



Memorandum

TO: COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Chris Burton
Jacky Morales-Ferrand
Nanci Klein

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

DATE: June 13, 2023

Approved

Date

6/16/21

RECOMMENDATION

- a) Accept the status report on the work to initiate the Housing Catalyst Team Work Plan.
- b) Cross reference this item to the August 22, 2023, City Council meeting.

SUMMARY AND OUTCOME

Staff is proposing the first iteration of the Housing Catalyst Team Work Plan, which is 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 is scheduled for adoption 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.

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 the 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 the progress of 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 the 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 will consider 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.

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 first Housing Catalyst Team Work Plan is included as an 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 a regular part of the update on the Work Plan.

Prioritization and Metrics

The items listed in this work plan are not currently ranked by prioritization and do not include the metrics and milestones identified in the Housing Element. In July 2023, following City Council's consideration of the Housing Element, staff will begin work on prioritizing the action items included in the work plan. An updated version of the work plan will be issued for consideration by City Council at its August 22, 2023, meeting.

Cost of Residential Development Study Session

A continued work item included in the Housing Catalyst Work Plan is regularly updating of the City's previous [Cost of Residential Development Reports](#). In March 2023, conducting a Cost Residential Development Study Session—for affordable and market-rate housing—was discussed as part of City Council's action on a new affordable housing project, 797 Almaden Avenue. While at that meeting staff indicated a study session could be held in August 2023, upon further contemplation and in conjunction with the finalized City Council study session dates for Fiscal Year 2023-2024, staff is designing a two-part study session. Part one, targeted for September 2023, would be a comprehensive examination of housing policies and strategies to facilitate housing production, preservation, and protection. The second study session, anticipated in October 2023, would cover the more in-depth financial feasibility analysis of an updated Cost of Residential Development Report.

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. 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.

COORDINATION

This memorandum has been coordinated with the Department of Parks, Recreation, and Neighborhood Services, the City Attorney's Office, and the City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City’s Council Agenda website for the August 22, 2023 City Council meeting

COMMISSION RECOMMENDATION AND INPUT

This item will be considered at the August 10, 2023, meeting of the Housing and Community Development Commission. Due to the need for the Commission to consider the Housing Element as well as other items at its June 8, 2023 meeting, it was not possible for the Commission also to hear the Housing Catalyst Work Plan item at its June meeting. A subsequent update on the Commission discussion and any recommendations will be provided to City Council.

CEQA

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

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy.

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

ATTACHMENT: Housing Catalyst Team Work Plan