected tenants are entitled to relocation assistance, the number and amount of relocation benefits has not increased at a similar rate.

While San José has its own local Ordinances that cover most units multi-family structures, almost all tenants and rental property owners in California are subject to State law known as AB 1482 (The Tenant Protection Act of 2019) that limits rent increases and provides just cause eviction, discrimination, and other tenant protections. San José ARO and TPO rental units are not subject to most of AB 1482’s provisions, but other rental units in the City are covered by AB 1482. How this interacts with the RSP provides both challenges and opportunities for enforcement.

Objectives

To improve enforcement outcomes for the RSP, the following objectives are recommended. Short-term objectives are reasonable to pursue over the next 3 years, while the longer term objectives will require additional review and planning.

Short-Term	
4.1	Consider establishing a policy to identify, notify, and investigate within 18 months all instances where an ARO property owner has increased the rent by more than the allowed 5%.
4.2	Consider adopting enforcement measures for the ARO to compel property owners to refund tenants for any rent increases for covered units above the allowed 5% limit.
4.3	Review the Tenant Protection Ordinance for ways it could apply to restricted affordable apartments and still be consistent with rules for common funding sources such as low-income housing tax credits and State funding programs, and propose TPO amendments to the City Council.

⁴ Some portion of the 49,000+ rentals not covered by the ARO or TPO are covered by the State’s Tenant Protection Act of 2019 which establishes just cause for eviction protections and an annual rent increase cap.

4.4	Work with the State to establish that San José can enforce AB 1482. Assess whether desired enforcement authority can be granted administratively or if legislation is needed.
Long-Term	
4.5	Request that the City Council expand the Tenant Protection Ordinance to not count immediate household members against occupancy limits, to the extent allowed by State Health and Safety Code.
4.6	Evaluate the current Apartment Rent Ordinance and its effectiveness to determine if possible amendments should be recommended to achieve the goals of (1) stabilizing rents, (2) promoting stability and long renter tenancy, and (3) ensuring a fair return on investment to property owners.

DRAFT



Memorandum

TO: HOUSING AND COMMUNITY
DEVELOPMENT COMMISSION

FROM: Kristen Clements

**SUBJECT: HOUSING CATALYST TEAM
WORK PLAN STATUS REPORT**

DATE: August 3, 2023

Approved

Date

RECOMMENDATION

Review the status report on the work to initiate the Housing Catalyst Team Work Plan and make possible recommendations to staff and/or the City Council.

SUMMARY AND OUTCOME

Staff is proposing the first iteration of the Housing Catalyst Team Work Plan, which will be the successor to the Housing Crisis Work Plan. The new Housing Catalyst Team Work Plan is closely linked with the City's 2023-2031 Housing Element that was adopted by the City Council on June 20, 2023. The new Housing Catalyst Team Work Plan contains the strategies, programs, and policies from the 2023-2031 Housing Element that are underway, or that staff anticipates initiating in the next two years. The Housing and Community Development Commission's feedback will inform the City Council's consideration of this item on August 22, 2023.

BACKGROUND

In June 2018, staff brought forward the first iteration of the Housing Crisis Work Plan, which proposed strategies and policy actions to enable the facilitation of both market-rate and affordable housing units. While the City had focused on housing production in the past in a variety of ways, the Housing Crisis Work Plan was an effort to expand and focus on that work given the increasing severity of the housing crisis. It was also the City's first effort to clearly communicate all the work and strategies in a unified location for the public and City Council.

In order to implement the Housing Crisis Work Plan and coordinate across multiple departments, the Housing Catalyst Team was established in 2018. The team meets on a biweekly basis and is composed of staff from the Business Development Team of Office of Economic Development and Cultural Affairs, the Citywide Planning Division of the Department of Planning, Building, and Code Enforcement, the Policy and Planning Team and the Residential Development Team of

the Housing Department, and the Planning Team of the Department of Parks, Recreation, and Neighborhood Services. Staff provided biannual updates to the Community and Economic Development Committee and City Council that included updates on progress implementing work items and on housing production.

On November 15, 2022, staff presented the final update on the Housing Crisis Work Plan to City Council. A major component of the 2018 Work Plan was the establishment goal of facilitating 25,000 housing units with 15,000 market-rate and 10,000 affordable by 2023. This goal included approved units (entitlement), units under construction (building permit), and completed units (certificate of occupancy). Under these parameters, the City met its market-rate unit goal but fell short of the affordable unit goal. Understanding that much more work needed to be done to increase housing opportunity and production entering 2023, staff recommended the creation of the Housing Catalyst Team Work Plan. Additionally, the development of an updated Housing Element provided an opportunity to continue to align all work related to housing across the City.

On June 20, 2023, City Council approved the proposed 2023-2031 Housing Element which includes over 130 strategies and programs envisioned for the entire eight-year period of the Housing Element. The work is intended to facilitate the production and preservation of housing units in the City and facilitate the City's Regional Housing Needs Allocation of 62,200 units.

On June 26, the City Council Community and Economic Development Committee accepted a status report from staff regarding the first iteration of the Housing Catalyst Team Work Plan following the adoption of the Housing Element on June 20, 2023. The item was cross-referenced by the Committee to the August 22, 2023, City Council meeting.

ANALYSIS

The Housing Catalyst Team Work Plan is envisioned to draw on the experience and lessons learned from the Housing Crisis Work Plan. The exercise of compiling a unified work plan related to housing has shown to be a useful tool for organizing and aligning the work being done across the entire City over multiple departments.

The implementation of the 2023-2031 Housing Element provides an opportunity to further align the City's goals and work plan related to housing. This includes expanding the work plan to include programs and policies related to housing preservation and protection in addition to housing production. This better captures the full body of work being done across the City and includes important work related to displacement, among other strategies.

The Housing Catalyst Team Work Plan is included as attachment to this memorandum. This first version of the work plan is entirely composed of the programs and strategies identified in the Housing Element. The items included are ones that staff has initiated work on already or intends to initiate work in the next two years. The incomplete work items from the previous Housing Crisis Work Plan were incorporated into the development of the programs and strategies in the Housing Element. As staff completes items on the Work Plan, staff will then add the next items

from the Housing Element to keep achieving the milestones identified in the Housing Element. As the work plan evolves and needs arise, staff or City Council may propose additional housing-related work items that are not included in the Housing Element. The timing of when these work items would be initiated would be based on staff capacity to take on additional work, given the ambitious workload already identified for the Housing Element's period of 2023 to 2031. As this is the first version of the Housing Catalyst Team Work Plan, staff will continue to refine the format and presentation of the Work Plan and will develop a permanent webpage for posting. Staff also intends to report on housing production numbers as regular part of the update on the Work Plan.

Prioritization and Metrics

Subsequent to the June 26, 2023, Community and Economic Development Committee meeting, the Housing Catalyst Team further revised the draft Housing Catalyst Team Work Plan. Staff added additional work items that, upon further analysis, should have been included from the Housing Element. Staff also added estimates on the anticipated impact and level of effort required to complete each item. These measures are noted for each item in a column on the table in **Attachment A**, and are defined in more detail in **Attachment B**.

EVALUATION AND FOLLOW-UP

Staff is proposing to provide a status update on the Housing Catalyst Team Work Plan to the Community and Economic Development Committee and City Council early each year in alignment with the Housing Element Annual Progress Report. Staff will also continue to provide reports to the Housing and Community Development Commission. The first regular update on the Housing Catalyst Team Work Plan is anticipated in February or March 2024 with the Housing Element Progress Report that is due April 1st of each year to the state.

PUBLIC OUTREACH

- This memorandum will be posted on the Housing Department website for the August 10, 2023 Commission meeting.
- A version of this memorandum will be posted on the City's Council Agenda website for the August 22, 2023 meeting.
- Outreach was undertaken for this item in addition to the agenda posting described above. These outreach efforts are described below.

This Work Plan reflects work items that resulted from the input of thousands of San José residents and stakeholders through the Housing Element development process. Public comments also were taken at the Community and Economic Development Committee meeting on June 26, 2023.

August 3, 2023

Subject: Housing Catalyst Team Work Plan Status Report

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COMMISSION RECOMMENDATION/INPUT

Input received from the Commission at the August 10, 2023 meeting will be included in a Supplemental Memorandum to the City Council ahead of the August 22, 2023 City Council meeting. Staff on the Housing Catalyst Team will also consider the input received from the Commission as it continues to implement the Housing Catalyst Team Work Plan.

FISCAL/POLICY ALIGNMENT

The creation of the Housing Catalyst Team Work Plan is consistent with what was proposed in the Housing Element that was recently adopted by the City Council in June 2023. This action is also in alignment with the next steps discussed with the Commission and the City Council in November 2022 in the final report on the Housing Crisis Work Plan.

KRISTEN CLEMENTS

Acting Deputy Director, Housing Department

For questions, please contact Jerad Ferguson, Principal Planner, Planning, Building and Code Enforcement, at jerad.ferguson@sanjoseca.gov or (669) 223-1160.

ATTACHMENT A: Housing Catalyst Team Work Plan

ATTACHMENT B: Impact and Level of Effort Definitions

<p>Key: *Production **Preservation ***Protection</p>

Attachment A

Housing Catalyst Team Work Plan

Number (Housing Element #)	Work Items Underway	Next Step / Milestones	Lead Department	Planned Completion	Impact	Level of Effort
1 (H-11) ***	Feedback from those with lived experience in homelessness in decision making – Create additional feedback mechanisms for clients with lived experience of homelessness, integrate requirements into City-funded contracts for grantees to create feedback mechanisms, and work with the Lived Experience Advisory Board to evaluate key City-funded services and initiatives.	July 2024: Identify universe of applicable contracts and timeline for renewals.	Housing	December 2025	Medium	Moderate
2 (I-10) ***	Lived Experience with Homelessness seat on Commission – Continue to support the primary and alternate seats for a commissioner with Lived Experience Seat with homelessness on the Housing and Community Development Commission. Evaluate program and process 12 months after seat is filled and implement recommended improvements to support the commissioners.	February 2024: Conduct confidential evaluation	Housing	July 2024	Low	Low
3 (I-14)	Assessment of Fair Housing Plan - Complete the Assessment of Fair Housing Plan and include implementation actions in the Housing Catalyst Team Work Plan.	September 2023: Complete draft Plan Fall 2023: Seek approvals by HCDC and City Council By end 2023: Submit to HUD	Housing	Fall 2023	Legally Required	Moderate
4 (I-15)	Housing Catalyst Team Work Plan – Create a webpage on City’s website for work plan and updates for transparency to the public.	Summer 2023: Launch updated webpage for workplan.	PBCE, Housing, OEDCA	Fall 2023	Low	Low
5	Standardize and streamline permitting, fees, applications – Standardize fees through the	October 2023: Create initial webpage.	OEDCA, PBCE	Fall 2024	High	High

Number (Housing Element #)	Work Items Underway	Next Step / Milestones	Lead Department	Planned Completion	Impact	Level of Effort
(P-10) *	Development Fee Framework and create webpage with development-related fees and taxes with a staff contact.					
6 (P-11) *	Explore Allowing “SB 9” Type Housing on Additional Properties – Examine allowing “SB 9-type” projects on properties zoned R-2 Two Family and properties listed on the Historic Resources Inventory.	April 2024: Seek Council approval of zoning code amendment and design	PBCE	Spring 2024	Low	Moderate
7 (P-12) *	Cost of Residential Development Study update – Conduct analysis every 2-3 years and present to the City Council on the Cost of Residential Development. Report will help inform constraints on the production of housing in San José.	October 2023: Hold initial Study Session on cost of housing development and process	OEDCA, PBCE, Housing	Ongoing	Moderate	High
8 (P-26) *	Accessory Dwelling Unit (ADU) Amnesty program – Resume the ADU Amnesty program to incentivize homeowners to legalize their unpermitted ADUs that meet or will meet code requirements.	July 2024: Release program	PBCE	Fall 2024	Low	Low
9 (P-6) *	Regular Coordination Meetings for Affordable Housing – Continue regular meetings to coordinate construction related permits post-entitlement for affordable housing.	Monthly: Hold interdepartmental meetings	OEDCA, PBCE, Housing, PW, Fire	Ongoing	Moderate	Moderate
10 (R-13) **	Soft Story program - Develop a 'soft story' seismic mitigation ordinance for older multifamily buildings. Create an implementation process and incentive retrofit program that increases renters' safety and considers equity issues for lower-income renters, minimizing their risk of displacement as a result of construction and rent increases.	Summer / fall 2023: Conduct outreach End 2023: Seek commissions and City Council approval of program 2024: Begin implementation, including rebate program	PBCE, OES, Housing	Fall 2024	High	High

Number (Housing Element #)	Work Items Underway	Next Step / Milestones	Lead Department	Planned Completion	Impact	Level of Effort
11 (N-2) **	Urban Village Plans with anti-displacement features – Complete Five Wounds Urban Village Plan updates to prepare for BART station. Identify and integrate residential and small business displacement features. Use these features in other future Urban Village plans.	Fall 2023: Identify draft residential and small business displacement features	PBCE, OEDCA, Housing	Spring 2024	TBD	Moderate
12 (P-3) *	North San José Affordable Housing Overlay Zones – Create new Affordable Housing Overlay Zones in North San Jose that support only industrial uses, 100% affordable housing, or market-rate housing that integrates affordable units into their developments for sites identified in the Housing Element.	Fall 2023: Bring Ordinance and General Plan changes to City Council for adoption	PBCE	January 2024	High	Moderate
13 (S-29) ***	Rent Stabilization Program Strategic Plan and Program Assessment – Complete a Strategic Plan for the Rent Stabilization Program and assess the efficacy of the program in meeting its goals to protect and stabilize tenants’ housing. Include examination of the Program’s effectiveness at helping to prevent Unlawful Detainers and preventing evictions. Evaluate the current Apartment Rent Ordinance and consider amendments including types of properties covered and alternate methods of calculating maximum allowable rent increases.	Summer 2023: Complete outreach, program assessment and Strategic Plan with consultant. Fall 2023: Present to City Council 2024-25: Collect and analyze data 2025-26: Conduct outreach with stakeholders on any resulting recommendations	Housing	Spring 2026	High	Moderate
14 (S-28) ***	Right to Counsel or Alternative – Issue RFP and select consultant to study costs and benefits of a right to counsel program and other court intervention alternatives and to identify necessary legal, financial, and other resources. Evaluate program options and seek City Council approval of a feasible program.	Fall 2023: Issue RFP for consultant study Winter 2024: Select and hire consultant 2023-2024: Collaborate with Bay Area Finance Authority on protections policy events.	Housing	Fall 2026	Moderate	Moderate

Number (Housing Element #)	Work Items Underway	Next Step / Milestones	Lead Department	Planned Completion	Impact	Level of Effort
		2025: Report back and propose program for City Council approval, if feasible				
15						
16 (R-6) **	Mobilehome Park General Plan designation for remaining 56 mobilehome parks – Apply the Mobilehome Park Land Use Designation through City-initiated General Plan Amendments to the remaining 56 mobilehome parks.	Fall 2023: General Plan Amendments to City Council and Planning Commission for 13 parks most at risk for development.	PBCE	Spring 2024	Low	Moderate
17 (P-15) *	Moderate-income Housing Strategy - Complete study and implement Council-approved strategy to further rental and homeownership opportunities for moderate-income residents.	Spring 2024: Update CEDC on initial research/findings Through spring 2025: Work with consultant to finalize Strategy and develop recommendations By August 2025: Seek Commission, CEDC and Council approval of strategy.	Housing, PBCE	Summer 2025	TBD	Moderate
18 (S-20) ***	Anti-displacement tenant preferences – Develop fair-housing compliant tenant preferences for this population. Seek Council approval for two tenant preferences: an Anti-Displacement Tenant preference, and a Neighborhood Tenant preference.	Summer 2023: Complete disparate impact analysis for two proposed preferences, complete program proposal, and conduct stakeholder and community outreach on proposed preferences Fall 2023: Review of program proposal by HCDC, CEDC and City Council Winter 2024: Program implementation	Housing	Winter 2024	High	High

WORK ITEMS TO BE INITIATED


Number (Housing Element #)	Work Items to Be Initiated	Outcome	Lead Department	Planned Initiation	Impact	Level of Effort
19 (H-14) *	Emergency Shelters – Update the Zoning Code to identify additional zones, in addition to Combined Industrial Commercial (CIC), where emergency shelters are permitted by right. Review and ensure compliance with the requirements of Government Code Section 65583 (AB 2339). Conduct outreach to homeless shelter providers to determine additional process changes that the City can incorporate to further facilitate emergency interim housing and homeless shelters.	Council approval of Zoning Code changes.	PBCE, Housing	Fall 2023	Legally Required	Moderate
20 (S-10) ***	Study on rent increases and burden in affordable housing - Research how rent increases in the City's restricted affordable apartments have been implemented over the last five years to inform proposed state legislation and/or City policy.	Present findings to City Council and inform advocacy for state legislation.	Housing	Winter 2024	TBD	Moderate
21 (I-3) *	Farmworker Housing - Update the City's Zoning Code to make clarifications about farmworker housing to comply with state law.	Council approval of Zoning Code changes.	PBCE	Fall 2023	Legally Required	Low
22 (N-4) **	Preservation and Community Development Capacity Building - Establish programs to provide capacity building and technical assistance to community-based nonprofit organizations to engage in grassroots community preservation and development activities. Preservation activities include acquisition and rehabilitation of existing low-cost housing, alternative community ownership models, community stakeholder engagement, and prevention of displacement of community small businesses.	Build capacity in community including awarding grants.	Housing, OEDCA	Fall 2023	TBD	Moderate

Number (Housing Element #)	Work Items to Be Initiated	Outcome	Lead Department	Planned Initiation	Impact	Level of Effort
23 (N-7) *	External infrastructure funding to create complete, high-quality living environments – Continue to seek external funding for parks, transportation, and other types of neighborhood infrastructure that favor cities with a demonstrated commitment to building affordable housing. Pilot investments funded by CDBG coordinated across City departments.	Implement pilot funding and create future work program.	Housing, DOT, PW, OEDCA, PRNS	Fall 2023	TBD	Moderate
24 (P-13) **	Replacement of Existing Affordable Units – The City will develop a policy for City Council to consider to expand and make permanent requirements for replacement housing to mitigate the loss of affordable housing units by requiring new housing developments to replace all affordable housing units lost due to new development.	Council approval of policy.	Housing, PBCE	Spring 2024	Moderate	Moderate
25 (S-1) ***	Tenant Resource Centers and violations reporting – Incorporate Code Enforcement and Apartment Rent Ordinance violation reporting procedures as part of expanded tenant resource centers, including allowing tenant associations to report violations. Assist residents with filing complaints.	Winter 2024: Rent Stabilization Program and Code Enforcement establish regular meetings to coordinate and train staff 2024: Identify sources of funding for continued operation of tenant resource centers	Housing, PBCE	Fall 2025	High	High
26 (P-14) *	Housing in Business Corridors – Update Zoning Code to allow housing in three Neighborhood Business Districts appropriate for housing (13 th Street, Japantown, and Willow Glen).	Adoption of Zoning Code Amendments.	PBCE	Spring 2024	High	Moderate
27 (P-43) *	Update City Density Bonus Ordinance – Review and, if necessary, update City Density Bonus Ordinance to be consistent with current State Density Bonus Law.	Council approval of any necessary changes.	PBCE	Spring 2024	Legally Required	Moderate

Number (Housing Element #)	Work Items to Be Initiated	Outcome	Lead Department	Planned Initiation	Impact	Level of Effort
28 (P-30) *	Updated feasibility study for Commercial Linkage Fee – Initiate an updated feasibility analysis, as directed by City Council, to assess fee levels based on market conditions including a geographic analysis.	Complete feasibility study and present findings to City Council.	Housing, OEDCA	TBD	TBD	Moderate
29 (P-7) *	City Ministerial Infill Approval Ordinance – Adopt and implement a City ministerial approval process for infill housing development that meets development standards without a public hearing for projects that include deed-restricted affordable units on site.	Council approval of ordinance.	PBCE	Spring 2024	High	High
30 (R-12) **	Revised Anti-Displacement Strategy – Update the current Anti-Displacement Strategy approved by the City Council in 2020 to integrate preservation activities and remove completed priorities.	Council approval of revised strategy.	Housing	Spring 2024	TBD	Moderate
31 (R-1) **	Monitor At-Risk Affordable Units – Proactively assess and monitor affordable units at-risk of losing ability restrictions.	Coordinate with property owners and explore funding sources to preserve affordability.	Housing	Fall 2024	High	Low

Attachment B: Impact and Level of Effort Definitions


Impact

High Impact: 

- Expected to enable production of 100+ market-rate or affordable housing units annually; OR
- Expected to result in the preservation of 20+ affordable housing units annually; OR
- Expected to result in significant time and/or cost savings for development.
- Expected to increase eviction protection, housing stability, and/or housing safety for 1,000s of households

Moderate Impact: 

- Expected to enable production of 50-100 market-rate or affordable housing units annually; OR
- May result in the preservation of 10-20 affordable housing units annually; OR
- May result in time and/or cost savings for market-rate or affordable housing units
- Expected to increase eviction protection, housing stability, and/or housing safety for 100s of households

Low Impact: 

- Unlikely to result in the creation of new market-rate or affordable units; OR
- Expected to result in the production of 50 or less housing units annually; OR
- Unlikely to result in the preservation of affordable housing units; OR
- Unlikely to result in any notable increase in eviction protection, housing stability and/or housing safety for a significant number of households

Impact TBD: 

- Not enough work has been done on the item to understand its full impact, so no determination can yet be made

Legally Required: 

- City is required to complete work due to state or federal rules/law

Level of Effort:

High Effort: 

- Significant staff time and resources that may require a multi-year effort

Moderate Effort: 

- Moderate staff time and resources required and less than 12 months to complete

Low Effort: 

- Minimal staff time required to complete