

## APPENDIX E

### Constraints on Housing

Major development projects from 2018-2022, Time from Planning Approval to Building Permit Application submittal									
File Number	Filing Date	Project Name	APN	Address	No. of Units	Planning Approval Date	Building Permit application intake date	Time in Days	Time in Years
CP18-044	12/19/18	Affirmed housing	484-41-165	2348 Alum Rock Avenue	87	1/14/20	2/14/2020	31	0.08
H19-023		Eden @GALLUP		5647 Gallup	46	5/15/2020	7/28/2020	74	0.20
HA14-023-02	12/6/17	Post & San Pedro Tower	259-40-088	171 Post Street	26	6/9/18	10/1/2018	114	0.31
H19-051	11/18/19	Eden Housing	264-26-088	425 Auzerais Avenue	130	9/18/20	2/3/2021	138	0.38
PDA14-035-04	4/9/17	Communication Hill Phase II	455-28-016	--	162	7/26/17	12/22/2017	149	0.41
PD19-019	6/4/19	Winchester Ranch	303-38-001	555 S. Winchester Boulevard	688	1/14/20	6/22/2020	160	0.44
H15-046	9/25/15	363 Delmas Avenue	264-26-006	341 Delmas Avenue	120	6/21/16	12/2/2016	164	0.45
CP18-022	6/26/18	Blossom Hill Affordable Apartments	690-25-021	397 Blossom Hill Road	147	12/11/19	5/27/2020	168	0.46
H17-019	4/25/17	Spartan Keyes Senior Housing	472-25-092	295 E. Virginia Street	301	1/9/19	10/24/2019	288	0.79
H20-002	1/15/20	4th and Younger Apartments	235-09-020	1020 N. 4th Street	94	1/28/20	12/7/2020	314	0.86
H18-057	5/3/18	Balbach Affordable Housing	264-31-109	South East corner of Balbach and South Almaden Blvd	87	1/30/19	1/3/2020	338	0.93
H19-028	6/20/19	750 W San Carlos	264-15-003	750 W. San Carlos	80	6/20/19	5/29/2020	344	0.94
SP17-037	9/1/17	Page Street Housing	277-20-044	329 Page Street	82	12/5/18	12/18/2019	378	1.04
H20-005 (previously H19-019)	5/6/19	Kelsey Ayer	259-20-015	447 North 1st Street	115	2/28/20	5/3/2021	430	1.18
PD16-026	8/11/16	7th & Empire	249-38-042	535 N. 7th Street	92	4/11/17	7/27/2018	472	1.29
PD15-013	4/3/15	Arcadia/Evergreen Part 1	670-29-002	2140 Quimby Road	250	11/30/15	4/12/2017	499	1.37
SP17-027	6/26/17	Roosevelt Park Apartments	467-12-001	21 N. 21st Street	80	2/6/19	9/28/2020	600	1.64
PD15-014	4/16/15	1807 Almaden Rd	455-21-050	1807 Almaden Road	96	10/7/15	7/3/2017	635	1.74
PD18-043	10/17/18	Race Street Housing	261-42-058	253 Race Street	206	8/19/20	8/18/2020	applied before planning approval	--
PD15-055	11/4/15	Shea Homes/ Japantown Corp. Yard	249-39-039	Bounded by N. Sixth Street, E. Taylor Street, N. Seventh Street, and Jackson Street	520	5/25/16	5/18/2018	723	1.98
PD16-005	2/4/16	Istar/Great Oaks	706-08-008	West side of Great Oaks Blvd approx 1,000 feet northwesterly of Highway 85	301	5/18/2016	3/8/2019	1024	2.81
H12-020	1/16/13	San Pedro Square	259-32-044	195 W. Julian Street	406	2/24/14	10/11/2017	1325	3.63
PD15-066	12/21/15	Santana Row Lot 12	277-40-017	358 Hatton Street	90	8/16/16	5/23/2016	applied before planning approval	-
H18-026	6/7/18	S. Market Mixed Use	264-30-034	477 S. Market Street	130	5/1/19	1/26/2018	applied before planning approval	-
H19-054	12/18/19	Moorpark Supportive Housing	282-44-027	1710 Moorpark Avenue	108	9/11/20	7/29/2020	applied before planning approval	-

## **Analysis of Approved Planning Entitlements Moving to Construction Stage**

City Council Agenda, Sept. 24, 2019, Item 4.2, *Housing Crisis Workplan Update*;

<https://sanjose.legistar.com/View.ashx?M=F&ID=7709215&GUID=A16E72E7-4B8A-4F9A-9B57-A7D36262211E>



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kim Walesh  
Rosalynn Hughey  
Jacky Morales-Ferrand

**SUBJECT: HOUSING CRISIS  
WORKPLAN UPDATE**

**DATE:** September 9, 2019

Approved

Date

9/13/19

## RECOMMENDATION

Accept the staff report including an update to the City Council-approved Housing Crisis Workplan and an addendum to the Affordable Housing Investment Plan to add a place-based strategy for the upcoming Notice of Funding Availability for financing affordable housing development.

## OUTCOME

Adopting this recommendation will result in providing an update to the City Council on the actions taken over the prior six months related to the Housing Crisis Workplan and will establish a place-based strategy for the upcoming Notice of Funding Availability. This action will allow staff to release additional funding for the future development of affordable housing.

## EXECUTIVE SUMMARY

The purpose of the Housing Crisis Workplan is to facilitate the development of 25,000 housing units, including 10,000 affordable housing units, by 2023. This report summarizes what has been accomplished over the past six-month period to support housing development. Additionally, the report provides the market context and housing production data that measure progress towards achieving the City Council's 25,000 housing unit goal. Highlights of specific workplan items include updates on the establishment of the Housing Catalyst team, North San José Area Development Policy, Anti-displacement strategies, Affordable Housing Siting Policy (formerly referred to as Dispersion Policy), and progress towards establishing a Commercial Linkage Fee. Finally, the report recommends an addendum to the Housing Investment Plan introducing a place-based strategy for funding affordable housing in the next Notice of Funding Availability to growth areas throughout the City including North San José, Diridon Station Area, Downtown, West San Carlos Urban Village, Berryessa Bay Area Rapid Transit (BART) Urban Village and the Blossom Hill/Snell Avenue Urban Village.

## **BACKGROUND**

On September 28, 2017, the Mayor issued a memorandum entitled "Responding to the Housing Crisis." This memo identified a large number of items to address the housing crisis and directed staff to identify which items could be implemented within existing work programs, which items required additional resources and prioritization at the October 17, 2017, Priority Setting Session, and which items would consume undue staff time, public cost or risk that would outweigh their likely benefit.

On October 12, 2017, Staff wrote a supplemental memorandum to City Council which identified 1) which items were "green light" items that staff would add to their department workplans, 2) which items were "yellow light" items that should be prioritized, and 3) which items would consume undue staff time, public cost or risk that would outweigh their likely benefit.

On October 17, 2017, City Council voted on those items that were considered "yellow" light as part of the Council Priority Setting Session. Of the seven "yellow" light items, two moved forward to prioritization and five did not receive sufficient votes to move forward (these items are detailed for reference in the attached copy of the original memorandum to Council on the Housing Crises Workplan). The update to the Accessory Dwelling Unit and Garage Conversion ordinance was ranked as Council Priority #9.

On April 23, 2018, staff presented the Affordable Housing Investment Plan to the Community and Economic Development (CED) Committee. The Affordable Housing Investment Plan memorandum included potential strategies to help support the development of affordable housing.

On June 12, 2018, staff brought forward the proposed Housing Crisis Workplan, which incorporated strategies from the Affordable Housing Investment Plan. At that time, the City Council approved the Housing Crisis Workplan and directed staff to return with an update to the full City Council through the CED Committee in February 2019.

On March 2019, the City Council accepted the staff report providing an update on the Housing Crisis Workplan. The City Council requested that staff report to the CED Committee with an update on the City's Affordable Housing Siting Policy (formerly: Dispersion Policy) by the end of 2019 and directed the City Manager to bring forward a progress report to City Council on the Workforce Standard Agreement, which was directed by City Council on April 3, 2018.

On April 9, 2019, the City Council accepted an update to the Affordable Housing Investment Plan. The update included setting new priorities for funding acquisition and/or rehabilitation of existing market-rate housing and increasing the minimum of 30% of funds invested in extremely low-income housing to 45% of funds over the life of the Affordable Housing Investment Plan.

## **ANALYSIS**

The work contained in the Housing Crisis Workplan (the Workplan) balances the development of policies and programs that encourage housing development, with the need to support implementation and delivery of housing units. The Workplan contains a variety of projects—some are newly initiated, while others align with other work already underway. For the purposes of tracking progress, staff is presenting the City Council with an update on the policy and programmatic changes included in the Workplan that are either completed, in-progress, or waiting to be initiated. In addition, this report provides an update on affordable and market-rate housing production since this work began, to provide context and assess any potential impacts of the changes undertaken. For the purposes of this reporting, housing production is being measured from January 1, 2018 to align with reporting to the California Department of Housing and Community Development (HCD) on the City's Regional Housing Needs Allocation (RHNA). A copy of the original memorandum prepared for the City Council, and additional details on each item included in the Workplan, are attached for reference.

### ***Housing Market Context***

Through the latter stages of the current economic cycle, the San José housing market has continued to mature and slow due to increases in the costs associated with new construction, and the flattening of rents relative to these increased costs. Within this context, development remains challenging in many parts of San José, but some projects already in the pipeline are proceeding in the near-term.

During the April 26, 2018 City Council Cost of Development Study Session, staff presented an average permit cost for multifamily residential development, and a series of residential development models based on a Conceptual Pro Forma Analysis prepared for the Study Session by Keyser Marston Associates.

Staff is currently working with Keyser Marston to provide an updated cost of development study for rental housing, for-sale housing, and affordable rental housing development. This updated report is anticipated to be presented to City Council on November 5, 2019 (item #16 from the original Workplan).

Consistent with the City Council's direction on June 25, 2019, staff engaged Strategic Economics to complete an analysis on high-rise residential development in the Downtown to explore current development feasibility and the impacts associated with the continuation of the Downtown High-Rise Incentive (item #16 from the original Workplan). The Downtown High-Rise Incentive and the Strategic Economics report will be presented to the City Council as a separate item concurrent with this report.

***Housing Production***

The Housing Crisis Workplan is intended to focus staff’s efforts on delivering housing units by creating focused staff resources, providing clarity and consistency within the regulatory framework, and creating an economic environment that supports the development of new residential development. These efforts are intended to move projects to construction in the near term, increase the number of housing entitlements approved by the City, and position developers and their projects to be able respond quickly to market conditions. As part of the recurring update on the Workplan, staff is monitoring five key performance indicators that are measurable by the City:

- residential development capacity (measured in housing units) made readily available through the creation of new, or modification of existing, policies and regulations;
- the number of residential units that receive approval through the development review process (planning approvals);
- the number of units that receive approval through the issuance of building permits;
- the number of affordable units contained in approved Affordable Housing Compliance Plans; and
- the number of units reaching completion through the receipt of a Certificate of Occupancy.

The table below includes development capacity arising from work included in the Housing Crisis Workplan, and housing production data between January 1, 2018 and June 30, 2019.

**Total Housing Production Since January 2018**

	Capacity Made Readily Available Through Policy Work	Units Receiving Planning Approvals (entitlements)		Units Receiving Building Permits		Units Receiving Occupancy Permits	
Jan 2018 - Dec 2018	14,255	Market Rate	361 <sup>1</sup>	Market Rate	2,827	Market Rate	797
		Affordable	81	Affordable	146	Affordable	30
Jan 2019 – June 2019	2,800 <sup>2</sup>	Market Rate	1,365	Market Rate	1,167	Market Rate	524
		Affordable	560	Affordable	134	Affordable	81
<b>Total</b>	<b>17,055</b>		<b>2,367</b>		<b>4,274</b>		<b>1,432</b>

<sup>1</sup> One additional market-rate project entitlement (249 units) was identified that was not reflected in in the Housing Production (Jan. 2018 – Dec. 2018) table in the 3/19/2019 Housing Crisis Workplan Supplemental Memo.

<sup>2</sup> Capacity made available by updates to the San José Airport’s “one-engine inoperative” protection procedures.

Between the years of 2010 and 2018, an average of 2,820 units received building permits per year. During the first six-months of 2019, approximately 1,300 units were issued building permits, which is off pace from that average. More than 1,900 new units, however, were issued planning permits over the same time period (January 2019 – June 2019), and entitlements for new residential units are expected to continue, as more than 7,000 units are pending Planning approval. Since 2010, an average of approximately 3,000 units per year have been issued planning permits, putting the first six months of 2019 ahead of the annual average.

Additionally, updates to the Zoning Ordinance to streamline requirements for Accessory Dwelling Units (ADUs) continue to facilitate their development. Of the building permits issued for new units over the first six months of 2019, almost 15% (191) were for ADUs, which is more than the total of all ADU building permits issued in 2018. The Housing Crisis Workplan established an annual goal of 200 building permits issued for ADUs, for a total of 1,000 new ADUs over the five-year period (2018 – 2022). Since January 2018, 381 building permits have been issued for ADUs, which currently exceeds the goal established in the workplan.

During the first six months of 2019 more than 500 affordable housing units received entitlements, 134 affordable units pulled building permits, and 80 completed construction. The significant number of new affordable entitlements reflects the pipeline of affordable housing developments moving forward in the development process.

Overall, in the first eighteen months of the five-year goal, 30% of the City's 25,000-unit goal is already entitled, under construction, or completed. Over a quarter of the affordable housing goal is also entitled, under construction or completed. In order to meet the aggressive five-year target, continued strategic focus must be placed on efforts to streamline the development of housing.

### ***Factors Influencing a Development's Likelihood of Moving Forward***

In addition to tracking housing units proposed for entitlement, units with approved Building Permits, and units that have been constructed, staff analyzed entitlement data to examine which projects moved forward to construction and which did not. Planning entitlements are valid for either two or four years- thus a five-year period between April 2014 and April 2019 was analyzed to review all approved planning entitlements that had the opportunity to move forward for construction within the current market conditions. This information is provided in Attachment D.

The projects that were approved proposed a wide range of number of units; the scale of the projects proposed ranged from many small projects to a handful of projects with over 400 units.



<b>Size of Project</b>	<b>Number of Projects Approved</b>	<b>Percentage of Projects</b>
10 or less units	58	45%
11 to 30 units	13	10%
31 to 100 units	13	10%
101 to 200 units	21	16%
201 to 400 units	18	14%
Over 400 units	6	5%

Of the projects approved, 62% of the projects were either constructed or are in pre-construction permit review, accounting for approximately 60% of all of the approved units.

Construction type presented a potential indicator of likelihood of construction: 70% of mid-rise projects (which would require Type II and/or Type III construction) were constructed, about 50% of low-rise projects (which typically require Type IV and Type V construction) were constructed, and only 25% of high-rise projects (requiring Type I construction) were built.

<b>Building Type</b>	<b>Construction Type</b>	<b>Percentage of Projects That Began Construction</b>
Low-Rise	Type IV/V	50%
Mid-Rise	Type II/III	70%
High-Rise	Type I	25%

Low-rise projects which require Type IV or V construction, the least costly construction types, may be more likely to undertake entitlements on speculation and thus may be less likely to have definitive intent to continue the project to construction. Mid-rise projects which require Type II or Type III construction (which are typically larger projects and more costly to build) are commonly proposed for entitlement with more upfront resources, which also requires a greater intent to build. Type I construction projects, typically high-rises, are the most costly to build. While a high-rise project requires more upfront resources to entitle, the entitlement cost is a minor percentage of the construction cost of the project. Thus these projects may be proposed and receive approved entitlements, but lack guaranteed funding for construction resulting in a lower percentage of high-rise projects proceeding to construction.

For projects that continued to building permits, staff also looked at the length of time between when a project received Planning entitlement approval and when Building permits were issued. While it was not uncommon for projects to submit Building Permit prior to Planning approval, the median number of months from Planning to Building was 7.2 months. Additional information is included in Appendix D and a summary table is provided below.

This amount of time is consistent with observed practice; the cost of initiating construction drawings typically deters applicants from starting this work prior to Planning approval and the median times found are consistent with the length of time needed to prepare these drawings for Building permit submittal. The amount of time for high-rise projects is shorter than typical; this reflects that a smaller percentage of approved high-rise projects have moved forward to construction and those that do likely have secured funding early and have initiated construction drawings prior to Planning approval.

<b>Project Size</b>	<b>Median Time Between Planning Approval and Building Submittal</b>
All projects	7.2 months
High Rise Projects	4 months
Mid-Rise Projects	7.9 months
Low-Rise Projects	5 months

Moving forward, staff will continue to maintain the residential development data set as a means of tracking the development pipeline and utilizing the data to better understand the opportunity to promote more housing development. In addition, staff will be using this list in its proactive outreach efforts to understand the barriers to developing entitled properties and promote opportunities that exist throughout the City.

***Housing Catalyst Team Update***

The City’s role in regulating and facilitating residential development requires collaboration between all the departments involved in the Community and Economic Development City Service Area (CED CSA), and especially those that make up Development Services. Staff from OED’s (Office of Economic Development) Business and Economic Development Team, PBCE’s (Planning, Building & Code Enforcement) Citywide Planning Division, Parks, Recreation and Neighborhood Services’ development team, and the Housing Department’s Policy and Planning Team have formed the Housing Catalyst Team with each department assigning a Deputy Director as the functional leads (Rachel VanderVeen from Housing, Michael Brilliot from Planning, and Chris Burton from OED). The Catalyst Team comprises 10 FTEs drawn from a combination of existing staff resources and new positions included in the FY 2019-2020 budget. In addition to developing the policy framework outlined in the Workplan, the Housing Catalyst Team is working to facilitate and promote both market rate and affordable housing opportunities throughout San José. The team meets on a bi-weekly basis to coordinate on housing policy issues and Housing Crisis Workplan items.

Last year, the City received a \$540,000 grant from Destination: Home Silicon Valley, a local public/private partnership focusing on solving homelessness, to fund a Homeless/Affordable Housing Planner position in PBCE for three years. The Destination: Home planner focuses on expediting affordable housing applications that have at least a 30% set-aside for permanent

supportive apartments for homeless residents or extremely low-income residents. Since February 2019, when the Destination: Home planner position was filled, the LifeMoves Shelter expansion from 80 beds to 85 beds was approved and over 1,000 affordable housing units are being processed for entitlement.

In addition, the City Council approved a Senior Executive Analyst position in OED through the budget process to act as a liaison in the City for market-rate housing development, focused on building relationships with the development and investment communities, and providing due diligence and process facilitation support throughout the development process, similar to OED's current services targeted towards the business community. This position was filled in early September and work is underway to develop a targeted outreach strategy and workplan.

PBCE recruited for the Housing Crisis Planner IV and Planner I positions in the fall of 2018 and winter of 2019 but was unsuccessful in filling these positions with these recruitments. PBCE is currently re-recruiting for the Planner IV with the anticipation of filling this position in the fall, and the Planner I position has been recently filled.

### ***Key Highlights from Workplan Items***

**Attachment A** outlines the status of the work items included in the Council-approved Housing Crisis Workplan. The items are broken into three categories: Work Items Completed, Work Items Initiated or Underway, and Work Items to be Initiated.

Additional details on each of the items included in the Workplan can be found in the attached copy of the original memorandum prepared for the City Council. Key highlights are summarized in the section below.

- **North San José** – At the City Council's priority setting session on March 5, 2019, the North San Jose Area Development Policy (NSJADP) work item was moved up from priority number 11 on the Council's Priority List to number 8. Staff intends to propose that Council amend the NSJADP by consolidating the current four development phases into two, allowing a limited amount of residential development to move forward upon the adoption of a Policy Amendment by the City Council. The proposed amendment would make no major changes to the NSJADP itself. Staff will propose Policy amendments to ensure that 8,000 units of housing capacity that would be made available through the proposed amendments. Staff anticipates presenting to City Council a proposal for minor amendments to the North San Jose Development Policy in fall 2019.
- **Anti-Displacement Strategies** – The Housing Department procured a consultant to plan, promote, and facilitate a series of community forums on displacement. The consultants (SOMOS Mayfair and AV Consulting) have worked in partnership with city staff and neighborhood groups to organize three meetings at Seven Trees Community Center, Alma Community Center, and the School of Arts and Culture. A fourth meeting is scheduled on September 19, 2019, at the Camden Community Center. The Housing

Department also launched a web survey for current and former renters. The survey will remain open through September 20, 2019. In early September, the Housing Department and SOMOS Mayfair completed a funding application to the Partnership for the Bay's Future Challenge Grant program. If awarded, the grant would fund a two-year position that will explore a preservation ordinance, community housing ownership models, and additional affordable housing tenant preference policies. Finally, the Housing Department is partnering with the, Department of Planning, Building and Code Enforcement, the Office of Economic Development, and community partners and stakeholders to prepare for the upcoming City Council Study Session on residential and small business displacement on September 27, 2019. A draft Citywide Residential Anti-displacement Strategy will be posted for public comment in November and will be presented at commissions in November 2019. Staff will conduct broader stakeholder outreach on draft strategies and concepts before bringing a Citywide Residential Anti-displacement Strategy to the City Council.

- **Affordable Housing Siting Policy (Dispersion Policy)** – The Housing Department is procuring a consultant to conduct best practices research, to help analyze key factors and constraints that influence where affordable housing is built, and to provide guidance on how to craft a policy for San José. As directed by the CED Committee on August 26, 2019, this analysis will leverage findings gathered through the Assessment of Fair Housing (AFH) planning process that is now underway. An updated on the Siting Policy will be provided to the CED Committee in November 2019.
- **Commercial Linkage Fee** – A request for proposals was conducted to select a consultant to conduct a nexus study and a feasibility study to serve as the basis to establish a Commercial Linkage Fee. Keyser Marston was selected as the consultant and commenced work on this study in September. The study is anticipated to be completed in spring 2020 with Council consideration of policy recommendations by June of 2020. An update on this project will be provided to the CED Committee in November 2019.
- **Public, private, nonprofit investments and Leveraging private dollars** – Staff has been working on several fronts to leverage and assemble other sources of funds to help build housing in San José. In early fall 2019, the City Council will consider a City-funded forgivable ADU predevelopment loan product that may leverage private resources invested in the Housing Trust of Silicon Valley. The City recently applied for and was awarded two competitive State Affordable Housing and Sustainable Communities awards totaling \$31.5 million. Of this total grant award, \$21 million will leverage other public and private funds to build affordable apartments and the remaining funds will provide community-serving amenities for the City. Staff is also working on moderate-income housing strategies involving private capital and municipal bonds per its update to City Council on June 25, 2019. Staff expects to return to the City Council in December 2019 with a consultant's report on other potential moderate-income housing strategies.

***New Items Not Previously Included in the Workplan***

The Housing Crisis Workplan is intended to respond to the difficult development conditions by looking for opportunities to accelerate “shovel-ready” development projects to move forward during the current cycle and ensure that development projects are poised to respond to any changes in economic conditions. Since the Council approval of the Housing Crises Workplan, more work items have been added by the Council, including additional housing policy items that will be considered as part of the Four Year Review of the General Plan process.

**Housing Investment Plan Addendum** – On April 9, 2019, the City Council accepted an update to the Affordable Housing Investment Plan including setting new priorities of funding acquisition and/or rehabilitation of existing market rate housing and increasing the minimum of 30% of funds invested in extremely low-income housing to 45% of funds over the life of the Housing Investment Plan.

In preparation for the issuance of a new Notice of Funding Availability (NOFA) of funds for the development of affordable housing in fall 2019, staff is recommending an addendum to the Housing Investment Plan to introduce a place-based strategy for awarding funding to new developments. As work on the Affordable Housing Siting Policy continues, staff recommends moving forward with a place-based strategy in areas of the City already identified as priority locations for affordable housing. The proposed areas for inclusion in the upcoming NOFA growth areas throughout the City including North San José, Diridon Station Area, Downtown, West San Carlos Urban Village, Berryessa Bay Area Rapid Transit (BART) Urban Village, and the Blossom Hill/Snell Avenue Urban Village.

Based on the anticipated funds available for the upcoming NOFA, approximately \$40 million, the place-based strategy will allow developers to continue acquiring sites for new affordable housing in areas where there is a strong need for affordable housing. This will also provide time for the staff to complete the affordable housing siting policy that will be used to guide developers on future sites for affordable housing. A pipeline of developments is critical to creating new affordable housing in the coming years. The place-based addendum to the Housing Investment Plan will allow the pipeline of affordable housing developments to continue to grow and commit new funds available to shovel-ready developments.

**General Plan Four-Year Review** – The City Council approved the scope of work for the General Plan Four-Year Review in June 2019, which included several items that could result in increased capacity for new housing. This includes exploring residential uses in neighborhood business districts, shifting growth capacity to the Downtown, and the allowance of single-family parcels to redevelop to 2-4 units in transit-oriented Urban Villages or adjacent to existing medium-density buildings. The General Plan Four-Year Review Task Force process is anticipated to be completed in spring 2020 with Council consideration of policy recommendations in fall 2020.

**SB 35 (2017) Streamlining for Affordable Housing** – Last year, the state legislature passed SB 35, which provides for a streamlined approval process for housing projects in those cities that not meeting their RHNA housing production goals in either the market rate or affordable categories. For San José, this provides a streamlining opportunity for housing developments that include 50 percent of the units as restricted affordable and are proposed for certain types of sites. Staff has approved one request for SB 35 streamlining and has developed a response format that reviews the requirements. A second request is now being evaluated by staff. An additional work item for the Planning Housing team is to develop a process for processing housing projects requesting SB 35 streamlining. This work item will be initiated following the filling of the Planning IV Housing position.

**SB 2162 (2018) Streamlining for Supportive Affordable Housing** – Similar to SB 35, the State Legislature passed SB 2162, which provides for a streamlined entitlement process for affordable housing developments that include a minimum percentage of supportive housing units. With the filling of the Planner IV Housing position, staff will also develop this streamlining process. Staff is not aware of any applications that have tried to use SB 2162 streamlining to date.

### ***Workplan Items Dropped***

**West San José Urban Village EIR** – The primary purpose of the West San José EIR was to provide a project level environmental clearance for traffic level of service (LOS) impacts for projects proposed in the Santana Row/Valley Fair, Stevens Creek, Winchester, South Bascom and West San Carlos Urban Villages. With the passage of SB 743 and the City's adoption of Transportation Council Policy 5-1, the City no longer uses LOS as a CEQA threshold for transportation impacts, and now uses Vehicle Miles traveled. During the process of developing Council Policy 5-1, preliminary VMT analyses of potential developments consistent with the five West San José Urban Village plans were not projected to have unmitigable VMT impacts, thereby precluding the need to prepare an EIR or special development policy for the West San José Urban Villages. Staff therefore, is not proposing to prepare an EIR for West San José and is dropping this item from the Housing Crisis workplan.

### **EVALUATION AND FOLLOW-UP**

Policy items from the Workplan that require City Council approval will be brought forward for consideration per the proposed Workplan timelines. Staff will also provide semi-annual progress reports on the progress of ongoing policy work to the Community and Economic Development Committee, and will provide updates on the development of housing units through the Ad Hoc Committee for Housing Construction and Development Services.

## **PUBLIC OUTREACH**

This report will be made available online prior to the September 24, 2019, City Council meeting.

## **COORDINATION**

This report has been prepared by the Planning Building and Code Enforcement Department, Housing Department and the Office of Economic Development. The report was coordinated with the Parks Recreation and Neighborhood Services Department, City Attorney's Office, and the City Manager's Budget Office.

## **COMMISSION RECOMMENDATION/INPUT**

Due to the timing of submission of this memorandum, this report was sent to the Housing and Community Development Commission after the deadline for the Commission's packet to be posted for its meeting on September 12, 2019, and therefore was presented as a verbal report at that meeting. There was no action taken related to this item, but Commissioners were encouraged to reflect comments to staff or at the City Council meeting if they were interested.

## **FISCAL/POLICY ALIGNMENT**

Policy actions in the Housing Crisis Workplan are consistent with Goals H-1 and H-2 of the Envision San José 2040 General Plan to provide housing throughout the City that addresses the needs of all San José residents, and to increase, preserve, and improve San José's affordable housing stock; and the City's *Consolidated Plan 2015-2020*, adopted by City Council on May 5, 2015, to provide homes for very low- and extremely low-income households.

HONORABLE MAYOR AND CITY COUNCIL

September 9, 2019

**Subject: Housing Crisis Workplan Update**

Page 13

**CEQA**

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

/s/

KIM WALES

Deputy City Manager

Director of Economic Development

/s/

ROSALYNN HUGHEY

Director of Planning, Building

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/s/

JACKY MORALES-FERRAND

Director of Housing Department

For questions please contact Chris Burton, Deputy Director at (408) 535-8114; Michael Brilliot, Deputy Director at (408) 535-7831; or Rachel VanderVeen, Deputy Director at (408) 535-8231.

**Attachments:**

**Attachment A** – Housing Crisis Workplan Summary Chart

**Attachment B** – Affordable Housing Investment Plan Addendum

**Attachment C** - Housing Crisis Workplan Council Memo dated June 1, 2018

**Attachment D** – Residential Projects (10+ Units) with Valid Planning Entitlements Between April 2014 and April 2019



**Attachment A  
Housing Crisis Workplan Summary Chart**

<b>Item</b>	<b>Lead Department</b>	<b>Month Completed</b>	<b>Status Update</b>
<b><i>I. Work Items Completed</i></b>			
Transition Traffic Analysis from LOS to VMT	DOT/PBCE	Feb. 2018	Completed
Continue to implement Urban Villages: a. Implementation Framework: b. Move Horizon II Light Rail Villages into Horizon I	PBCE/OED PBCE	May 2018 Dec. 2018	Completed
Update the Accessory Dwelling Unit and Garage Conversion ordinance	PBCE	June 2018	Completed
Complete the Downtown Vision and EIR	PBCE	Dec. 2018	Completed
Move-up Tri-Village Urban Villages to Horizon I	PBCE	Dec. 2018	Completed
Engage CASA on regional housing production – CASA Compact Report <a href="https://mtc.ca.gov/sites/default/files/CASA_Compact.pdf">https://mtc.ca.gov/sites/default/files/CASA_Compact.pdf</a>	Housing	January 2019	Completed
Co-living Ordinance	PBCE	Feb. 2019	Completed

<b><i>II. Work Items Initiated and Underway</i></b>			
<b>Item</b>	<b>Lead Department</b>	<b>Planned Completion</b>	<b>Status Update</b>
Create a cross-departmental Housing Catalyst Team  Hire a Planner III to manage entitlements for affordable housing that includes permanent supportive or extremely low-income apartments	OED/PBCE/ Housing	Fall 2019	Set up bi-weekly coordination team meeting Complete
Make additional residential units available in North San José	DOT/OED/ Planning/Housing	Fall 2019	Anticipate returning to City Council in fall 2019

Develop Anti-Displacement and Dispersion Strategies	Housing	Fall 2019	A City Council study session on Displacement in San José will be held on September 27, 2019, exploring background and options for anti-displacement. Staff is engaging a consultant to develop an improved affordable housing siting (dispersion) policy in conjunction with the City's Assessment of Fair Housing Work, and, per direction from CED Committee in August 2019, expects to return to CEDC and the City Council in early 2020.
Advocate for State legislation that supports housing development	CMO/Housing	Ongoing	Ongoing
Explore the City's impact on the cost of residential development, including: <ul style="list-style-type: none"> <li>• the deferral of fees to Certificate of Occupancy</li> <li>• the appropriate level of fees and the use of incentives</li> <li>• the impact of permit and entitlement timelines</li> <li>• the predictability and transparency of City development and impact fees</li> </ul>	OED	Ongoing	Anticipated returning to City Council on November 5, 2019
Update Downtown Zoning requirements to establish minimum height and density and eliminate parking requirements	PBCE	Spring 2019	Through the American Cities Climate Challenge (ACCC), City staff is comprehensively evaluating parking requirements to enable no- and low-parking, particularly in Downtown and other areas around transit.
Encourage private, public, and nonprofit investments	Housing	Ongoing	Ongoing – see description above.

Explore options for a Commercial Impact Fee	CMO/OED/ Housing	Spring 2020	Conducted an RFP, reporting to CED in November 2019
Refine General Plan Policy H-2.9 (the "1.5-acre rule")	PBCE/Housing	Partially Completed Fall 2018	Fully complete in fall 2019.
Explore changes to Commercial Space Requirements for Affordable Developments	OED/PBCE/ Housing	Start Fall 2019 (GP 2040 Four-year Review)	GP Four-Year Review Task Force process anticipated to be completed in spring 2020, with Council consideration of policy recommendations in fall 2020.
Affordable Housing Land Acquisition Sites Database	Public Works /PBCE/Housing/ OED	In progress	City staff to meet with data consultant and begin stakeholder outreach in September, 2019.
Leverage private dollars for affordable housing	Housing	In progress	Ongoing - see description above.
Explore the creation of a Land Trust	Housing	In progress	In early September, staff submitted a Challenge Grant application to the San Francisco Foundation. If awarded, the City would get a policy fellow for one year to work on housing Preservation and tenant Protection strategies, with one of the proposed projects to explore feasibility for a community land trust and other resident-focused affordable housing strategies.
Explore interim housing solutions on Caltrans Sites	Housing	In progress	City staff is actively negotiating lease terms to use Caltrans site for Bridge Housing Communities. Anticipated agreement by the end of September 2019.

Align Zoning with the General Plan	PBCE	In progress	City staff is currently developing new mixed-use zoning districts to facilitate mixed-use residential development.
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<b>III. Work Items To Be Initiated</b>			
<b>Item</b>	<b>Lead Department</b>	<b>Planned Initiation</b>	
Complete the PDO/PIO Fee Study	PRNS/CMO	Winter 2020	
Amend the Zoning Ordinance to allow for 100% Affordable	PBCE	Summer 2019	Updates to Zoning Code completed in June 2019 to allow 100% affordable mixed-use projects in the Commercial Pedestrian Zoning District in Urban Villages with a Special Use Permit, rather than a Conditional Use Permit. Additional work is to be initiated.
Explore allowing mixed-income development ahead of Urban Village Plans through the GP 2040 Four-year Review	PBCE	Start Fall 2019 (GP 2040 Four-year Review)	GP Four-Year Review Task Force process anticipated to be completed in spring 2020, with Council consideration of policy recommendations in fall 2020.
Explore Public/Private Parking opportunities	OED	To Be Initiated	
Modify Martha Gardens Specific Plan	PBCE	Spring 2020	This item is associated with original workplan item #29 (Expand the Downtown Boundary).

Explore opportunities for high-density residential development in areas surrounding San Jose State	PBCE	Fall 2020	This item is associated with original workplan item #29 (Expand the Downtown Boundary).
Explore CFDs for payment of fees	OED	To Be Initiated	
Reimagine Underutilized Business Corridors to allow the integration of housing	PBCE	Fall 2019 (GP 2040 Four-year Review)	GP Four-Year Review Task Force process anticipated to be completed in spring 2020, with Council consideration of policy recommendations in fall 2020.
Pursue changes to the GP to allow infill on problem properties	PBCE	Winter 2020	
Allow infill housing on isolated employment lands	PBCE	Winter 2020	
Identify non-viable commercial or office sites for housing	OED	Fall 2019	
Housing conversions without City Consent	PBCE	Winter 2020	
Explore the creation of a Land Acquisition Loan Fund	Housing	To be Initiated	

## **Attachment B**

### **Affordable Housing Investment Plan Addendum**

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

#### Funding for Acquisition and/or Rehabilitation of Existing Apartments

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

#### Minimum Investment for Extremely Low-income (ELI) Housing

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

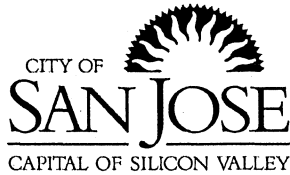
#### Placed-Based Strategy

While work proceeds on the Affordable Housing Siting Policy, upcoming funding for affordable housing will be directed to growth areas throughout the City including North San José, Diridon Station Area, Downtown, West San Carlos Urban Village, Berryessa Bay Area Rapid Transit (BART) Urban Village and the Blossom Hill/Snell Avenue Urban Village.

COUNCIL AGENDA: 6/12/18

FILE: 18-819

ITEM: 4.4



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kim Welsh  
Rosalynn Hughey  
Jacky Morales-Ferrand

**SUBJECT:** THE HOUSING CRISIS  
WORKPLAN

**DATE:** June 1, 2018

Approved D. D. Sy Date 6/1/18

## RECOMMENDATION

Accept the staff report and approve the Housing Crisis Workplan.

## OUTCOME

Implementation of the proposed workplan will enable staff to prioritize implementation and policy actions that facilitate the development of 15,000 market-rate and 10,000 affordable residential units by 2022.

## BACKGROUND

On September 28, 2017 the Mayor issued a memorandum entitled "Responding to the Housing Crisis." This memo identified a large number of items to address the housing crisis and directed staff to identify which items could be implemented within an existing work program, which items required additional resources and prioritization at the October 17, 2017 Priority Setting Session, and which items would consume undue staff time, public cost or risk that would outweigh the likely benefit.

On October 12, 2017, Staff wrote a supplemental memo to City Council which identified 1) which items were "green light" items that staff would add to their department workplans; 2) which items were "yellow light" items that should be prioritized, and 3) which items would consume undue staff time, public cost or risk that would outweigh the likely benefit.

On October 17, 2017, City Council voted on those items that were considered "yellow" light as part of the Council Priority Setting Session. Of the seven "yellow" light items, two moved forward to prioritization and five did not receive sufficient votes to move forward (these items are detailed for reference in the *Items with No Work Currently Proposed* section below). The

HONORABLE MAYOR AND CITY COUNCIL  
June 1, 2018  
Subject: Housing Crisis Workplan  
Page 2

update to the Accessory Dwelling Unit and Garage Conversion ordinance was ranked in the Top Ten priority items.

On April 23, 2018, staff presented the Affordable Housing Investment Plan to the Community and Economic Development (CED) Committee. The Affordable Housing Investment Plan memorandum included potential strategies to help support the development of affordable housing.

### **ANALYSIS**

This memorandum represents an analysis of the items included in the Mayor's September 28, 2017 memo, Council's October 17, 2017 Priority Setting Session, strategies identified in Housing staff's April 23, 2018 memo to the CED Committee, and other potential strategies to support and accelerate residential development in San José.

#### **Housing Market Context**

While the local economy is continuing to expand and create demand for high-skilled worker housing, San José's housing market has matured and slowed due to increases in the costs associated with new construction, and the flattening of rents relative to these increased costs. While speculative development remains challenging in many parts of San Jose, there are some developments already in the pipeline that could proceed in the near term. In addition, it is likely that some developers are exploring options and entitlements for development in the future. The Housing Crisis Workplan is intended to respond to these conditions by looking for opportunities to accelerate "shovel-ready" development projects to move forward during the current cycle, and ensure that development projects are poised to respond to any changes in economic conditions.

Between the years of 2009 and 2017, an average of 3,000 units were built per year. While San José's housing production may drop below this average over the next five years, the City can achieve its housing goal of 15,000 market rate units by 2022 through a combination of new construction and residential entitlements. This workplan focuses on work items that will move projects to construction in the near term, increase the number of housing entitlements approved by the City, and position development entitlements and permits to be able respond quickly to market conditions.



HONORABLE MAYOR AND CITY COUNCIL  
June 1, 2018  
Subject: Housing Crisis Workplan  
Page 3

## Housing Crisis Workplan

The following section describes the proposed work items presented in four categories:

1. Council Prioritized/Directed: Work Underway
2. Other High-Return Strategies: Initiate/Continue Work Next
  - a. Market Rate
  - b. Affordable
3. Lower Priority/Lower Return Items: To Be Initiated
4. Items with No Work Currently Proposed

### I. Council Prioritized/Directed: Work Underway

Work in this category is considered High Return meaning “High Return on Units” (ROU) toward the 25,000-unit goal next five years. These items are underway and slated to be completed prior to the end of the calendar year.

#### Transition from Level of Service to a Vehicle Miles Traveled CEQA Threshold:

On February 27, 2018 the City Council adopted a new Transportation Analysis Policy 5-1 that established Vehicle Miles Traveled as the new CEQA threshold for transportation impacts, thereby eliminating Level of Service, or automotive delay, as a CEQA threshold in San José. The new Policy 5-1 will provide a more streamlined entitlement process for housing development that is consistent with and implements the Envision San José 2040 General Plan.

#### Urban Villages:

Horizon I Urban Villages collectively are a key growth area for new housing, providing near-term housing opportunities in Villages with City Council-approved Urban Village Plans. Given this, the City Council directed staff to move Horizon II or III Urban Villages locates along existing fixed rail or Bus Rapid Transit into Horizon 1 to accelerate residential development. As part of the annual General Plan review this fall, staff will bring for City Council consideration recommendations on Villages to move into Horizon I. Moving Villages into Horizon I will not, in and of itself, facilitate housing since Urban Village Plans also need to be approved by Council prior to the approval of new residential units that are not part of a larger Signature Project. Staff have recently initiated the preparation of Urban Village Plans for the Berryessa BART (Horizon 1) and the North First Street (Horizon 2) Urban Villages. In addition staff recently was awarded grants to complete Urban Village Plans for the Southwest Expressway (Horizon 2), Race Street (Horizon 2), and Alum Rock East (Horizon 3) Urban Villages, all of which include a light rail station. Staff will also be seeking funding through grants and/or a budget request to complete other light rail Urban Villages that the Council approves this fall to be moved into Horizon 1.

Another Urban Village item in this work plan was to complete the Urban Village Implementation and Amenities Framework. This Framework was approved by the City

HONORABLE MAYOR AND CITY COUNCIL  
June 1, 2018  
Subject: Housing Crisis Workplan  
Page 4

Council on May 22. As directed by Council, staff will begin developing the Urban Village Zoning districts and framework this fall, with Council consideration of these zoning amendments in the spring of 2019.

Accessory Dwelling Units:

Accessory dwelling units (ADU) are number nine on the City Council Priority List. Staff will be bringing accessory dwelling units zoning code amendments for Council consideration on June 19<sup>th</sup>. These amendments will provide additional flexibility for the development of ADU's as a means to encourage their production and provide more housing opportunities in San José. Historically, few ADU's have been built in San José, in part because regulations limited their development. Between 2009 and 2016, 16 units were built each year, on average.

While ADUs will remain a relatively small portion of the City's housing production, their construction is anticipated to grow significantly and play an important role in achieving the City's housing goal. Following a significant relaxation in ADU zoning regulations by the City Council in December of 2016, the number of units produced in 2017 shot up to 92 units. In the first four months of 2018, 52 permits have been issued for ADU's, with a total of 22 in April alone. With Council approval of the proposed ADU zoning code amendments in June, the number of ADU's built is anticipated to increase further.

Staff are projecting that 1,000 new ADUs could be built between now and the year 2022, an average of 200 per year. Half of these units (500) are anticipated to be naturally affordable given their size, and per state guidelines could count towards the City's affordable housing production.

To encourage ADU production, the Housing Department and PBCE are planning to develop an ADU educational and promotional campaign. To develop and implement this campaign, staff will partner with the Housing Trust Silicon Valley, which recently received funding for a staff position to focus on ADU outreach, education, and potentially financing. The campaign may include an enhanced web site, educational handouts or "how to" manuals, and ADU educational and promotional events. The City has already received funding to develop an ADU educational video, similar to an award-winning video on single family additions.

North San José:

The review of the North San José Development Policy is Item Number 11 on the Council Priority list. This item includes the completion of environmental work and proposed policy amendments necessary to move 4,000 housing units, including 2,400 affordable units, in excess of the Phase I "cap" of 8,000 units. Opening up more housing capacity in North San José is anticipated to be one of the most significant and impactful work items that will move the City towards its goal of building or entitling 25,000 new housing units by the year 2022. Staff have identified a path forward to adjust the phasing in the North San José Development Policy to make all Phase II development capacity available for construction

HONORABLE MAYOR AND CITY COUNCIL

June 1, 2018

Subject: Housing Crisis Workplan

Page 5

now, including 8,000 new housing units. This work is anticipated to be completed over the summer with Council consideration of Development Policy amendments this fall.

Of the 8,000 housing unit capacity that would be made available through Policy amendments, 3,200 units will need to be affordable, with the remaining 4,800 units available for market rate development. This 3,200-unit capacity includes 1,600 affordable units from Phase I that were not built and moved to Phase II, and the 1,600 units that were originally planned in Phase II. Staff will be proposing Policy amendments to ensure that the total 3,200-unit capacity of affordable housing gets built and not pushed out to a later Phase. Staff will also propose criteria that market rate housing development will need to meet to be allocated a portion of the new 4,800 market rate unit capacity. These criteria could include minimum densities and the inclusion of place-making amenities and retail, as well as the inclusion of affordable housing units.

Downtown:

Downtown San José has and will continue to provide one of the City's primary opportunities for new housing. Recognizing this, the City Council directed staff to focus resources to enable the construction or approval of 12,500 new units Downtown by 2022, in part by completing an update to the Downtown Strategy and EIR. This Strategy update will add 4,000 housing units to the capacity Downtown, establishing a total residential capacity of 14,000 units, and provide a more streamlined permitting approval process. Completing the Downtown Strategy update is a primary focus of City staff and the Strategy update is anticipated to come to Council for its consideration in the fall of 2018.

In addition to completing the Downtown Strategy update, the Council directed staff to:

- Modifications to the downtown zoning code including establishing height minimums, minimum densities, and requirements for ground floor active uses, and eliminating parking requirements
- Expand the boundaries of Downtown

The above work items are not anticipated to significantly impact housing production; however, with the approval of the proposal for two Planners to focus on housing in Downtown, Berryessa BART and North San José, staff would complete these items by the spring of 2019, building off the work of the Downtown Strategy Update.

West San José EIR:

The City of San José received a \$1.39 million grant from the Metropolitan Transportation Commission to fund the preparation of Urban Village plans for the Stevens Creek, Santana Row/Valley Fair and the Winchester Urban Villages. This grant also funded the preparation of a West San José EIR that would analyze the environmental impacts of these three "Tri Village" plans and the West San Carlos and South Bascom Urban Village Plans collectively.

HONORABLE MAYOR AND CITY COUNCIL

June 1, 2018

Subject: Housing Crisis Workplan

Page 6

With the Council approval of the "Tri Village" plans on August 8, 2017, staff are preparing a West San José EIR. Related to this EIR, staff have also been preparing a West San José Multi-Modal Improvement Plan (MTIP), identifying needed multi-modal transportation improvements as well as a funding strategy. Both the West San José EIR and MTIP are anticipated to go to Council for consideration in the fall of this year.

*PDO/PIO Fee Study:*

A residential project's "parkland obligation" is based on the requirements of two Municipal Code Chapters: 14.25 Park Impact ordinance (PIO) and 19.38 Parkland Dedication ordinance (PDO). These ordinances require new residential development to provide three acres of land for every 1,000 people added to the community by a project.

A project's parkland obligation can be met through the dedication of land, or payment of park impact in-lieu fees equivalent to the acreage of land required, or construction of new or rehabilitation of existing public recreational amenities. PRNS highly prioritizes land dedication as the means for a project to meet its obligation because it is very difficult for the City to compete with developers to buy land when market values exceed assessed values. When land dedication or other recreational improvements are not feasible, PRNS provides a mechanism to allow the developers to pay an "in lieu" fee that is then used to build new or redevelop existing parkland, community centers, and trails.

PRNS is in the process of updating the Greenprint which is the long-term strategic plan that guides the future expansion of San José's parks, recreation facilities and community services. Once the Greenprint update is complete (expected in 2018), PRNS will analyze how park impact fees are assessed under the Park Impact and Parkland Dedication ordinances (PIO/PDO).

*Regional Housing Strategy: CASA – The Committee to House the Bay Area:*

Leaders from across the Bay Area are working together to build an actionable housing plan that will increase housing production across the region targeting all levels of affordability, preserve existing affordable housing, and protect vulnerable populations from housing instability and displacement. The Mayor is a member of the CASA Steering Committee and the Director of Housing is a member of the Technical Committee. The CASA process began in June 2017 and it is anticipated that the process will be completed in Spring 2019. The final work product will include regional solutions in all three identified areas including production, preservation, and protection.

*Anti-Displacement and Dispersion Strategies:*

Urban growth may result in the displacement of existing residents who cannot afford the increased housing costs. For the last three years, the Housing Department has been working on strengthening tenant protections which have included lowering the annual rent increases in rent stabilized apartments, creating just cause eviction protections, and creating an Ellis Act Ordinance that provides relocation and other rights for tenants displaced due to redevelopment of their buildings. The City has also worked on mobilehome park closure

HONORABLE MAYOR AND CITY COUNCIL

June 1, 2018

Subject: Housing Crisis Workplan

Page 7

policies to increase transparency for park owners wishing to close and convert their parks, which are subject to mobilehome rent stabilization. However, the City needs to develop a more comprehensive set of tools to prevent and mitigate displacement as the community continues to densify.

San José was recently named part of a 10-city anti-displacement learning cohort sponsored by PolicyLink, a national equity and community development nonprofit based in Oakland. The San José team includes Vice Mayor Magdalena Carrasco, Director of Housing Jacky Morales-Ferrand, and Director of Planning, Building and Code Enforcement (PBCE) Rosalynn Hughey. It also includes three representatives from San José nonprofits – Derecka Mehrens from Working Partnerships, Nadia Aziz from the Silicon Valley Law Foundation, and Shiloh Ballard from the Silicon Valley Bike Coalition. The team will assess local challenges and will determine tools appropriate for San José. Part of that work will include significant community outreach to local organizations and residents to determine their concerns and desires. Staff expects this work to result in the creation of an Anti-displacement Plan for City Council consideration in 2019.

Advocate for State Legislation:

While many communities responded to the loss of redevelopment by passing local bond measures, State funds remain a vitally important financing layer needed to create affordable housing. During the last legislative session, the State Legislature passed SB 3, the Veterans and Affordable Housing Bond Act of 2018. SB 3 authorizes the issuance of \$4 billion in State General Obligation bonds. If approved by the voters in November 2018, it will fund a range of affordable housing preservation and construction activities, infill infrastructure, and transit-oriented development. Of the total, \$1 billion will be earmarked for a veteran's homeownership program, and \$3 billion will fund existing State affordable housing programs. This session's SB 1206 (De León) authorizes the State to put on a Statewide ballot the \$2 billion No Place Like Home Act, originally passed by the legislature in 2016, but delayed due to legal challenge.

City staff continue to actively track dozens of housing-related State bills, and are working with the City's lobbyists to give feedback on key legislation. Several active bills could create investments in affordable housing. Their current status is as follows.

Two bills, AB 3171 (Ting) and AB 912 (Beall, Skinner), seek to use a significant portion of the State's surplus for one-time funding of a variety of strategies to address homelessness, including creation of Permanent Supportive Housing. AB 3171 (Ting) would provide \$1.5 billion in one-time funding for matching grants to cities to address homelessness. AB 912 (Beall, Skinner) would authorize \$2 billion in one-time funding to State programs and to matching grants for local government to address homelessness. Given their large proposed sizes, these bills are currently being negotiated through the State budget process. As an alternative to the proposed bills, Governor Brown proposed \$359 million in his May Budget Revise for one-time stop gap funding for affordable housing, including \$250 million in emergency flexible spending block grants to Continuums of Care for

HONORABLE MAYOR AND CITY COUNCIL  
June 1, 2018  
**Subject: Housing Crisis Workplan**  
Page 8

homelessness. On May 16, 2018, Senate leadership released a new Senate Housing budget proposal, which proposed the State invest \$5 billion over 5 years to State housing programs and to matching grants for cities and counties to address homelessness. Staff will be able to determine the amount of additional State resources allocated to housing and homelessness when the State Budget is adopted on June 15, 2018.

In addition, SB 918 (Weiner, Rubio) would establish a State Office of Homeless Youth and would provide \$60 million in annual grants to address youth homelessness.

*Deferral of Payment of Fees to Certificate of Occupancy:*

Under the City's current provisions for the collection of impact fees and taxes, payment occurs at the issuance of building permit upon completing the building permit review process. The purpose of this is to ensure that these fees are paid by the developer in a timely manner, using the issuance of the permit as a clear delineation. Some developers have provided feedback that deferring payment of these fees until issuance of the Certificate of Occupancy would help defer upfront costs and improve the chances of a project going forward. Currently the Inclusionary Housing Ordinance's (IHO) In-Lieu fee has provisions for payment at Certificate of Occupancy and several recent incentive programs have made use of this provision. In the case of IHO, the developer is entering into an agreement with the City which provides additional recourse for non-compliance. One concern with the deferral approach is that there is often significant pressure once a development is constructed to allow residents to move in, and the holding up of the Certificate of Occupancy becomes increasingly difficult. Staff will continue to work with the City Attorney's Office to refine an approach to resolving these challenges and will return to Council in the fall with appropriate actions.

**II. Other High-Return Strategies: Initiate/Continue Work Next**

In addition to analyzing the items prioritized and directed by Council, staff has explored other strategies to increase both market-rate and affordable housing development.

***a. Market Rate Housing***

*Move the West San José Urban Villages into Horizon I:*

As discussed at the April 26 and May 1 first Study Sessions, West San José is the location in San José where market rate housing development is most likely to break ground in the current market, given that rents are high enough to offset the high and increasing cost of construction. The Winchester, Santana Row/Valley Fair, and Stevens Creek Urban "Tri Villages" have a combined unbuilt and unentitled housing capacity of 7,521 units. The Villages are currently Horizon III however, and these plans include policies that make it challenging for housing projects to move forward using the General Plan's Residential Pool policy. To unlock the housing capacity of the Tri Villages staff, recommend that these Villages be moved from Horizon III to Horizon I one as part of the 2018 General Plan Annual Review.

HONORABLE MAYOR AND CITY COUNCIL

June 1, 2018

Subject: Housing Crisis Workplan

Page 9

While the economics of new residential development are likely not as strong as in the Tri-Villages, staff recommends that the South Bascom Urban Village also be moved to Horizon 1. This Urban Village is currently Horizon III, but is adjacent to a light rail station, and has a City Council-approved Urban Village Plan. The South Bascom Urban Village has a housing capacity of 1,560 housing units. Moving the South Bascom Urban Village, together with the Tri-Villages, into Horizon I would increase the City's immediately available market rate housing capacity by 9,081 units.

*Downtown Highrise Construction Tax Reduction and Affordable Housing Exemption:*

With approximately 4,000 residential units in the pipeline, Downtown is currently the nearest term opportunity to capture housing in this market cycle. The current Downtown Highrise Incentive requires projects to have pulled building permits by July 31, 2018, and scheduled final inspection for eighty percent of the residential units within the downtown highrise structure on or before December 31, 2020. There are a number of projects that are close to being ready to move forward but would likely not make this deadline.

The current incentive involves a 50% reduction in Parks fees (PDO/PIO) and Construction Taxes. On December 19, 2017, the City Council adopted a new permanent Downtown Core Highrise PDO/PIO Fee Category (Resolution no. 78474) for projects that are 12-stories (or more) located in the Downtown Core, to recognize the different occupancy patterns occurring in highrise development. The construction tax portion of the incentive is now the primary benefit for eligible projects.

Prior to the transition to the Inclusionary Housing Ordinance (IHO) in December, 2017, the Affordable Housing Impact Fee (AHIF) Program included an exemption for downtown highrise projects that received Certificate of Occupancy prior to June 30, 2021. On December 19, 2017 City Council directed staff to bring forward a resolution to authorize reducing fees to zero for Downtown Highrise projects to align the IHO provisions with those of the prior AHIF and to ensure that projects under development are not subject to changing circumstances. Staff will return to Council later this month to finalize this implementation action.

In conjunction with the work outlined in the previous section to defer payment of fees until Certificate of Occupancy, staff is proposing to extend the incentive on Construction Taxes (50% reduction) that requires building permits by July 31 to align with Council's direction on the IHO exemption—to receive a Certificate of Occupancy prior to June 30, 2021. This would likely give several projects on the verge of moving forward an additional year to pull building permits.

As a new policy consideration, an extension of the construction tax incentive would be subject to the new provisions for including workforce standards in projects receiving a public subsidy. Prior to bringing the extension forward to City Council, staff will need to complete an Infeasibility Analysis in conjunction with a third-party development consultant

HONORABLE MAYOR AND CITY COUNCIL  
June 1, 2018  
Subject: Housing Crisis Workplan  
Page 10

to demonstrate that the subsidy is required for projects in the highrise subcategory to be viable.

Establish a Housing Concierge Service:

Staff propose to establish a “Housing Concierge” Service to facilitate and promote both market rate and affordable housing opportunities. This service would help housing developers with site selection, and help navigate the City’s policy and ordinance framework, and entitlement process. This service would also proactively market housing sites or opportunities to potential developers and investors, informing them of programs such as Opportunity Zones and the associated federal tax benefits, and locations within the City with potentially expedited CEQA due to low Vehicle Miles Traveled conditions.

The “Concierge Service” would comprise of a team of largely existing staff in the Office of Economic Development (OED), PBCE, and Housing. Ultimately, an effective Concierge Service will require a dedicated lead position, ideally in the City Manager’s Office. OED’s Business Development Program currently provides these types of concierge services to businesses and developers, including residential developers in key growth areas such as North San Jose and Downtown. Staff is exploring whether to reallocate a portion of a Business Development Officer position to lead efforts related to encouraging housing development, or recommend adding other resources in the City Manager’s Office to be the lead on the Housing Concierge Service. The Housing Department also recently received a grant from Destination:Home Silicon Valley to fund an Affordable Housing Planner position in PBCE for three years. This new position would be an integral part of the Concierge Service, but focus on affordable housing only.

In addition to providing services to housing developers and marketing housing opportunities, the team would oversee and coordinate the implementation of this work plan. As part of this effort, staff will develop a spatial data base of housing opportunity sites. Staff could also potentially identify and undertake other policy or ordinance work, or process improvements that would facilitate housing.

Permit Timelines:

Following the Great Recession, San José experienced several years of a relative housing boom as demand, market, and economics aligned to provide a fertile environment for new residential development. The City’s ability to respond to this opportunity quickly resulted from many projects located in key growth areas being entitled and receiving development clearances immediately prior to the recession. This meant that as the market returned many development projects in Downtown and North San José were poised to break ground as financing became available; they had a more favorable risk profile than projects that were just getting underway. To the extent that the current development cycle begins to slow and potentially stall, staff recommends being prepared to undertake amendments to significant development projects to allow the extension of permits beyond the typical two years, with two one-year extensions. This will provide developers that same opportunity to get ahead of the cycle and deliver more housing units within a shorter timeframe.



HONORABLE MAYOR AND CITY COUNCIL  
June 1, 2018  
Subject: Housing Crisis Workplan  
Page 11

*Cost of Residential Development Models:*

During the recent City Council Cost of Development Study Sessions on April 26 and May 1, staff presented an average cost of development for multi-family residential development. Providing a clear, consistent, and transparent basis for understanding the City's fee requirements gives developers the opportunity to refine their pro-forma early in their process and reduces the risk of under estimating fees. Staff recommends continuing to refine and update the cost of development models created for the study session and make them readily available to the development community. In addition to providing a breakdown of cost per unit, this model would be used as the basis for analyzing future changes to fees and presenting information on upcoming increases.

***b. Affordable Housing***

*Private, Public, and Nonprofit Investments:*

It is essential for our regional economy that workers of all incomes be able to live near their jobs and pay reasonable housing prices. Major Silicon Valley firms have recently begun to increase their investments in affordable housing. The Housing Trust of Silicon Valley has created The Tech Fund (Tech + Equity + Community + Housing) to provide start-up capital to affordable housing developments. LinkedIn recently invested \$10 million into the fund, increasing the total amount of investment to \$30 million. Cisco announced last month a \$50 million commitment to Destination:Home to support the development of permanent supportive housing and ELI housing. And finally, the Chan Zuckerberg Initiative is planning a regional housing fund as a vehicle for private investments. This activity demonstrates that major employers are beginning to invest in affordable housing. Staff's recommendation expands the Mayor's proposal to leverage private dollars to finance not only housing for the "missing middle," but also to finance lower-income affordable housing developments.

In addition to a potential fund, staff is taking several actions to promote moderate-income housing, which cannot be funded with low-income housing tax credits and therefore are more infrequently produced. This includes: counting market-rate apartments with moderate-level rents towards Regional Housing Needs Allocation goals; examining different private financial products and partners for the creation of moderate-income rental housing in our market; collaborating with the Silicon Valley Housing Trust to promote use of its new ADU program; creating more City strategies to promote ADUs; and examining other tools such as federal Opportunity Zones as a potential incentive to create moderate-income housing. Finally, the Housing Department is engaging a consultant to develop a broad moderate-income housing strategy to address the needs of the missing middle. The Department will bring a moderate-income strategy to the Community and Economic Development Committee in late 2018.

Given the City's \$125,000 per unit funding cap, affordable housing developers will need to leverage other sources such as those from County Measure A. As the pipeline of

HONORABLE MAYOR AND CITY COUNCIL

June 1, 2018

**Subject: Housing Crisis Workplan**

Page 12

affordable housing developments continues to grow, the Housing Department will prioritize funding requests from developers that apply for the State's Affordable Housing and Sustainable Communities Program (AHSC). AHSC is one of the State's largest affordable housing funding programs that also can fund cities' much-needed nearby infrastructure improvements that reduce greenhouse gas emissions. For the City's AHSC strategy to work, it is important that the organization devote significant focus and ongoing staff resources to plan and execute AHSC projects.

*Commercial Impact Fee:*

The Housing Department has published a chart of potential funding sources for affordable housing that have been considered in the past. The Housing Department's April 23, 2018 memo to the Community and Economic Development Committee provides a brief description about the sources, some of which require a vote of the people to implement. Many of the sources identified are used to fund affordable housing in other communities. There are very limited options that do not require voter approval. The Commercial Impact Fee (CIF) is one option that the City Council previously reviewed. In March, 2017 City Council directed staff to explore regional partnerships and study how a regional fee structure or revenue-sharing might address the need. Staff was directed to postpone reconsideration of a potential CIF following completion of deliberations by other cities. On January 12, 2018, staff released an Information Memorandum on the progress of the regional grand nexus study for commercial impact fees. The Housing Department is waiting to find out what action, if any, the City of Milpitas is going to take and will return to the City Council with a final report for further direction.

Staff recommends the following sequence of steps:

- Set a September date for a City Council Study Session on "Cost of Development: Commercial and Industrial", with a similar development prototype- and geography-based approach taken for the Housing Cost of Development Study Session
- Continue to advocate for a regional approach to scaling CIF's, a regional jobs-housing linkage fee
- Initiate the Nexus Study for a Commercial Impact Fee for the Diridon Station Area, as part of a potential "Diridon Transit Area Infrastructure Fee Program"
- After the Study Session and Diridon Area Study, consider initiation of a citywide Nexus Study, which would document the linkage between types of development, the new workers employed in the space, the need for affordable housing, and maximum legally supportable CIF that could be imposed (offices, R&D facilities, manufacturing facilities, retail stores, hotels, warehouses)
- In the Fall, after the Study Session and Diridon Area Study, consider initiation of a Financial Feasibility Study to estimate what level of commercial impact fee could be absorbed by the market for different development types in different geographic locations, given current commercial rent levels and the cost of development in San

HONORABLE MAYOR AND CITY COUNCIL

June 1, 2018

Subject: Housing Crisis Workplan

Page 13

José. Also, assess potential impact on San José's competitiveness vis a vis other Santa Clara County cities and Fremont, and on the City's jobs to employed resident imbalance.

Mixed-Income Development:

Consider allowing mixed-income developments to proceed within an Urban Village ahead of a Growth Horizon. This change would benefit development of both affordable and market-rate apartments, and fits with other tools that help affordable housing production. State streamlining applies in San José for all developments that are at least 50% restricted affordable and meet other defined criteria, so it is possible that the City could already be required to approve some mixed-income developments in Urban Villages in a future horizon. Tax-exempt bond financing, a frequent financing tool for mixed-income affordable developments, requires at least 20% or 40% of units to be affordable, depending on depth of affordability. If the City Council wants to explore this strategy, staff recommends that it be considered during the next Four Year Review of the General Plan scheduled to be initiated in 2019.

Refine General Plan Policy H-2.9 (the "1.5-acre rule"):

Complete a comprehensive review of General Plan Policy H-2.9 and evaluate if SB 35 streamlining can be applied to affordable housing developments on these sites SB 35. Objective definitions should be adopted to define what "underutilized" and "viability of surrounding commercial properties" means so that developers can take advantage of existing streamlining law and the existing General Plan. Staff recommends that this review begin immediately.

100% Affordable Zoning Code Amendment:

Affordable housing development is essentially compatible with commercial areas. The zoning code could be amended to enable affordable developments to proceed by-right with a Site Development Permit. Development applications could be approved by the Planning Director and be appealed to the Planning Commission. This change would facilitate more efficient development timeframes, would reduce costs, and would increase development certainty.

Commercial Space Requirements:

Ground floor commercial and community uses bring jobs, amenities, and street activation to a neighborhood. However, many affordable housing developments are facing challenges filling traditional commercial space because affordable housing financing cannot be used to fund the commercial space. There are three issues that consistently arise with the ground floor commercial requirement for an affordable housing development: 1) Commercial interior spaces sometimes remain unimproved which adds additional risk to the affordable housing development; 2) ground floor commercial space is sometimes difficult to rent once it is completed, and rents derived are frequently low; and 3) ground floor commercial space reduces the number of affordable apartments that can be created which in turn increases per unit subsidy requirements. Housing Department staff would work with staff from both

HONORABLE MAYOR AND CITY COUNCIL

June 1, 2018

Subject: Housing Crisis Workplan

Page 14

PBCE and OED to consider potential changes to the commercial space requirements for affordable housing.

*Affordable Housing Land Acquisition:*

Finding a suitable site for an affordable housing development is a challenge in San José's real estate market. High land prices and competition for sites make it difficult for an affordable developer to acquire land. The lack of viable sites is often identified as a primary obstacle to affordable housing developments. Developing a pipeline of sites will ensure that available funds are deployed as quickly as possible and could help to accelerate the expenditure of Measure A funds. This recommendation builds on the Mayor's recommendation to better identifying housing sites. The City, could identify and map underutilized or surplus publicly-owned sites, and small sites that meet the 1.5-acre rule, to facilitate the development of affordable housing.

*Land Acquisition Loan Fund:*

The City provides limited funding for land acquisition; however, it is very difficult for City staff to get City Council approval and close land acquisition loans in less than 120 days. There is also a small degree of uncertainty in the City Council funding approval process. This lead time is too long for affordable housing developers to compete with market-rate developers, who can make cash offers and close in 30 days. City staff only has the authority to approve a predevelopment loan of up to \$100,000, \$90,000 of which must be secured, without going to the City Council for approval. The site must also have the appropriate zoning and the environmental review must be completed. Creating or investing in an Acquisition Fund that is nimble and flexible will allow affordable housing developers to compete quickly in today's real estate market. The Acquisition Fund would be used to acquire land and buildings for future affordable housing development.

*Land Trust:*

Community land trusts (CLTs) are an established long-term affordability tool employed across the country. A CLT is organized to hold land and buildings for the benefit of the community and/or individuals. The acquired land can be vacant, residential, or commercial, but the goal is to determine the best use of the land and develop it accordingly. The CLT could work in conjunction with the acquisition fund to acquire and hold land until an affordable housing developer is identified. This reduces the risk and cost of holding the land for the developer. The land trust could hold the land in perpetuity to protect the community investment, and could ensure that ongoing affordability is present in key locations throughout the City. Or, the City could evaluate its capacity to purchase and hold land as an alternative to developing an independent CLT. Staff is currently researching CLTs' appropriateness for San José.

**III. Lower Priority/Lower Return Projects: To Be Initiated**

This Housing Crisis Workplan includes a number of items that are not anticipated to contribute significantly to the City's housing production goal; the projected number of units to which an item would contribute is provided for each item. While not anticipated to have

HONORABLE MAYOR AND CITY COUNCIL  
 June 1, 2018  
**Subject: Housing Crisis Workplan**  
 Page 15

a significant impact, staff will still address the items at a later date. They will be given lower priority than the items listed above in this workplan.

- Update Downtown Zoning requirements to establish a minimum height and density and eliminate parking requirements (Units: 0)
- Explore public/private parking opportunities (Units: 0)
- Expand the Downtown boundary (Units: 0-150)
- Explore CFDs for payment of fees (Units: 0)
- Reimagine underutilized business corridors to allow the integration of housing (Units: 100-200)
- Pursue amendments to the General Plan to allow infill on problem/nuisance properties (Units: 0-50)
- Allow infill housing on isolated employment lands (Units: 0-100)
- Identify non-viable commercial or office sites for housing (Units: 0-100)
- Explore opportunities to leverage private dollars to finance housing for the "Missing Middle" (Units: unknown)
- Require elevated affordable housing inclusionary requirements for housing conversions without City consent (Units: 0)
- Explore micro housing for the homeless on Caltrans Sites (Units: 0 - 25)

#### IV. **Items with No Work Currently Proposed**

The items below were given a yellow light, because they could not be addressed with existing resources, and were sent to City Council Priority Setting Session for prioritization on October 17, 2017. At this Priority Setting Session, these items did not get enough votes to be added to the Council Priority list. Given this, no work is proposed on these items at this time and they will not be included in the Housing Crisis Workplan.

##### Student Housing:

Working with the Planning Department of San José State University, identify additional opportunities (without DC zoning) to accommodate more housing for students, University staff, and the community.

##### Regional Fee Study:

Solicit private sector developer partners to fund a regional fee study that fairly assesses the aggregate cost of impact, regulatory, and processing fees in jurisdictions throughout the Valley, and enables comparisons of those fees for apples-to-apples projects.

##### Teacher Housing:

Report to Council regarding the response of school districts to the City's efforts to offer City help in funding affordable housing development on school district land for teachers and school staff, and enlist Mayor and Council in identifying and advocating with supportive districts to launch pilot efforts.

HONORABLE MAYOR AND CITY COUNCIL  
 June 1, 2018  
 Subject: Housing Crisis Workplan  
 Page 16

One Color on the Map:

Align the zoning districts of properties with those General Plan land use designations to reduce processing time and staff work, and make land use decisions more transparent.

Empty Home/Empty Parcel Fee:

Evaluate legal and policy justification for an “empty home” fee, similar to the city of Vancouver, British Columbia, to incentivize expansion of rental housing supply, and to generate dollars for affordable housing.

**Proposed Housing Crisis Workplan**

#	Item	Lead Department	Status
<b><i>I. Council Prioritized/Directed+ High Return+ Work Underway</i></b>			
1	Transition Traffic Analysis from LOS to VMT:	DOT/PBCE	Complete
2	Continue to implement Urban Villages: a. Implementation Framework: b. Move Horizon II Light Rail Villages into Horizon I	PBCE/OED PBCE	Complete Fall 2018
3	Update the Accessory Dwelling Unit and Garage Conversion ordinance	PBCE	Council June 19, 2018
4	Make addition residential units available in North San José	OED/Housing	Fall 2018
5	Complete the Downtown Vision and EIR	PBCE	Fall 2018
6	Complete the West San José Urban Village EIR	PBCE/DOT	Fall 2018
7	Complete the PDO/PIO Fee Study	PRNS	Initiate Spring 2019
8	Engage CASA on regional housing production	Housing	Spring 2019
9	Develop Anti-Displacement and Dispersion Strategies	Housing	Summer 2019
10	Advocate for State legislation that supports housing development	CMO/Housing	Ongoing
11	Explore deferral of payment of fees to Certificate of Occupancy	OED/PBCE	Fall 2018
<b><i>II. Other High Return Strategies: Initiate/Continue Work Next</i></b>			
12	Move-up Tri-Village Urban Villages to Horizon I	PBCE	Fall 2018
13	Extend the Downtown Highrise Incentive	OED	August 2018
14	Create a Housing Concierge Service	OED/PBCE/Housing	Summer 2018
15	Explore extending permit timelines	PBCE	Spring 2019
16	Publish cost of residential development models	OED	Fall 2018
17	Encourage private, public, and nonprofit investments	Housing	Ongoing

HONORABLE MAYOR AND CITY COUNCIL  
 June 1, 2018  
 Subject: Housing Crisis Workplan  
 Page 17

#	Item	Lead Department	Status
18	Explore options for a Commercial Impact Fee	OED/Housing	Spring 2019
19	Explore allowing mixed-income development ahead of Urban Village Plans through the four-year review	PBCE	Initiate Fall 2019 (GP Four Year Review)
20	Refine General Plan Policy H-2.9 (the "1.5-acre rule")	PBCE/Housing	Fall 2018
21	Amend the Zoning Ordinance to allow for 100% Affordable	PBCE	Spring 2019
22	Explore changes to Commercial Space Requirements for Affordable	OED/PBCE/Housing	Winter 18/19
23	Affordable Housing Land Acquisition Sites	Public Works/PBCE/Housing/OED	Spring 2019
24	Explore the creation of a Land Acquisition Loan Fund	Housing	Feasibility assessment Fall 2018
25	Explore the creation of a Land Trust	Housing	Research late 2018
26	Hire an Affordable Housing Planner	PBCE	Summer 2018
<b>III. Lower Priority/Lower Return Projects: To Be Initiated</b>			
27	Update Downtown Zoning requirements to establish minimum height and density and eliminate parking requirements	PBCE	Spring 2019
28	Explore Public/Private Parking opportunities	OED	To Be Initiated
29	Expand the Downtown boundary	PBCE	Spring 2019
30	Explore CFDs for payment of fees	OED	To Be Initiated
31	Reimagine Underutilized Business Corridors to allow the integration of housing	PBCE	Spring 2019
32	Pursue changes to the GP to allow infill on problem properties	PBCE	Fall 2019
33	Allow infill housing on isolated employment lands	PBCE	Fall 2019
34	Identify non-viable commercial or office sites for housing	OED	Fall 2019
35	Leverage private dollars	Housing	To Be Initiated
36	Housing conversions without City Consent	PBCE	Fall 2019
37	Explore interim housing solutions on Caltrans Sites	Housing	In process

HONORABLE MAYOR AND CITY COUNCIL  
June 1, 2018  
Subject: Housing Crisis Workplan  
Page 18

**EVALUATION AND FOLLOW-UP**

Items requiring Council approval will be brought forward for consideration per the proposed workplan. Staff will also provide annual progress reports on the Housing Crisis Workplan to the Community and Economic Development Committee.

**PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the June 12, 2018 City Council meeting.

**COORDINATION**

The memorandum has been coordinated with the City Attorney's Office, Department of Transportation, Department of Public Works and the Department of Parks, Recreation, and Neighborhood Services.

**COMMISSION RECOMMENDATION/INPUT**

There is no Commission action associated with this item.

**CEQA**

Not a Project, File No PP17-009 (a), Staff Report, Assessment, Annual Reports and Informational memos that involve no approval of City action.

/s/  
KIM WALES  
Deputy City Manager  
Director of Economic Development

/s/  
ROSALYNN HUGHEY  
Director  
Planning, Building and Code Enforcement

/s/  
JACKY MORALES-FERRAND  
Director  
Housing Department

For questions please contact Chris Burton, Deputy Director at (408) 535-8114; Michael Brilliot, Division Manager at (408) 535-7831; or Kristen Clements, Division Manager at (408) 535-8236.



## Attachment D:

### Residential Projects (10+ Units) with Valid Planning Entitlements Between April 2014 and April 2019<sup>1</sup>

	Address	Units	Construction Type	Approval Date	Building Permit Submitted	Time from Approval to Building Permit Submittal (Months)	Constructed/ Under Construction
1	70 S Almaden Ave	781	I	5/23/17		N/A	no
2	39 N 5th St	610	I	3/15/17	7/13/2017	4	yes
3	1729 N 1st St	378	I	6/4/14	3/21/2014	Concurrent Review	yes
4	402 W Santa Clara St	325	I	5/24/16		N/A	no
5	201 W Julian St	313	I	8/5/15		N/A	no
6	350 S Winchester Blvd	307	I	6/13/17		N/A	no
7	180 Park Ave	306	I	8/29/17		N/A	no
8	199 Bassett St	302	I	11/17/17		N/A	no
9	455 S 1st St	300	I	12/6/16		N/A	no
10	80 East San Carlos St	260	I	3/22/17	12/27/2016	Concurrent Review	yes
11	358 Hatton St	258	I	8/16/16		N/A	no
12	1 St & E St. James St	220	I	6/23/15		N/A	no
13	0 Curtner Rd	2,200	II	1/14/15		N/A	no
14	877 S Winchester Blvd	636	II	4/27/16	12/21/2016	8	yes
15	1501 Berryessa Rd	551	II	4/13/16	1/4/2017	22	yes
16	620 N 6th St	520	II	5/25/16	5/9/2019	36	yes
17	0 Curtner Rd	486	II	7/26/17	12/22/2017	5	yes
18	585 Monterey Rd	418	II	11/16/16	8/10/2018	21	yes
19	725 N 10 <sup>th</sup> St	403	II	12/8/15	11/25/2015	Concurrent Review	yes
20	800 W San Carlos St	315	II	10/28/14	1/29/2015	3	yes
21	0 Cottle Rd	301	II	5/18/16	3/8/2019	34	yes
22	295 E Virginia St	301	II	1/9/19		N/A	no
23	345 Sunol St	268	II	12/16/15	3/29/2016	3	yes
24	0 Auzerais Rd	263	II	1/27/16	3/15/2017	14	yes
25	355 Sunol Ave	253	II	12/16/15	3/15/2017	15	yes
26	45 N San Pedro St	210	II	5/20/15	6/23/2016	13	yes
27	73 N 6th St	197	II	6/29/16		N/A	no
28	515 Lincoln Ave	190	II	11/5/14	12/17/2014	1	yes
29	66 N 1st St	190	II	2/25/15	12/17/2015	10	yes
30	641 North Capitol Ave	188	II	1/10/17	5/8/2017	4	yes
31	777 Park Ave	182	II	3/18/15	11/6/2015	8	yes
32	171 Post St	182	II	10/8/14		N/A	no
33	785 The Alameda	168	II	6/23/15	2/26/2015	Concurrent Review	yes
34	138 Stockton Ave	164	II	5/25/16	12/12/2016	7	yes
35	Berryessa Rd & Sierra Rd	162	II	5/18/16	7/13/2016	2	yes
36	777 W San Carlos St	149	II	6/21/16		N/A	no
37	1150 S 2 <sup>nd</sup> St	135	II	4/24/14	6/15/2015	14	yes
38	201 Bassett St	135	II	12/14/11	5/10/2016	134	yes
39	1855 Dobbin Dr	131	II	1/21/15	2/24/2015	1	yes
40	425 Auzerais Ave	130	II	6/19/17		N/A	no

	Address	Units	Construction Type	Approval Date	Building Permit Submitted	Time from Approval to Building Permit Submittal (Months)	Constructed/ Under Construction
41	201 Delmas Ave	123	II	6/29/16		N/A	no
42	345 Delmas Ave	120	II	6/21/16	2/24/2015	Concurrent Review	yes
43	524-544 Dudley St	110	II	5/25/16		N/A	no
44	1893 Dobbin Dr	109	II	7/29/15	1/5/2017	18	yes
45	598 S 1st St	105	II	10/7/15	7/20/2016	10	yes
46	156 E St. John St	102	II	8/20/14	1/23/2014	Concurrent Review	yes
47	180 Balbach St	101	II	12/17/14	4/13/2015	4	yes
48	1875 Dobbin Drive	101	II	11/4/15	10/18/2016	12	yes
49	535 N 7th St	97	II	4/11/17	7/23/2018	39	no
50	1853 Almaden Road	96	II	8/19/15	1/29/2016	5	yes
51	0 Balbach St	87	II	1/30/19		N/A	no
52	525 East Santa Clara St	86	II	9/20/16		N/A	no
53	329 Page St	82	II	12/5/18		N/A	no
54	21 North 21st St	80	II	2/6/19		N/A	no
55	1695 Alum Rock Ave	71	II	6/14/17		N/A	no
56	750 W San Carlos St	56	II	12/12/17		N/A	no
57	278 N 2nd St	79	III	1/10/17	6/13/2017	5	yes
58	1777 Almaden Road	55	III	5/17/16	3/21/2017	10	yes
59	2239 Pastoral Loop	250	IV	11/18/15	5/9/2017	18	yes
60	565 Lorraine Ave	54	IV	6/21/16		N/A	no
61	1745 Dobbin Dr	49	IV	7/29/15	9/12/2016	14	yes
62	129 West Julian St	43	IV	5/28/14	5/31/2017	37	yes
63	117 N 5th St	28	IV	7/11/18		N/A	no
64	346 E William St	28	IV	7/29/15		N/A	no
65	955 Branham Ln	24	IV	6/24/15	10/6/2015	3	yes
66	388 S Buena Vista Ave	18	IV	4/13/16		N/A	no
67	4094 Hamilton Ave	17	IV	9/13/17		N/A	no
68	2979 Huff Ave	16	IV	1/28/15		N/A	no
69	298 N 4th	12	IV	2/10/16		N/A	no
70	Curtner/Bascom Ave	10	IV	2/10/16	6/13/2016	4	yes
71	0 Curtner Rd	314	V	3/18/15	8/21/2014	Concurrent Review	yes
72	Brook Valley Loop	26	V	10/27/15	3/25/2016	5	yes
73	190 West Julian	21	V	5/28/14	6/28/2017	38	yes
74	0 Terraine St	14	V	5/28/14	1/17/2018	44	yes
75	5000 Pearl Ave	13	V	10/15/14	11/24/2014	1	yes
76	4973 San Felipe Road	13	V	9/28/16	12/7/2016	2	yes
77	18966 Almaden Road	10	V	3/11/15	5/15/2015	2	yes
78	Brasilia Way	10	V	2/7/18		N/A	no
79	1275 Lucretia Ave	10	V	4/22/15		N/A	no

<sup>1</sup>This list includes projects that received initial entitlements as well as permits that were approved earlier than this period and received permit extensions between April 2014 and April 2019.