

The mission of the Housing Department is to strengthen and revitalize our community through housing and neighborhood investment.

HOUSING

The Housing Department employs multiple strategies to meet the housing needs of San José residents, who face some of the highest housing costs in the nation. These strategies include:

- Administering a variety of single-family and multi-family loans,
- Financing new affordable housing construction,
- Recommending housing-related policies,
- Extending the useful lives of existing housing through rehabilitation,
- Managing rent stabilization programs and tenant protection programs,
- Addressing homelessness through a regional “housing first” model, and
- Administering a number of federal and state grant programs.

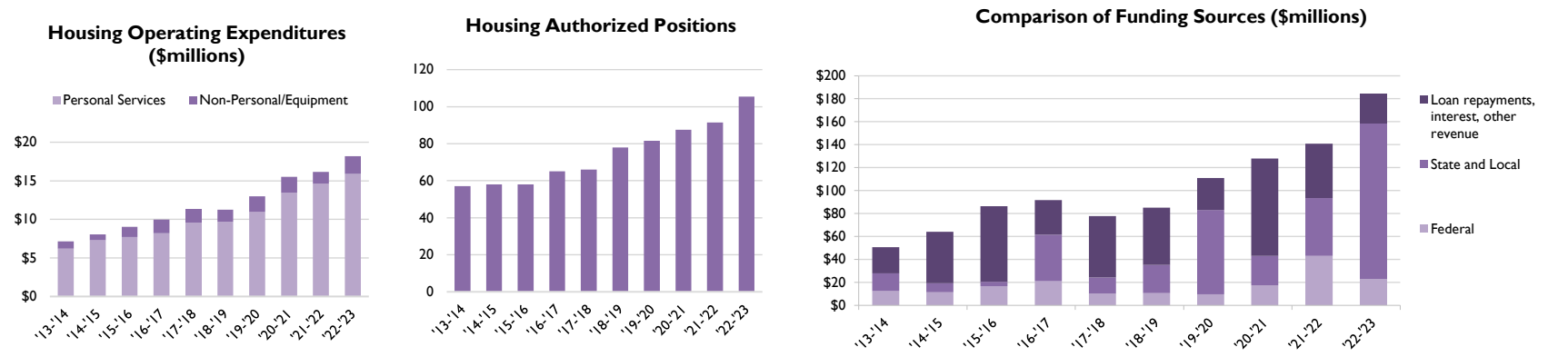
The Housing Department’s operating expenditures totaled \$18.2 million in 2022-23. This includes personal and non-personal/equipment expenditures. The Department was responsible for an additional \$25.7 million in Citywide expenses and \$35.8 million for loans and grants.

Funding for the Department included revenues from the Department’s loan portfolio that continued to generate program income (principal outstanding as of June 2023 was \$620.4 million). Additional revenues came from various state and federal grants, with \$24.3 million in Project Homekey funding. Loan repayments, interest, and miscellaneous revenues totaled \$25.8 million.

Housing added 14 positions in 2022-23 to support areas such as affordable housing development and partnerships.

Note: In response to the City Auditor’s Office audit, [Housing Performance Measures: The City Should Focus and Align Measures to Support Decision-Making](#), the City Council directed Housing to report on the draft performance metrics in 2024, and the City Manager to revisit several Department areas during the 2024-25 budget process.

2022-23 Housing Program Funds Received	
Measure E Property Transfer Tax	\$56,279,600
Loan Repayments, Interest, and Miscellaneous Revenues	\$25,847,000
Project Homekey	\$24,348,200
Homeless Housing Assistance and Prevention Grant	\$9,422,200
Fees and Charges	\$9,280,100
Emergency Solutions Grant (ESG) CARES	\$9,221,300
Community Development Block Grant (CDBG)	\$6,875,400
Community Development Block Grant (CDBG) CARES	\$4,629,600
SB 2 Building Homes and Jobs Act	\$4,286,700
Rental Rights	\$3,545,200
Bond Administration Fee	\$1,562,400
Encampment Resolution Fund	\$1,362,500
Housing Opportunities for People with AIDS (HOPWA)	\$1,287,400
Emergency Solutions Grant (ESG)	\$731,700
HOME Investment Partnership Grant (HOME)	\$169,700
HOPWA CARES	\$10,100
Total	\$158,859,100



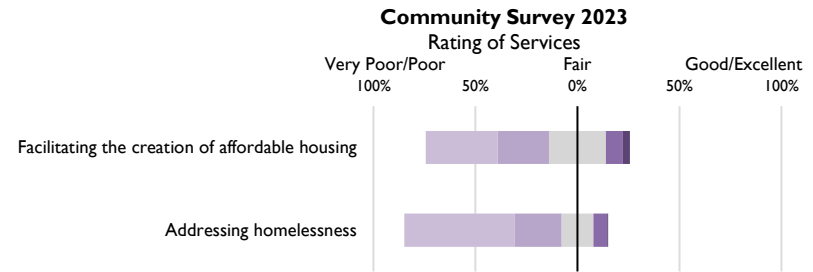
AFFORDABLE HOUSING PRODUCTION & PRESERVATION

The availability of affordable housing has continued to be an area of concern for San José residents for a number of years. In 2023, only 7 percent of surveyed residents rated the City's efforts in addressing homelessness as "excellent" or "good;" only 12 percent rated the City's efforts to facilitate the creation of affordable housing as "excellent" or "good."

The City's efforts to increase the supply of affordable housing in San José include making loans to developers and authorizing conduit financing.* Developers completed 210 new affordable housing units with City help in 2022-23. For new projects under construction, the City committed an average per-unit subsidy of about \$177,600 (for 1,211 affordable housing units) in 2022-23. There are over 20,100 affordable housing units in San José.

Low-income homeowners whose homes are in need of repairs can qualify for City financial help. The Department no longer provides major rehabilitations, focusing instead on providing essential repairs. In 2022-23, the Department provided minor repairs for 174 households in partnership with Rebuilding Together Silicon Valley and Habitat for Humanity.

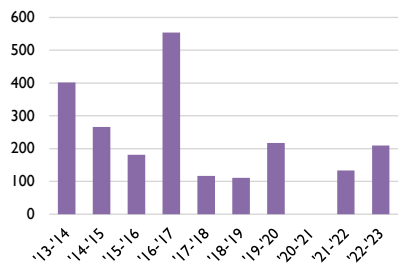
*For more information, see [Council Policy I-16 Policy for the Issuance of Multifamily Housing Revenue Bonds](#).



Select Housing Policy Initiatives

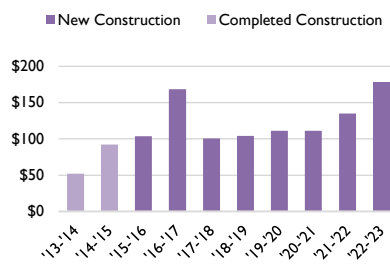
- **Anti-Displacement Strategy** to prevent and mitigate displacement of lower-income San José residents
- **Affordable Housing Siting Policy** to expand housing choices through equitable development that reduces disparities in housing options among neighborhoods in San José
- **Expanding Options for Residents Experiencing Homelessness** to create more safe, secure, and managed alternatives, which include interim housing communities and safe parking

Number of Affordable Housing Units Completed with City Help in the Fiscal Year



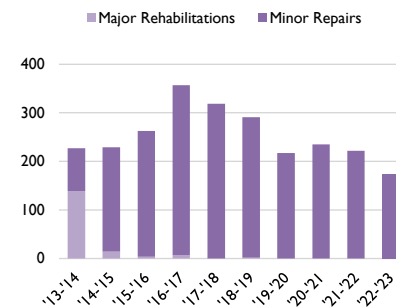
Note: No units were completed in 2020-21 due in part to cost and material shortages.

Average Per-Unit Subsidy for New Projects Under Construction (\$thousands)



Note: Prior to 2015-16, this measure was based on completed projects. It is now based on new construction only.

Rehabilitated Units



Note: Major rehabilitations are no longer provided.

HOUSING

HOMELESSNESS INTERVENTION

According to the 2023 San José Homeless Census and Survey, 6,266 San José residents were homeless when the census was conducted, including chronically homeless, youth, families with children, and veterans. Of these, 70 percent were unsheltered.

The Department provided \$42.7 million in grant funding (federal and state funding) to service providers in 2022-23 as part of a region-wide effort to address homelessness. In 2022-23, 3,472 homeless San José residents were assisted into housing through the collective efforts of local jurisdictions and non-profit service providers.

In 2022-23, the Services, Outreach, Assistance and Resources (SOAR) program provided street-based support and services to 15 of the City's largest encampments. The program served 279 unduplicated individuals, and 10 percent moved to permanent housing, temporary housing, foster care, or long-term care.

The City has six interim housing projects, two that are bridge housing communities (or BHCs, Mabury and Felipe) and four that are emergency interim housing (or EIHS, Monterey/Bernal, Rue Ferrari, Evans Lane, and Guadalupe). These sites provide temporary shelter for individuals and families experiencing homelessness while they search for a permanent affordable home. In 2022-23, these sites served 900 individuals.

Lastly, the Rapid Rehousing program helps households exit homelessness by providing limited or ongoing rental subsidies. In 2022-23, over 400 individuals were enrolled and 58 percent of households that exited the program exited into permanent housing or another interim housing site.

Interim Housing Communities

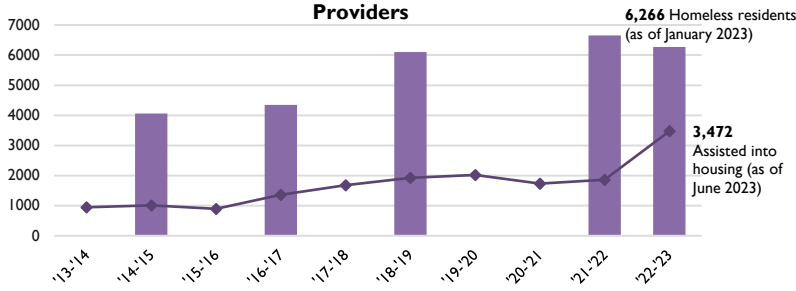


Source: Housing Department

City Focus Area

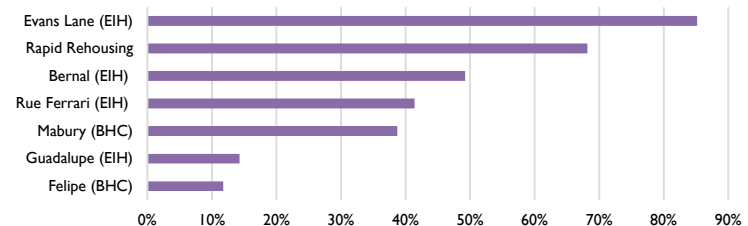
The City established four focus areas for 2023-24, one of which is "Reducing Unsheltered Homelessness." The scorecard for this focus area includes measures such as unhoused homeless inflow/outflow rate, homelessness prevention retention rate, and emergency interim housing production rate. Progress in these Focus Areas will be reported quarterly to the City Council.

Formerly Homeless San José Residents Housed by the Collective Efforts of Local Jurisdictions and Non-profit Providers



Sources: San José Homeless Census and Survey (prepared by Applied Survey Research, 2023) and Santa Clara County Homeless Management Information System (HMIS). Note: The San José Homeless Census and Survey is conducted every two years. Due to COVID-19, it was not conducted in 2021.

% of Exited Participants who Successfully Exited to Transitional or Permanent Housing



Note: Net number of participants who exited: Rapid Rehousing (N=201), Evans Lane EIH (N=155), Rue Ferrari EIH (N=99), Bernal EIH (N=65), Guadalupe EIH (N=7), Felipe BHC (N=85), and Mabury BHC (N=31).

HOUSING

NEIGHBORHOOD INVESTMENT & PUBLIC SERVICES

The Department received \$11.5 million in federal Community Development Block Grant (CDBG) program funds in 2022-23. CDBG funds are used for housing rehabilitation, fair housing, code enforcement, senior and homeless services, foreclosure prevention, and economic development services.

The Rent Stabilization Program oversees local ordinances providing limits on rent increases, just cause provisions, and requirements for removing apartments from the rental market. The program provides oversight of more than 39,300 rent-controlled units, or over a third of the city's rental housing units. In 2022-23, there were 141 tenant and landlord petitions filed. Forty-five percent resulted in an agreement between the tenant and landlord.

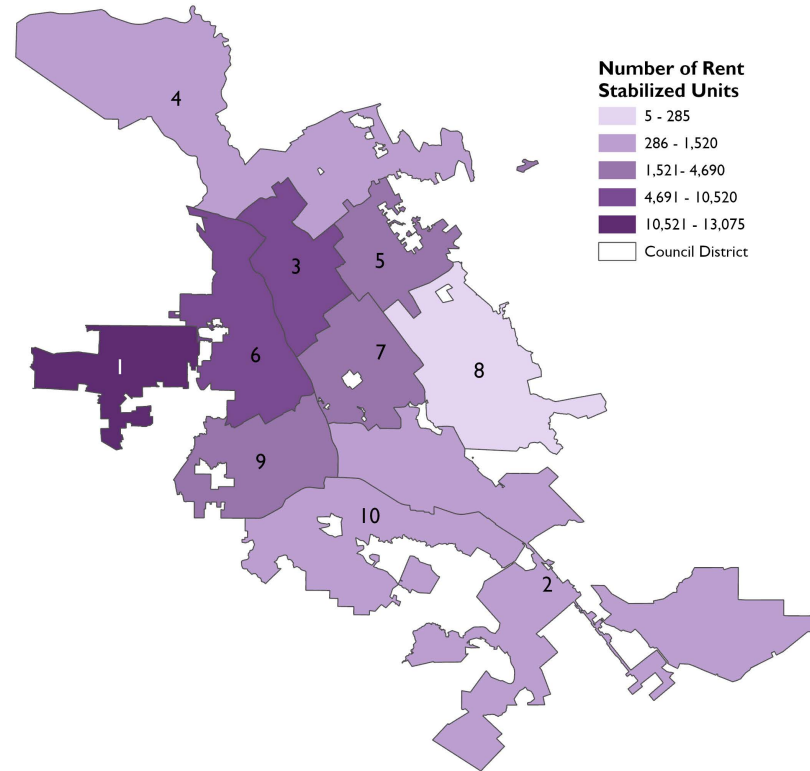
In September 2020, Council approved an Anti-Displacement Strategy. The Strategy focuses on steps the City can take to help prevent and mitigate displacement of lower income residents from San José. In the most recent update to the Community & Economic Development (CED) Committee on May 2023, the Department reported that it had completed significant work on three recommendations, two of which are considered priority areas. The recommendations are related to supporting COVID-19 recovery eviction relief, creating a neighborhood-based tenant preference, and increasing equitable representation of historically underrepresented communities.

KEY FACTS (2022-23)

Median household income:	\$133,800
Annual income needed for a two bedroom apt. (avg. rent):	\$123,100
Annual income needed to afford median priced home:	\$389,200

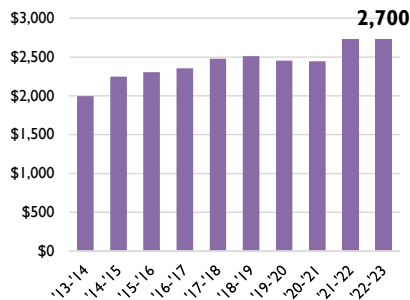
Sources: U.S. Census Bureau American Community Survey, 2022 1-year estimates; Housing Market Report for second quarter 2023.

Rent Stabilized Apartments in San José

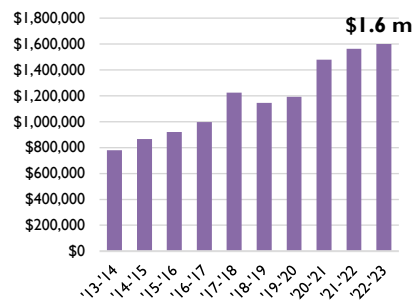


Source: Auditor map of San José rent stabilized units data as of October 2023.

Average Monthly Rent in San José



Median Single-Family Home Price



Sources: Housing Market Report for Second Quarter 2023; SCCAOR June 2023 report. Note: Average monthly rent is for all market-rate unit types (excludes affordable units). Data provided by Costar as of July 2023. Prior years updated to reflect Costar data.

