

**8.1 Housing Catalyst Team Work Plan Status Report. – TO BE HEARD  
CONCURRENTLY WITH ITEM 8.2**

**Recommendation:**

As recommended by the Community and Economic Development Committee on February 26, 2024, accept the status report on the work to implement the Housing Catalyst Team Work Plan.

CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (Planning, Building and Code Enforcement/Housing)

[Community and Economic Development Committee referral 2/26/2024 – Item (d)1]

**TO BE HEARD CONCURRENTLY WITH ITEM 8.2**



COUNCIL AGENDA: 3/19/2024

ITEM: 8.1

FILE NO: 24-73595

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Toni J. Taber, CMC  
City Clerk

**SUBJECT: SEE BELOW**

**DATE:** March 19, 2024

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**SUBJECT: Housing Catalyst Team Work Plan Status Report**

**Recommendation**

As recommended by the Community and Economic Development Committee on February 26, 2024, accept the status report on the work to implement the Housing Catalyst Team Work Plan. CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (Planning, Building and Code Enforcement/Housing)

[Community and Economic Development Committee referral 2/26/2024 – Item (d)1]



# Memorandum

**TO:** COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE  
**FROM:** Christopher Burton  
Rosalynn Hughey  
**SUBJECT:** HOUSING CATALYST TEAM WORK PLAN STATUS REPORT  
**DATE:** February 13, 2024

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Approved *Rosalynn Hughey* Date 2/16/24

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## RECOMMENDATION

- a) Accept the status report on the work to implement the Housing Catalyst Team Work Plan.
- b) Cross reference this item to the March 19, 2024, City Council meeting.

## SUMMARY AND OUTCOME

Staff is providing an annual report of the Housing Catalyst Team Work Plan (Work Plan). The Work Plan contains near-term strategies, programs, and policies from the 2023-2031 Housing Element that are underway, or that staff anticipates initiating in the next two years. Certification by the California Department of Housing and Community Development (HCD) of the City's adopted Housing Element now allows staff to focus on the implementation work and strategies in the Work Plan.

## BACKGROUND

To coordinate the implementation of housing production, preservation, and protection work across multiple departments, the Housing Catalyst Team was established in 2018. The team meets on a biweekly basis and is composed of staff from the Business Development team in the Office of Economic Development and Cultural Affairs, the Citywide Planning Division of the Department of Planning, Building, and Code Enforcement, the Policy and Planning Team, and the Residential Development Division of the Housing Department, and the Planning Team of the Department of Parks, Recreation, and Neighborhood Services.

On November 15, 2022, staff presented the final update on the Housing Crisis Work Plan to City Council. Understanding that much more work needed to be done to increase housing opportunity and production in 2023 and beyond, staff recommended the creation of the Housing Catalyst Team Work Plan. Development of the 2023-2031 Housing Element provided an opportunity to thoroughly assess and outline all housing-related work in the next eight years across the city. The

goal of the Work Plan is to clearly communicate the status of City staff's near-term work for the following two years related to housing production, preservation, and protection.

On June 20, 2023, City Council adopted the 2023-2031 Housing Element, which includes over 130 strategies and programs envisioned for the eight-year term of the Housing Element. The work is intended to facilitate the production and preservation of housing units in San José and facilitate the City's Regional Housing Needs Allocation (RHNA) of 62,200 units.

On June 26, 2023, staff presented the first version of the Work Plan to the Community and Economic Development Committee. On August 22, 2023, City Council accepted the report on the Work Plan, and directed staff to return to Council with a regular report on near-term work items so the community can also monitor progress. Additionally, City Council directed staff to engage identified stakeholders for each work plan item to give the community an opportunity to provide input.

On January 29, 2024, HCD certified the City's Housing Element, which was adopted by City Council on June 20, 2023. Each calendar year of the 2023-2031 Housing Element cycle, the City is required to provide an update to HCD on its progress in achieving the goals in the adopted Housing Element. This Annual Progress Report is due to HCD by April 1, 2024.

## **ANALYSIS**

With certification of the Housing Element, the Housing Catalyst Team can shift into implementation of the 125 work strategies and programs identified within the Housing Element and included in the Work Plan.

The current Work Plan is included in **Attachment A** to this memorandum. The Work Plan is composed largely of programs and strategies included in the Housing Element. The items included in the Work Plan are those for which staff has already initiated work or intends to initiate work in the next two years. The Work Plan items are largely the same as those presented to City Council in August 2023; however, the work items now reflect the revisions made to the version of the Housing Element submitted to HCD in November 2023 and certified by HCD in January 2024.<sup>1</sup> Staff's ability to do significant work on many early implementation items was limited due to the need to focus on completing work to attain Housing Element certification from HCD.

As the Work Plan evolves and needs arise, staff or City Council may propose adding housing-related work items not included in the Housing Element. The timing of when these work items could be initiated would be based on staff capacity, given the ambitious workload already

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<sup>1</sup> The Work Plan also now includes two additional items as indicated in the Housing Department's presentation to the Community and Economic Development Committee on January 22, 2024.

<https://sanjose.legistar.com/LegislationDetail.aspx?ID=6452460&GUID=E6108ECD-1EEB-46C0-9ECC-00C396B9CB83>

identified in the Housing Element from 2023 to 2031. There are a total of 125 work items in the certified Housing Element, many of them with multiple components.

To best manage resources and capacity, staff proposes an annual report on the progress of the Work Plan to the Community and Economic Development Committee in February, followed by a report to City Council each March. This report will align with the City's legally required Housing Element Annual Progress Report, due to HCD every April 1<sup>st</sup>. Staff is also working to publish a live version of the Work Plan on the City's website before the City Council meeting in March. Staff intends to post regular updates on work items in between formal annual reports.

As part of developing the housing goals and strategies in the adopted Housing Element, staff included information about the origin and/or interested stakeholders for each item. Staff will continue to include this information in the Work Plan to respond to the recommendation from City Council in August 2023. The Work Plan will be updated to reflect potential stakeholders that would be included in outreach and engagement activities on the work items.

### *Impact and Level of Effort*

All items in the Work Plan are assigned a level of effort and estimated impact by the Housing Catalyst Team. The impact reflects staff's estimate of the potential positive effect on housing production, preservation, or protection that an item would have once it is implemented. Level of effort indicates how much work it will be and how long it will take for staff to complete an item. These metrics are designed to help staff prioritize work contained in the Work Plan. For instance, if two work items have the same level of effort and timeframe, but one would have a larger positive impact, that item would be prioritized over the other. Additionally, the level of effort metric, along with estimated completion dates, provides transparency to City Council and the public, along with an understanding of the time and effort required for each item. A detailed description of the impact and level of effort is included in **Attachment B**.

### *Market Conditions and Challenges to Affordable Housing*

San José remains one of the most expensive cities in the nation to rent or buy a home. According to Costar, Q4 2023, the average effective rent in San José across all apartment classes and sizes was \$2,708. Average rents have increased 2.8% from 2022. Rent growth has been dampened by uncertainty stemming from remote work, tech layoffs, high inflation, and high-interest rates. San José's overall rental vacancy rate was at 5.6%, up 0.1% year over year. Vacancy rates vary by apartment class. Higher-priced Class A properties had a vacancy rate of 8.3%, while vacancy rates for less expensive and often affordable Class C properties had a far lower vacancy rate of 5%.

San José's for-sale market remained strong, with median prices rising steadily despite high-interest rates. According to the Santa Clara County Association of Realtors, the Q4 2023 median single-family detached home price in San José was \$1,515,000, rising 16% yearly. Recent increases in interest rates have also made purchasing a home prohibitively expensive for many households. Thirty-year fixed interest rates rose steadily to a high of 7.79% in October 2023

before dropping to 6.61% in December 2023. However, even with higher interest rates and single-family home prices remaining well over \$1 million, homes are selling fast, with days on market remaining below one month at 28 days. This indicates an inherently strong market with a large pool of higher-income buyers able to buy homes. While for-sale homes in San José are accessible to higher-income households, only 7% are affordable to households earning the Area Median Income (AMI), according to the National Housing Opportunity Index.<sup>2</sup> As of the end of 2023, a San José household would need to earn approximately \$365,492 (202% of the AMI of \$181,300 for a family of four) and have \$303,000 saved to purchase a median-priced single-family home with a 20% down payment.<sup>3</sup> A strong for-sale market ultimately means that the opportunity to purchase will continue to be even more challenging for middle- and lower-income households.

**Attachment C** contains a snapshot of the 2023 calendar year's progress in meeting the City's RHNA goal. For the Fifth RHNA cycle, the City met 65% of its RHNA goal. The City met 117% of its market-rate housing goal but only 29% of its affordable housing goal. The Sixth Cycle RHNA has set a challenging target of 62,200 units, up 77% from the Fifth Cycle goal of 35,080 units. Meeting the Sixth Cycle target is even more daunting for affordable housing. The scarcity of tax credit funding and bond allocations, the anticipated depletion of a significant affordable housing funding source (Measure A), a focus on combating homelessness with Measure E funds, reduced revenues from low- and moderate-income housing funds, and increasing development costs will make the achievement of Sixth Cycle RHNA affordable housing goals a formidable challenge.

### *Work Plan Highlights*

**City Infill Housing Ministerial Approval Ordinance (P-7)** – The goal of this item is to create a new City-streamlined approval pathway for housing developments similar to existing state streamlining opportunities. Development that meets objective development standards could be approved without a public hearing and qualify for a California Environmental Quality Act (CEQA) ministerial exemption. Staff plans to begin work on this item in spring 2024, following the submission of the Housing Element Annual Progress Report. Part of the initial work on this item will be to create the specific standards that would apply to these projects, such as the amount of onsite deed-restricted affordable units that must be included to qualify for this approval pathway.

**Small Multifamily Housing (P-35)** – The goal of this item is to identify opportunities for missing middle housing of four to 10 units in locations throughout the City. As indicated in the Housing Element, this could potentially include areas adjacent to Urban Villages and residential areas along major streets. The work to complete this item will be a multi-year effort. Staff proposes conducting an economic analysis of missing middle housing types in the next Cost of

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<sup>2</sup> National Association of Home Builders (NAHB) Housing Opportunity Index Q3 2022.

<sup>3</sup> Santa Clara County Association of Realtors, Dec. 2023. Reasonable cost is defined as a household paying no more than 30% of their income for housing. Income to mortgage calculations assume payments at 30% of income, 20% down, 6.61% interest rate, 1.1% property tax.

Development Report. Understanding development feasibility and economics will serve to inform the future policy work on this item to understand what areas and housing types are realistic.

**CEQA Analysis for Urban Villages (P-37)** – The Housing Element Strategy P-37 states, “to the extent funding and capacity exist, conduct program-level CEQA analysis as part of the process of developing or updating Urban Village plans to help speed developments' timelines on all sites, including those not needed to accommodate the RHNA, and remove barriers to housing production.” A March 2022 audit of PBCE’s CEQA processes by the City Auditor also recommended that the City proactively prepare program Environmental Impact Reports (EIRs) as part of the preparation of an Urban Village plan. The completion of programmatic EIRs can shorten the entitlement process for development by allowing developers to “tier off” this analysis when they conduct environmental analyses for their proposed projects. This tiering means an individual project may have a shorter environmental review timeline since parts of its analysis may already be covered or addressed in the earlier programmatic EIR. EIRs are very expensive to prepare, typically costing between \$350,000 and \$400,000 each. In addition, funding would need to be identified for additional planning staff on the Environmental Review team to manage the preparation of these EIRs, as no such funding currently exists.

Historically, the City has relied on grants to pay for the preparation of Urban Village plans. Staff plans to continue to seek such funding opportunities. However, these grants typically do not provide enough funding to pay for both the preparation of a plan and an EIR. Going forward, the City will likely need to fund EIRs from its own funding sources, as was done last fiscal year for an EIR for the Saratoga Urban Village planning process. Given EIR costs and limited City resources, the staff’s approach will be to focus available funding on the preparation of EIRs on planning processes for “market ready” Urban Villages, where it is anticipated that market-rate housing development could be financially feasible in the near term. Funding for these EIRs would be proposed as part of the City’s budget process. However, if funding is limited, staff recommends completing Urban Village plans for multiple areas over completing an Urban Village EIR and planning for fewer Urban Villages, to open up more areas of the City for market-rate housing. While an EIR could create a faster entitlement process, it in and of itself does not create new housing capacity or opportunities.

**Evaluate Urban Village Planning Process (P-40)** – Many of the previously approved Urban Village plans have taken much longer than the timelines established in the General Plan. This was often due to large scopes of work, large planning areas, the departure of project managers, and, in some instances, extensive community engagement. Completion timeframes from process initiation to Council approval were often two and a half years or more. The General Plan envisioned the Urban Village planning process to take no more than one year unless there was a need for a longer process to conduct sufficient community engagement.

Until the Growth Horizons were eliminated as part of the Four-Year Review of the General Plan process in 2021, the Envision San José 2040 General Plan did not support completing many Urban Village plans in quick succession and instead only supported the completion of Urban Villages plans that were in the current Growth Horizon. With the acceleration of the housing crisis, the focus has shifted to completing Urban Village plans quickly to facilitate market-rate

housing being built in more locations throughout San José; policy amendments to the General Plan now allow affordable housing to be built in urban villages citywide without the preparation of an urban village plan.

To expedite the completion of more urban villages, the Housing Element includes Strategy P-40. The objective of this strategy is to streamline the development of urban village plans and unlock more sites for housing beyond those sites needed to accommodate the City's RHNA. The strategy commits staff to "evaluate the General Plan's Urban Village strategy beginning in November 2024 and adopt amendments and/or modify practices identified in the report in 2025."

The strategy includes, as examples, potential opportunities for streamlining that should be considered. One approach is to tailor the planning process and approach based on an urban village's scale and location. For example, urban villages that are larger and located in key transit locations or historically disinvested areas might require a more extensive community planning and engagement process, while smaller scale urban villages that do not have strong transit connections could have a more streamlined planning and outreach process.

Another approach is to consolidate proximate or similar types of urban villages into one planning process. An example of this approach, which staff plans to implement, is to consolidate all the urban villages along the Capitol Avenue light rail line in Council Districts 4 and 5 into one planning process. The urban villages along this line are relatively small, ranging from urban villages with one or two properties to urban villages with commercial properties abutting a major intersection on all four corners. Conducting one community engagement process and preparing one plan document for proximate urban villages would save significant time and staffing resources than conducting individual planning processes for each.

In addition to this approach, staff will explore developing a policy framework for Council consideration that would allow market-rate housing in all similar urban villages, particularly smaller urban villages such as neighborhood villages. Such a process would not be as place-specific, and the policy framework would have broad applicability, establishing policies for medium- and high-density residential development while maintaining and potentially expanding commercial development.

Another streamlining approach identified in the Housing Element is a reevaluation of the typical components included in previous urban village plans to identify components that could be reduced or eliminated while still providing an effective policy framework to guide new development. This strategy has already been partially addressed by creating Citywide Design Standards and Guidelines. Instead of developing specific design guidelines for each urban village plan, each plan now references the Citywide Guidelines. Place-specific design guidelines are only developed if design issues are unique to a given urban village. The North First Street Urban Village Plan and the recently adopted Capital Caltrain Urban Village Plan are examples of plans that were able to reduce the scope of work and focus primarily on land use, circulation, open space, and urban design issues unique to the plan area, by relying on the Citywide Guidelines for overall development guidance. Reflecting a reduction in the scope of work, these plan documents are significantly shorter than prior plans completed. Going forward, staff will continue to identify how components of the urban village process and plan could be reduced further to focus on the key land use and design issues related to new development.



An additional constraint identified for housing development in urban villages is the lack of a regular funding source for the preparation of urban village plans. While grants are available for such efforts, and the City routinely applies for such grants, these grant opportunities are limited. Furthermore, some of these grants include criteria not aligned with the market-ready urban villages that still need completed plans. Given these funding limitations, Strategy P-40 in the Housing Element includes an action item for staff to recommend that City Council amend General Plan Policy IP-5.15 in 2024 to encourage the City to identify a stable, internal funding source to cover most of the costs for urban village planning processes. The current funding approach is to submit an annual budget proposal for allocating Citywide Planning funds to cover the preparation of one urban village plan; Citywide planning funds are generated through the Citywide Planning permit fee. Staff is monitoring Citywide fee revenue, which is currently down. As a result, Citywide Planning fees are not likely to be a regular source of funding in the near term, and other funding sources will need to be identified.

**Housing on Public/Quasi Public Lands (P-24)** – As directed, staff will be returning later in the spring with changes to the zoning ordinance to clarify that 100% affordable housing development with at least 25% of units designated for permanent supportive housing (PSH) is considered a PSH project. PSH is permitted in the Public/Quasi Public zoning district. However, the current definition in the zoning ordinance requires 100% of units to be PSH to be considered a PSH development. The definition change for PSH aligns with state law on the matter and will allow greater flexibility for developers to advance development with mixed populations to proceed more efficiently. Passage of Senate Bill (SB) 4 creates a pathway for affordable housing on properties owned by a religious institution or nonprofit college that largely accomplishes the goals previously envisioned for allowing housing on Public/Quasi Public lands.

**Prohousing Designation (P-23, P-40)** – In late June 2023, staff submitted a Prohousing application to the state after obtaining City Council approval on the application on June 20, 2023. In September 2023, HCD asked for additional information, and staff submitted a revised application on February 7, 2024, after shifting from focusing on obtaining Housing Element certification. The Prohousing Designation would enable the City to access new funding from HCD and strengthen applications for other state funding programs, such as the Affordable Housing and Sustainable Communities (AHSC) Program.

### *Key Anti-Displacement Work Items*

The Citywide Residential Anti-Displacement Strategy is a work plan adopted by City Council in September 2020. An update on this work plan was provided at the January 22, 2024, Community and Economic Development Committee. Work items from the Anti-Displacement Strategy were integrated into the Housing Element and, therefore, into this Work Plan so they can be prioritized along with staff's other work. Selected updates on key strategies from the Anti-Displacement Strategy and items directly related to anti-displacement work are as follows.

**Establish a Preservation NOFA (R-2)** – The Housing Department issued a Notice of Funding Availability (NOFA) of \$5 million for Acquisition and Rehabilitation on October 23, 2023. To

issue the NOFA, staff completed underwriting guidelines with help from a consultant. Guidelines and program priorities were informed by loan programs of other cities and nonprofit lenders. The staff is in the process of reviewing applications for feasibility and anticipates a possible award in early 2024.

**Preservation and Community Development Capacity Building (N-4)** – The Housing Department issued a NOFA for \$1 million for Nonprofit Capacity Building on September 15, 2023. Eight applications were received. Staff is in the process of reviewing applications for awards in early 2024.

**Mobilehome Park General Plan Designation for Remaining Mobilehome Parks (R-6)** – Staff completed General Plan land use designation amendments for 13 mobilehome parks that were determined to have the greatest potential risk of conversion by staff. The General Plan amendments for the remaining mobilehome parks will be completed by June 2024.

**Tenant/Landlord Resource Centers and Code Violations Reporting (S-1)** – Staff is working to identify space in various community and neighborhood centers to host weekly mobile tenant resource days, rotating monthly or every two months at different locations, beginning the summer of 2024. Rent Stabilization and Eviction Prevention staff members will be on-site at the mobile resource center to provide information on tenants' rights, obligations, and protections. Housing staff will coordinate with Code Enforcement to train resource center staff members on how to support tenants who wish to file code complaints.

**Eviction Prevention - Housing Collaborative Weekly Eviction Prevention Court Clinic, Eviction (S-12)** – Staff continues the City's partnership with the Santa Clara County Superior Court and Self-Help Center and other community partners to conduct a weekly workshop at the courthouse that offers a spectrum of resources to all parties involved in residential eviction actions. Resources include rental assistance, social services referral, and mediation. Funding was secured from a state earmark to continue these eviction diversion efforts in fiscal year 2024-2025.

**Eviction Diversion Program (S-12)** – The court-based eviction intervention program is on track to help keep over 125 households stably housed in fiscal year 2023-2024. The Eviction Diversion Program was awarded a \$2 million earmark in the State's 2023 budget. With no other funding source available, only a portion of the \$2 million will be available as rental assistance for eviction interventions. Some of that funding will cover staffing and other program operating costs in fiscal year 2024-2025.

**Local Enforcement of State Tenant Protections (S-32)** – The Governor signed into law SB 567 (Durazo) (2023), which enhanced existing protections for renters against steep rent increases and evictions without cause. The final version of the law, which takes effect April 1, 2024, strengthens tenant eviction protections and gives cities and counties the authority to enforce existing rent increase caps and just cause provisions. The City advocated for the bill's passage, and staff requested earmark funding for efforts to educate and inform residents and property owners about state renter protections. The rent cap provisions apply to at least 50,000 rental units

not covered by the City's Apartment Rent Ordinance, and the just cause provision applies to rental units not covered by the City's Tenant Protection Ordinance (e.g., duplexes, single-family homes, and condominiums with corporate ownership interests). The Rent Stabilization Program is a cost-recovery program funded by fees charged to units subject to the Apartment Rent Ordinance, the Tenant Protection Ordinance, and the Mobilehome Rent Ordinance. The fees are limited to providing outreach, information and education, and producing information about those ordinances. Staff time and other costs related to education and enforcement of state laws cannot be covered by Rent Stabilization Program fees.

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

Staff is providing the first annual status report on the Work Plan to the Community and Economic Development Committee. This item is recommended to be cross-referenced to the March 19, 2024, City Council meeting to be heard jointly with the Housing Element Annual Progress Report. Staff will provide annual updates to the Community and Economic Development Committee and City Council in February and March. As discussed, staff will implement a live version of the Work Plan on the City's website that can be updated throughout the year by Housing Catalyst Team members as needed to reflect the latest information on individual work items. Additionally, individual work items requiring City Council approval will be brought forward separately when work is completed.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, the Department of Parks, Recreation, and Neighborhood Services, and the Office of Economic Development and Cultural Affairs.

### **COMMISSION RECOMMENDATION AND INPUT**

This item will be considered at the March 14, 2024, meeting of the Housing and Community Development Commission. A subsequent update on the Commission discussion and any recommendations will be provided to City Council through a supplemental memorandum.

### **CEQA**

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

**PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy.

/s/

ROSALYNN HUGHEY

Deputy City Manager and Acting Director,  
Housing

/s/

CHRISTOPHER BURTON

Director, Planning, Building and Code  
Enforcement

For questions, please contact Jerad Ferguson, Principal Planner, Planning, Building and Code Enforcement, at [jerad.ferguson@sanjoseca.gov](mailto:jerad.ferguson@sanjoseca.gov) or (669) 223-1160; or Kristen Clements, Division Manager, Housing Department, at [kristen.clements@sanjoseca.gov](mailto:kristen.clements@sanjoseca.gov) or (408) 535-8236

ATTACHMENTS

**ATTACHMENT A:** Housing Catalyst Team Work Plan

**ATTACHMENT B:** Impact and Level of Effort Definitions

**ATTACHMENT C:** Progress on Housing Development



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Rosalynn Hughey

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

**DATE:** March 15, 2024

Approved 

Date  
3/18/24

## SUPPLEMENTAL

### REASON FOR SUPPLEMENTAL

This supplemental memorandum includes the comments and recommendations of the Housing and Community Development Commission (Commission) from its March 14, 2024, meeting, and provides an update on the live dashboard version of the Housing Catalyst Team Work Plan (work plan) that occurred after the February 26, 2024 Community and Economic Development Committee Meeting.

### ANALYSIS

As indicated in the report to the Community and Economic Development Committee, staff worked to publish a live version of the work plan on the City of San José's (City) website. Staff intends to post regular updates on work items in between formal annual reports to promote transparency to the public on progress throughout the year. The dashboard can now be found here: <https://bit.ly/SJHousingCatalystPlan>. Staff will also be launching a new webpage for the Housing Catalyst Team and work plan in the coming months, with the dashboard being one element of that webpage.

### COMMISSION RECOMMENDATION AND INPUT

On March 14, 2024, the Commission heard the report on the work plan and the Housing Element Annual Progress Report as a regularly agendized item. The Commission discussed the item and provided the following comments on selected items:

- Strategy R-6 (*Mobilehome Park General Plan Designation for Remaining 56 Mobilehome Parks*) – A question was raised about funding for the work item. Staff confirmed that the work item is funded and will be completed by June 2024.
- Strategy P-40 (*Evaluate Urban Village Planning Process*) – One Commissioner wanted to understand the scope of this work and emphasized its importance. Staff explained that urban villages are designated as growth areas along commercial corridors to encourage jobs and residential development, each with its own land use and development framework. Staff clarified that the scope of work focuses on land use to give developers and applicants direction on what we want to be built.
- Accessory Dwelling Units (ADUs) – Multiple Commissioners wanted clarification on what constitutes as an ADU, as well as the data for the number of ADU applications submitted and the number of ADUs built. Staff explained that Junior ADUs are attached to the primary residence while ADUs are separate or attached to another building or structure, such as a garage. Staff clarified that an application could include a Junior ADU and ADU. The ADU total unit number for 2023 was 559, which was close to the 577 total units for 2022.
- Rental market data – The Commission chair noticed there was a reported rent increase from the end of 2022-2023 and asked for clarification on whether this increase was due to COVID-19 rent freeze restrictions during the eviction moratorium. Staff explained that rent increase protections ended in 2021, so there is no direct correlation between the rent increase and COVID-19 restrictions ending.
- Affordable housing sources – One Commissioner noted the importance of finding additional resources for affordable housing subsidies so the City could meet its affordable RHNA goals. She explained that the potential affordable housing regional bond on the fall 2024 ballot would completely change the City's ability to respond to local needs for production, preservation and protection strategies and urged staff to quickly begin outreach to the public on the regional bond.
- Housing preservation – One Commissioner expressed interest in finding more creative ways to increase housing, such as existing property purchases or financing structures that allow the City to earn upsides when real estate is doing better. Staff explained that since redevelopment agencies were dissolved pursuant to state law, the City does not use any entity to develop or actively operate real estate. Staff proposed looking at creative financing with developers as an alternative if the City receives additional funding resources and can increase staff capacity to develop innovative structures.
- Housing production – A question was raised about planning for vacancies in commercial areas and potentially redesignating those areas for affordable housing. Staff explained that two bills (Assembly Bill 2011 and Senate Bill 6) passed in 2022 that would allow pathways for residential development on properties zoned for commercial use. Staff clarified that this type of adaptive reuse is physically possible with older commercial buildings such as those in downtown, but conversion depends on financial feasibility.

HONORABLE MAYOR AND CITY COUNCIL

March 15, 2024

**Subject: Housing Catalyst Team Work Plan Status Report**

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- Reporting – One Commissioner expressed interest in receiving more regular updates from the Housing Catalyst Team. Staff explained that the work plan dashboard is now available on the City’s website and will be updated regularly to track progress and milestones on work plan items.

Commissioners expressed general support for the work plan and the Housing Element Annual Progress Report and commended staff for their work. The Commission did not take any formal action on this item.

/s/

ROSALYNN HUGHEY  
Deputy City Manager and  
Acting Housing Director

For questions, please contact Jerad Ferguson, Principal Planner, Planning, Building and Code Enforcement, at [jerad.ferguson@sanjoseca.gov](mailto:jerad.ferguson@sanjoseca.gov) or (669) 223-1160; or Kristen Clements, Division Manager, Housing Department, at [kristen.clements@sanjoseca.gov](mailto:kristen.clements@sanjoseca.gov) or (408) 535-8236

Ref #	Work Item	Status	Planned Completion	Department(s)	Stakeholder Groups	Update	Impact	Level of Effort	Anti-Displacement Strategy (y/n)
H-14	Emergency Shelters	Active	December 2024	PBCE, Housing	Land Use Coalition	Staff began zoning code amendments to update the definition of Permanent Supportive Housing (PSH). Staff also began analyzing the City's existing code to ensure compliance with Government Code Section 65583 (AB 2339). Staff will make amendments as needed as part of code updates to be completed by spring.	Legally Required	Low	No
P-1	Align Zoning with the General Plan	Ongoing	December 2024	PBCE	HCD	Staff is currently working on the rezonings to align with the General Plan designations and will continue this work with a completion target of December 2024.	Legally Required	High	No
S-29	Rent Stabilization Program Strategic Plan and Program Assessment	Active	December 2028	Housing	Equity working group; rental access working group; veterans focus group; Indigenous Peoples focus group; LGBTQ+; African ancestry focus group	Staff completed outreach and Draft Strategic Plan with public comment process in 2023. In 2024, staff plans to bring this Plan to Council committee and full City Council.	High	Low	No
P-7	City Infill Housing Ministerial Approval Ordinance	Committed	December 2025	PBCE	Land Use Coalition	Staff intends to initiate work on this item in April 2024. Initial work will entail background research to understand how other jurisdictions have successfully implemented ministerial infill processes and strategy.	High	Moderate	No
P-12	Cost of Residential Development Study Update	Ongoing	2031	Housing, PBCE, OEDCA		Staff held a Cost of Development Study Session for City Council on October 26, 2023, providing market information on both affordable and market rate housing.	High	Moderate	No
S-23	Know Your Rights Materials	Active	January 2025	Housing, CAO	Rental access working group; Indigenous Peoples focus group; Equity Coalition	Planning work for the Know Your Rights campaign commenced in 2023. The Campaign will be rolled out in 2024.	High	Moderate	No
S-32	Local Enforcement of State Tenant Protections	Active	December 2026	Housing, CAO, IGR	Neighborhood equity working group; veterans focus group; disability focus group; high opportunity areas working group	In 2023, the City submitted multiple letters of support for SB 567 (Durazo, 2023), which extends state protections to renters against steep rent increases and evictions without cause. The bill's final version strengthens tenant eviction protections and allows cities and counties to help enforce existing rent increase caps under state law, for which the City advocated. This bill was signed by the Governor on September 30, 2023 and will take effect on April 1, 2024. The City also issued multiple letters of support for AB 875 (Gabriel, 2023), which would require county courts to report more uniform eviction case filing data. San José could use additional access to eviction data to better prevent eviction proceedings and serve residents at risk of displacement. This bill was vetoed by Governor Newsom, citing his concern about bills with significant cost implications being more appropriately addressed during the state budget process.	High	Moderate	No
P-10	Standardize and Streamline Permitting, Fees, Applications	Active	December 2025	Housing	Land Use Coalition; Housing production working group; developer focus groups	Staff started work to update the City's website as necessary. Staff will update the Council through the Community Economic Development Committee in March 2024. This update will contain a more detailed work plan and status report of the work to-date on the Development Fee Framework.	High	High	No



P-35	Small Multifamily Housing	Committed	June 2027	PBCE, Housing	African ancestry focus group; Land Use Coalition	Staff intends to initiate work on this item in 2024 by planning a feasibility analysis of different types of small multifamily housing in the new Cost of Development report in the fall of 2024.	High	High	No
P-37	CEQA Analysis for Urban Villages	Committed	December 2027	PBCE	Developer focus group	Staff will begin to proactively prepare program Environmental Impact Reports (EIRs) as part of the preparation of Urban Village plans. The completion of EIRs can shorten the entitlement process for developers by providing them with a reference during their environmental analysis for their proposed project. Funding will need to be identified to fund planning staff on the Environmental Review team to prepare the EIRs since no such funding currently exists.	High	High	No
R-1	Monitor At-risk Affordable Units	Committed	2031	Housing	Equity working group	Work had not yet started on this item in 2023. In 2024, staff will request budget authority for consulting assistance to update the City's risk assessment report for future expiring affordability restrictions.	High	High	No
S-1	Tenant / Landlord Resource Centers and Code Violations Reporting	Committed	2031	Housing, PBCE	Neighborhood equity working group; Equity Coalition	Work had not yet started on this item in 2023 but will begin in 2024.	High	High	No
S-12	Eviction Prevention - Housing Collaborative Weekly Eviction Prevention Court Clinic, Eviction Diversion Program, and Other Support for Legal Services	Ongoing	2031	Housing, CAO	Rental access working group; Equity Coalition	In 2023, 50 weekly courthouse workshops were held; 188 households were kept stably housed through the Eviction Diversion Program; 5,409 households were assisted via calls, walk-ins and emails; and the City secured \$2M funding to continue the Eviction Diversion Program through a state earmark in the state's 2023 budget.	High	High	No
S-13	Affordable Housing Renter Portal Access	Ongoing	2031	Housing	LGBTQ+ focus group; Equity Coalition	<ul style="list-style-type: none"> <li>San Jose's renter portal was launched in multiple languages: <a href="https://housing.sanjoseca.gov/">https://housing.sanjoseca.gov/</a></li> <li>Staff sent out an mail blast to community organizations, affordable housing owners and property managers informing them of Doorway's launch</li> <li>City staff met with affordable housing owners and managers of properties in the City's portfolio to set up Doorway accounts and provide an orientation to the system</li> <li>17 properties in the City of San Jose launched and started accepting applications through Doorway</li> <li>As part of the compliance cycle, Asset Management put in place a monitoring system for properties' compliance with the requirement they list on Doorway</li> <li>Release up efforts for new developments are now posted on Doorway</li> </ul>	High	High	No
N-1	Equitable Neighborhoods-based Investment Strategies	Ongoing	2031	Housing, CMO, Budget, PRNS, PW, DOT, ESD, Library	Neighborhood equity working group; African ancestry focus group; Indigenous Peoples focus group	For performance measures, the Housing Department and City Manager's Office worked in 2023 on updating Housing's performance indicators include those on race/ethnicity and rent burden. In addition, the City Manager's Office discussed with neighborhood leaders across the City possible structures for the next iteration of the City's Neighborhoods Commission to represent interests of both homeowners and renters. The City's CDBG Internal NOFA issued in late 2023 prioritized areas of the City that were racially and ethnically concentrated areas as defined by HUD.	High	High	No
I-15	Housing Catalyst Team Work Plan	Ongoing	2031	PBCE, Housing, OEDCA, PRNS		In 2023, staff created the first two versions of the Housing Catalyst Work Plan and brought them to the Housing and Community Development Commission, Council Community Economic Development Committee, and City Council. Staff will provide an update on the Housing Catalyst Team Work Plan to the Community and Economic Development Committee in February 2024, the City's Housing and Community Development Commission in March 2024, and the City Council in March 2024 (in conjunction with the Housing Element Annual Progress Report.)	High	High	No

N-7	External Infrastructure Funding to Create Complete, High-quality Living Environments	Active	2031	Housing, DOT, PW, OEDCA, PRNS		Staff completed and issued its Internal Construction CDBG NOFA on 1/16/24. The NOFA included prioritization for HUD R/ECAP areas. As a result, the Department of Transportation will install Accessible Pedestrian Signals (APS) at signalized intersections in order to improve accessibility and safety, particularly for our most vulnerable users. An APS is an accessibility device installed at a traffic signal that provides audible and vibrotactile cues to let pedestrians (especially visually-impaired pedestrians) know when the traffic signal is in its "WALK" or "DON'T WALK" intervals. These devices provide clear feedback in multiple formats when it is safe to enter a crosswalk at an intersection. The proposed project will install APS at 108 locations throughout San Jose over the coming year. All project locations are in CDBG Low-Mod Census Tracts. Many project locations are in existing and emerging Project Hope Areas.	Moderate	Low	No
P-3	North San José Affordable Housing Overlay Zones	Ongoing	December 2024	PBCE	AFH Advisory Committee	Staff completed work necessary to create the new zoning overlays in North San José, and rezoned sites in North San José as described in the Council memos defining the strategy in December 2023 and January 2024. Staff will continue work later in 2024 on this item to consider other sites for the zoning overlays.	Moderate	Moderate	No
P-6	Regular Coordination Meetings for Affordable Housing	Ongoing	2031	PBCE, Housing, OEDCA, PW, DOT, Fire, PRNS		Staff initiated monthly cross-departmental meetings in 2023 to coordinate construction related permits. From 2023 to early 2024, 2,154 units have, or will soon, benefit from this effort. In 2024, the City intends to hire a full-time Housing Navigator staff member to coordinate this work.	Moderate	Moderate	No
P-14	Housing in Business Corridors	Active	November 2024	PBCE		Staff compiled data from the Neighborhood Business Districts and began outlining building height recommendations based on AB 2011 and SB 6 guidelines.	Moderate	Moderate	No
P-24	Housing on Public/Quasi Public Lands	Active	June 2024	Planning, Housing, DOT	Rental access working group; Housing production focus group; Land Use Coalition	This work is expected to be completed by June 2024 as part of Zoning Code quarterly updates. Zoning Code's definition of "permanent supportive housing" is being updated to match the state definition of 25% of a project being PSH being enough to allow housing on PQP sites.  In late 2023, the City planned a joint initiative with Urban Land Institute San Francisco to convene two workshops this spring with homeless service providers, nonprofit organizations, landowners from churches and places of worship, and affordable housing developers. The purpose of the workshops will be to educate and encourage attendees to partner in the design and construction of emergency interim housing and permanent affordable housing on PQP sites.	Moderate	Moderate	No

P-40	Evaluate Urban Village Planning Process	Committed	December 2025	PBCE	Developer focus group; Land Use Coalition	The preparation of previously approved Urban Village Plans has often exceeded timelines outlined in the General Plan, attributed to various factors including project scale, turnover of project managers, and extensive community engagement. Historically, completion timeframes ranged around two and a half years or more, contrary to the General Plan's vision of completing such plans within a year, unless extended for community engagement. The Growth Horizons, eliminated in the Four-Year Review of the General Plan in 2021, initially limited the completion of Urban Village Plans. However, with a heightened focus on addressing the Housing Crisis, policy amendments now permit affordable housing construction citywide without individual Urban Village plans. To expedite completion, this work aims to streamline planning processes and unlock additional housing sites. Staff has been begun exploring options for this strategy and plans to begin this work in November. Given funding constraints, staff will recommend City Council amend General Plan Policy IP-5.15 this year to encourage the City to identify a stable, internal funding source to cover most of the costs for urban villages' planning processes.	Moderate	Moderate	No
H-13	Regional Homeless Response Coordination and Planning	Complete?	January 2024	Housing	Veteran focus group; LGBTQ+ focus group; high opportunity working group; schools focus group	On December 14, 2023, executive staff presented the City's Implementation Plan for the countywide Community Plan to End Homelessness 2020-2025 to the City Council's Neighborhood Services and Education Committee (NSE). NSE unanimously accepted the report and initial discussion of City engagement for the next regional plan. NSE approved a cross-reference of the report to be heard by the full City Council on January 9, 2024.	Moderate	Moderate	No
S-4	Updated Relocation Assistance	Committed	December 2025	Housing, PBCE	Neighborhood equity working group; Land Use Coalition	Work had not yet started on this item in 2023 but will begin in 2024.	Moderate	Moderate	Yes
S-11	Alternative Documentation for Non-Citizens	Committed	July 2025	Housing, CAO	Neighborhood equity working group; Equity Coalition	Significant work on this item has not yet commenced, but planning is underway.	Moderate	Moderate	No
S-15	Tenant Preferences in VTA station areas	Ongoing	2031	Housing		Staff held two meetings in 2023 with VTA to discuss the City's forthcoming tenant preferences and answer their questions. In spring 2024, the tenant preferences will go to the City Council for approval. If approved, staff will again meet with VTA about implementation at station areas.	Moderate	Moderate	No
S-21	Facilitation of Equal Access to Housing	Committed	December 2025	Housing		Work on this item had not yet commenced in 2023. Law Foundation, Project Sentinel, Asian Law Alliance, Bay Legal will be consulted in 2024.	Moderate	Moderate	No
I-2	Affirmative Marketing to Persons with Disabilities	Ongoing	2031	Housing	Disability focus group; Housing Choices Coalition	Affirmative Fair Housing Marketing plans are currently required and reviewed for all properties in the City's portfolio. In 2024, staff plans to commence research and identify next steps to enhance its requirements to help benefit applicants and residents living with disabilities.	Moderate	Moderate	No

I-8	Promotores-based outreach	Ongoing	2031	Housing, CMO	LGBTQ+ focus group	Currently, there are 3 Promotores contracts funded with federal ARPA funds with a potential for 2 more in the future. One Promotores Agency, LUNA, will be working specifically on outreach and engagement on Housing related issues. Annually, about 21 Promotores have been hired and trained to reach residents and small businesses in the zip codes most impacted by the pandemic (95111, 95112, 95116, 95122, and 95127). The Promotores have reached over 15,000 residents in these priority areas—with 3,100 referrals to senior nutrition programs, childcare services, and childcare scholarships, the Housing Mediation Program, and the Eviction Help Center. The Promotores have accomplished this by door-knocking, tabling at events, and participating in focus groups. In mid-2023, the Promotores also assisted City staff to conduct outreach for its Soft Story Retrofit program development.	Moderate	Moderate	No
I-14	Assessment of Fair Housing Plan	Committed	October 2024	Housing		Work on this item will commence in 2024. It will include content from the City's final 2023-2031 Housing Element and build on the outreach conducted for that plan. In 2024, staff plans to create and bring forward the plan to City Council for approval.	Moderate	Moderate	No
P-11	Allow "SB 9" Type Housing on Additional Properties	Active	December 2024	PBCE, Housing	African Ancestry working group; Land Use Coalition	Staff started work on obtaining a consultant in 2024 to develop SB 9 objective design standards and explore options related to the R-2 zoning district and historic resources.	Moderate	High	No
P-13	Replacement of Existing Affordable Housing Units	Committed	December 2028	PBCE, Housing	Neighborhood equity working group	Significant work on this item has not commenced.	Moderate	High	No
P-15	Moderate-income Housing Strategy	Committed	March 2025	Housing, PBCE	African ancestry focus group	In 2023, the Housing Department planned for the timing to secure consulting assistance and staffing for this work to commence in 2024.	Moderate	High	No

P-23	Pursue AHSC Funding near Diridon Station	Ongoing	2031	Housing, DOT		The Housing Department officially supported AHSC funding applications near Diridon Station. The City's funding commitments for affordable housing helped meet AHSC's requirements. The Department of Transportation participated in the applications. In late June 2023, staff submitted its Prohousing application to the state after obtaining City Council approval on the application on June 20, 2023. HCD asked for additional information in September 2023, to which staff responded in early 2024.	Moderate	High	No
R-2	Establish a Preservation NOFA	Ongoing	2031	Housing	Neighborhood equity working group	The Housing Department issued a \$5 million Notice of Funding Availability on October 23, 2023, making funds available for housing preservation through acquisition/rehabilitation. Responses will be evaluated and selected in spring 2024.	Moderate	High	Yes
R-9	Creation of a Preservation Policy	Committed	December 2026	Housing	Neighborhood equity working group; Equity Coalition; Land Use Coalition	In 2023, Housing Department staff met with the County of Santa Clara's Office of Supportive Housing and the South Bay Preservation Lab regarding jurisdictions' need to define criteria to enable developers to apply for state FIHPP funds. Staff from both San José and the County see benefits to aligning definitions. In 2024, staff will establish criteria for FIHPP and publish a list of affordable housing providers on its website.	Moderate	High	Yes
R-12	Revised Citywide Residential Anti-Displacement Strategy	Committed	December 2029	Housing	Neighborhood equity working group; Equity Coalition; Land Use Coalition	Work has not yet started on this item in 2023.	Moderate	High	No
R-13	Soft Story Program	Active	December 2024	PBCE, Housing		In 2023, the City created an inventory of potential soft story buildings and has completed extensive outreach to tenants, housing providers, and other stakeholders informing them about soft story issues and seeking their input on the proposed ordinance and program. The City's seismic consultant analyzed possible program parameters and made recommendations. Staff made multiple presentations to the City's Housing and Community Development Commission. The program's Ordinance was drafted in 2023 and will be finalized for City Council's consideration in spring 2024. In 2023, staff also obtained City Council approval to apply for an additional \$25M grant from the state and federal governments to help fund seismic rebates and staffing for the entire program implementation.	Moderate	High	Yes
H-1	Interim Homeless Housing Construction	Active	December 2025	Housing	LGBTQ+ focus group; formerly incarcerated focus group	In May 2023, the Guadalupe EIH (previously known as Civic Center), was completed and began services with a capacity of 96 units. Also in 2023, the Department of Public Works began the procurement process for the Rue Ferrari expansion, which will add 100 additional units. The Housing Department continues to manage state grants obtained to fund operations/services including the Permanent Local Housing Allocation (PLHA) and Homeless Housing, Assistance and Prevention (HHAP) programs from multiple funding rounds. In 2024, staff plans to seek additional funding to support ongoing operations of the City's interim housing.	Moderate	High	No

S-10	Study on Rent Increases and Burden in Affordable Housing	Active	June 2025	Housing, IGR	Rental access working group; Equity Coalition	In 2023, the City submitted multiple letters of support for SB 567 (Durazo) (2023), which extends protections to renters against steep rent increases and evictions without cause. The original bill language would have lowered rent increase caps to 5%, but this was removed to enable the bill to pass through the Legislature. The bill's final version strengthens tenant eviction protections and allows cities and counties to help enforce existing rent increase caps under state law, for which the City advocated. This bill was signed by the Governor on September 30, 2023 and will take effect on April 1, 2024.	Moderate	High	No
S-20	Tenant Preferences that Help Fight Displacement	Active	June 2025	Housing, CAO	Equity Coalition	Staff recommendations on tenant preferences were taken to the Housing and Community Development Commission in late 2023. Staff will bring the final proposal to the City Council's Community and Economic Development Committee and full City Council in spring 2024.	Moderate	High	No
S-24	Targeted Fair Housing Outreach and Enforcement	Committed	2031	Housing	Rental access working group	Significant work on this item had not yet commenced in 2023. In 2024, staff will seek data from legal assistance nonprofits on locations of complaints.	Moderate	High	No
S-28	Right to Counsel or Alternative	Committed	December 2026	Housing	AFH Advisory Committee; Equity Coalition	In 2023, the Housing Department engaged a rehired retiree to help issue the Right to Counsel/Alternatives RFP and enter into contract with a consultant to do this study. Staff attended meetings in the fall with stakeholders interested in this work, including at a December 2023 roundtable with approximately 20 housing providers. Staff researched similar studies and drafted a scope of work for the RFP. To get early input on the study from a variety of stakeholders, staff posted the draft scope for public comment in December and sent announcements of the posting via eblasts. Staff plans to hold a public meeting to gather final comments on the draft scope in February 2024, issue the consultant RFP shortly thereafter, award the contract, and kick off the project with the consultant in mid-2024.	Moderate	High	No
I-4	Create a Housing Balance Report	Active	December 2025	Housing	Neighborhood equity group	In 2023, the Housing Department's Partnership for the Bay's Future fellow began research for the Housing Balance Report. When she departed the City earlier than expected, the Coro Foundation (which administers the PBF program on behalf of its funders) contracted with a consultant to assist the City and complete the first Report version. The consultant contract with Community Planning Collective kicks off work to create this Report in February 2024.	Moderate	High	Yes
P-42	Group Homes for Seven or More Persons	Committed	December 2024	PBCE		Work had not yet started on this item in 2023. In 2024, staff will review the City's zoning code to comply with state and federal laws and will seek City Council approval of any necessary zoning code changes in 2024.	Low	Low	No
P-43	Update City Density Bonus	Committed	December 2024	PBCE		Work had not yet started on this item in 2023. In 2024, staff will review the state Density Bonus Law and will seek City Council approval of any necessary code changes in 2024.	Low	Low	No
S-25	Tenant-based Vouchers in Higher-resource Areas	Committed	July 2026	Housing	Veterans focus group; disability focus group; high opportunities areas working group	Staff met with SCCHA in July and October 2023 to discuss use of rental vouchers in higher-opportunity areas. In 2024, staff will coordinate with SCCHA on its Mobility Program pilot, which provides incentives for owners to accept vouchers in higher-opportunity areas.	Low	Low	No

N-4	Preservation and Community Development Capacity Building	Active	December 2027	Housing	Homeownership working group; Equity Coalition	The Housing Department issued its first Preservation NOFA of \$5 million in December 2023. Staff will evaluate responses in early 2024 for possible award. The Housing Department also issued a Nonprofit Capacity Building NOFA of \$1 million in funds from Google's community benefits agreement for the Downtown West development. The issuance on September 15, 2023 will result in three to four grants awarded in 2024.	Low	Low	Yes
N-6	Reduced Transit Fares for Lower-Income Residents	Ongoing	2031	Housing, DOT, IGR	Indigenous Peoples focus group; high opportunity areas focus group	The City signed onto two letters (by the Metropolitan Transportation Commission and the Fare Integration Task Force) supporting the Clipper BayPass all-agency transit pass pilot which would increase transit ridership and expand access to transit. Department of Transportation staff also engaged and coordinated with the Valley Transportation Authority on grant applications that would fund fare-reduction programs.	Low	Low	No
I-1	Persons with Disabilities Partnership and Priorities	Active	December 2026	Housing	AFH Advisory Group; disability focus group; veterans focus group; LGBTQ+ focus group; Indigenous Peoples focus group; homeownership working group	The Housing Department incentivized developers to increase production of units for the developmentally disabled through the release of its 2023 New Construction NOFA for \$50M. Awards	Low	Low	No
P-4	Affordable Housing Tools for North San José	Committed	December 2026	Housing	Rental production focus group	In 2023, staff planned for 2024's effort to procure consulting assistance to examine other land use-related tools and to create a feasibility study and an Implementation Plan.	Low	Moderate	No
P-20	Mixed-income Housing	Ongoing	2031	Housing, PBCE		In 2023, staff supported two mixed-income housing developments: 1) the 4300 Stevens Creek development which was funded by the California Housing Finance Agency's Mixed-Income Program program; and, 2) Modera the Alameda which used a 501(c)(3) bond structure supporting a range of income levels. Both were supported by City Council's approval on the City's bond policy exception.	Low	Moderate	No
P-30	Updated Feasibility Study for Commercial Linkage Fee	Active	January 2031	Housing, OEDCA		On January 10, 2024, staff published an information memorandum to the City Council providing an update on the Commercial Linkage Program. The update stated that due to current market conditions, the feasibility analysis will not be revisited in the coming months. As of January 2024, \$923,719 has been collected in commercial linkage fees.	Low	Moderate	No
P-41	Review and Revise Planning Permit Conditions	Committed	December 2025	PBCE	HCD	Work had not yet started on this item in 2023. In 2024, staff will begin reviewing the standard permit condition language for housing developments.	Low	Moderate	No

R-6	Mobilehome Park General Plan Designation for Remaining 56 Mobilehome Parks	Active	June 2024	PBCE	Golden State Manufactured-Home Owners League	Staff identified the 13 mobilehome parks that likely have the greatest risk for redevelopment and conducted outreach with the property owners and tenants. On December 5, 2023, City Council approved the General Plan amendment to change the land use designations of these sites to Mobilehome Parks.	Low	Moderate	No
H-11	Feedback from Those with Lived Experience in Homelessness in Decision Making	Ongoing	2031	Housing	LGBTQ+ focus group	In 2023, the Housing Department formalized its first partnership agreement with the local Lived Experience Advisory Board (LEAB). The City of San José and LEAB entered into a 2-year agreement to incorporate the voices of those with lived experience into local and regional decisionmaking. LEAB members will provide firsthand expertise and insight to address the causes of homelessness and impact policy change to adapt to the changing needs of those experiencing homelessness. LEAB members will also provide direct and immediate awareness to obstacles, identify deterrence strategies, and provide feedback regarding housing programs. This new contract formalizes the City of San José's partnership with the LEAB and ensures that the voices of those who use our services are at the forefront of design, operations, and evaluation, as strongly suggested and advised locally, by the state, and the federal government. Housing Department staff began attending LEAB meetings in fall 2023. In December 2023, staff provided training as requested by LEAB members.	Low	Moderate	No
N-2	Urban Village Plans with Anti-Displacement Features	Active	December 2024	PBCE, Housing	Neighborhood organizations on East side	In 2023, staff worked collaboratively with the VTA and the community to identify anti-displacement features for the Five Wounds UV Plan. The City contracted with HR&A Advisors to prepare a housing and small business displacement risk assessment and implementation recommendation study. Staff received the draft study in late 2023. In early 2024, staff will determine which recommendations are feasible to implement and finalize it by late 2024.	Low	Moderate	No
I-10	Lived Experience with Homelessness Seat on Commission	Active	July 2026	Housing	LGBTQ+ focus group; AFH Advisory Committee	In 2023, staff fully implemented the HCDC Lived Experience seat. Staff ensured the seats were filled together with the Clerk's office and onboarded the new Commissioner and Alternate. Staff coordinated with the Finance Department on procedures for check cutting and pickup for Lived Experience commissioners, and arranged for a mobile tablet computer device, Wi-Fi connection, and City Hall space access for Lived Experience commissioners. Staff coordinated with other commission staff to ensure procedures were consistent and shared knowledge on logistics. In addition, the Housing Department regularly compensated the Lived Experience commissioners for meetings attended. In 2024, staff plans to re-fill the Alternate seat, orient the new Alternate, and complete the confidential evaluation.	Low	Moderate	No
P-26	Accessory Dwelling Unit (ADU) Amnesty Program	Active	December 2031	PBCE		PBCE secured new agreements for Peak Staffing in 2023 which will allow the Code Enforcement Division to staff the ADU Amnesty program with third-party building inspectors as directed by City Council. Code also reduced its staff vacancy rate in 2023 and filled the critical Building Code Compliance position in October 2023. Code expects to relaunch the ADU Amnesty program by end of June 2024.	Low	High	No




P-36	Alum Rock East Urban Village Plan	Active	August 2025	PBCE		In 2023, staff planned to procure a consultant in 2024 to assist the Alum Rock East Urban Village Plan. Work is planned to begin in 2024.	Low	High	No
P-38	Adequate Sites for Lower-Income Households on Nonvacant & Vacant Sites Identified in Previous Housing Element Cycles	Complete							No
I-3	Farmworker Housing	Complete							No

**Attachment B**  
**Impact and Level of Effort Definitions**


**Impact:**

*High Impact:* 

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

*Moderate Impact:* 

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

*Low Impact:* 

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


*Impact TBD:* 

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

*Legally Required:* 

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

**Level of Effort:**

*High Effort:* 

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

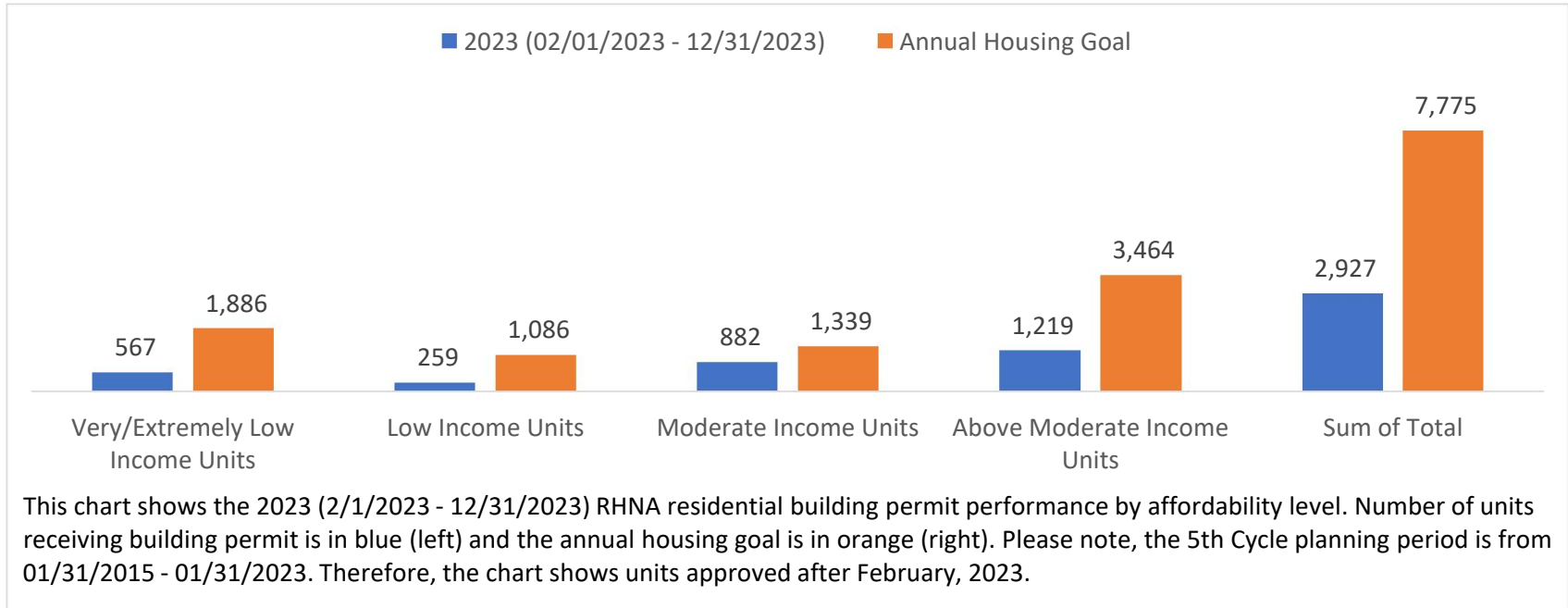
*Moderate Effort:* 

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

*Low Effort:* 

- Minimal staff time required to complete

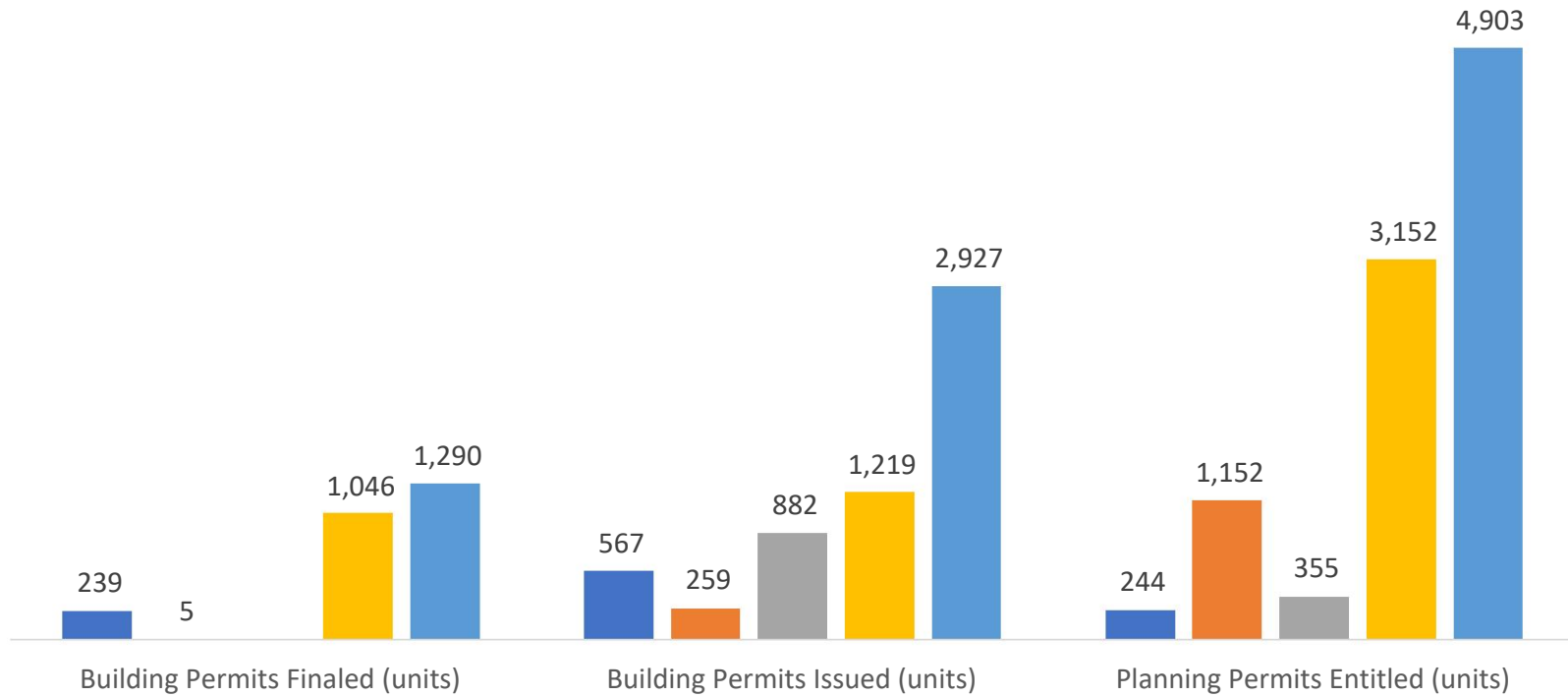
	2023 (02/01/2023 - 12/31/2023)	Annual Housing Goal
Very/Extremely Low Income Units	567	1,886
Low Income Units	259	1,086
Moderate Income Units	882	1,339
Above Moderate Income Units	1,219	3,464
Sum of Total	2,927	7,775



	Very/Extremely Low Income Units	Low Income Units	Moderate Income Units	Above Moderate Income Units	Total Units
Building Permits Finaled (units)	239	5		1,046	1,290
Building Permits Issued (units)	567	259	882		2,927
Planning Permits Entitled (units)	244	1,152	355		4,903
<b>Grand Total</b>	<b>1,050</b>	<b>1,416</b>	<b>1,237</b>	<b>5,417</b>	<b>9,120</b>

Production Summary 2/1/2023 - 12/31/2023\*

■ Very/Extremely Low Income Units   
 ■ Low Income Units   
 ■ Moderate Income Units  
■ Above Moderate Income Units   
■ Total Units



\*The 5th Cycle planning period is from 01/31/2015 - 01/31/2023. Therefore, the chart shows units approved after February, 2023.

# Housing Catalyst Team Work Plan

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## **Community and Economic Development Committee**

February 26, 2024

Item d(1)

Jerad Ferguson, Principal Planner, PBCE

Kristen Clements, Division Manager, Housing Department



*Planning, Building and  
Code Enforcement*

# Background

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2018

Housing Catalyst  
Team Established



November 2022

Final Update on  
Housing Crisis Work  
Plan

Creation of  
Housing Catalyst  
Team Work Plan



June 2023

Council Adopts  
Housing Element

Housing Catalyst  
Work Plan at CED  
Committee



August 2023

Housing Catalyst  
Work Plan at City  
Council



January 2024

HCD certifies  
Housing Element

# Housing Catalyst Team Work Plan

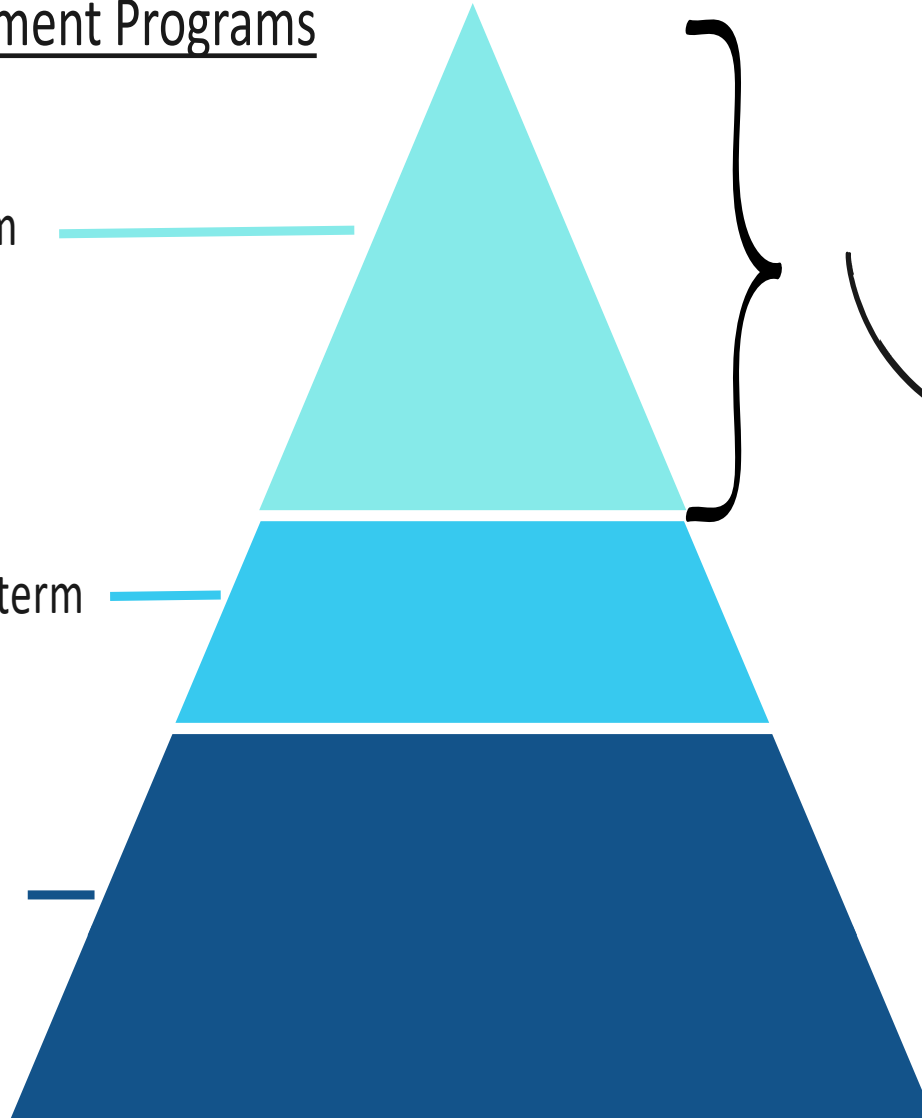
## Housing Element Programs

2023-2031

Near-term

Medium-term

Long-term



Housing Catalyst  
Team  
Work Plan

Near-term Housing Element programs underway or initiated in next two years

+

Additional housing-related work items from Council or staff

*125 Multi-part Work Items – Production, Preservation and Protection*

# Impact and Level of Effort

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## Impact

- High Impact 
- Moderate Impact 
- Low Impact 
- Legally Required 
- To Be Determined 



## Effort

- Low Effort 
- Moderate Effort 
- High Effort 



# Work Plan Highlights

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- Housing on Public/Quasi Public Lands (P-24)
- City Infill Housing Ministerial Approval Ordinance (P-7)
- Small Multifamily Housing (P-35)
- CEQA Analysis for Urban Villages (P-37)
- Evaluation of Urban Village Planning Process (P-40)
- Prohousing Designation (P-23, P-40)

# Key Anti-Displacement Work Items

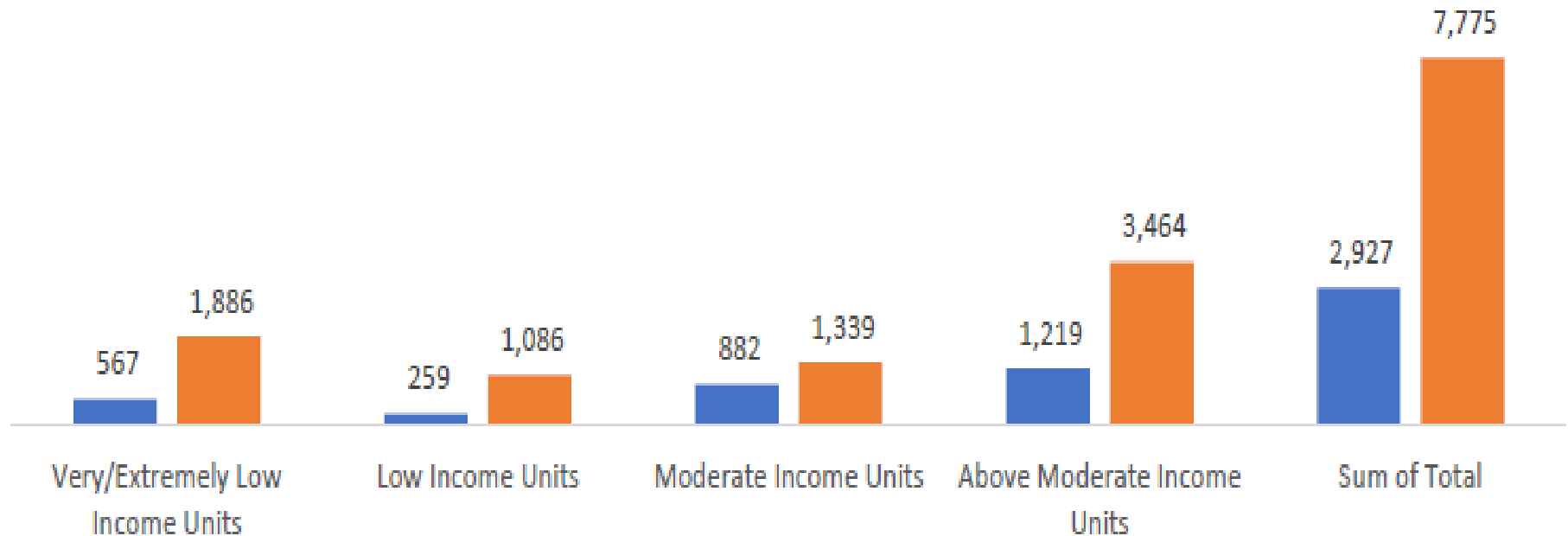
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- Establish a Preservation NOFA (R-2)
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- Mobilehome Park General Plan Designation for Remaining Mobilehome Parks (R-6)
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- Local Enforcement of State Tenant Protections (S-32)

# Housing Production

## Building Permits Issued

■ 2023 (02/01/2023 - 12/31/2023) ■ Annual Housing Goal



This chart shows the 2023 (2/1/2023 - 12/31/2023) RHNA residential building permit performance by affordability level. Number of units receiving building permit is in blue (left) and the annual housing goal is in orange (right). Please note, the 5th Cycle planning period is from 01/31/2015 - 01/31/2023. Therefore, the chart shows units approved after February, 2023.

# Next Steps

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- Report to Housing and Community Development Commission on March 14<sup>th</sup>
- Combined City Council item on Housing Catalyst Team Work Plan and Housing Element Annual Progress Report on March 19<sup>th</sup>
- Launch “dashboard” version of work plan
- Advance individual work items

# Housing Catalyst Team Work Plan

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## **Community and Economic Development Committee**

February 26, 2024

Item d(1)

Jerad Ferguson, Principal Planner, PBCE

Kristen Clements, Division Manager, Housing Department



*Planning, Building and  
Code Enforcement*

# Housing Catalyst Team Work Plan and Housing Element Annual Progress Report

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**City Council**

March 19, 2024

Items 8.1 and 8.2

Jerad Ferguson, Principal Planner, PBCE

Kristen Clements, Division Manager, Housing Department



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Code Enforcement*

# Background

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2018

Housing Catalyst  
Team Established



November 2022

Final Update on  
Housing Crisis Work  
Plan

Creation of  
Housing Catalyst  
Team Work Plan



June 2023

Council Adopts  
Housing Element

Housing Catalyst  
Work Plan at CED  
Committee



August 2023

Housing Catalyst  
Work Plan at City  
Council



January 2024

HCD certifies  
Housing Element

# Housing Catalyst Team Work Plan

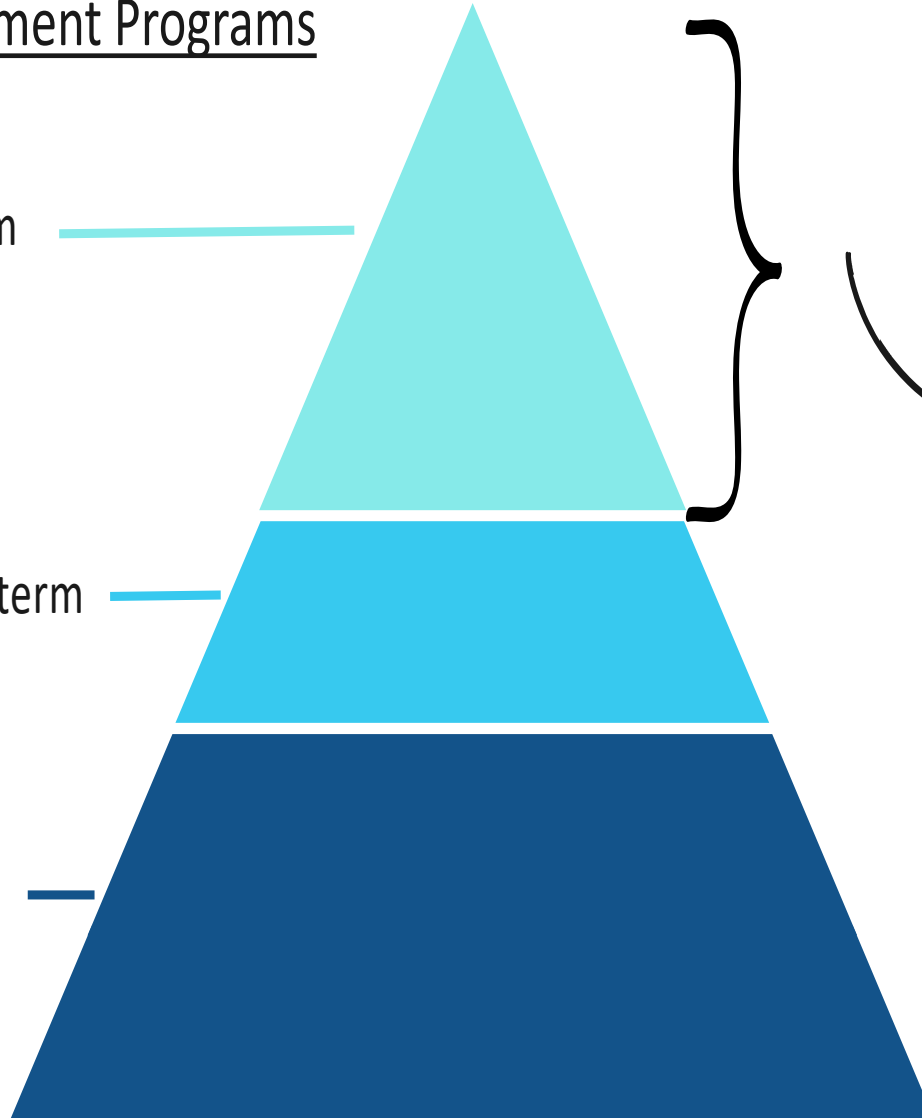
## Housing Element Programs

2023-2031

Near-term

Medium-term

Long-term



Housing Catalyst  
Team  
Work Plan

Near-term Housing Element  
programs underway or  
initiated in next two years

+

Additional housing-related  
work items from Council or  
staff

*125 Multi-part Work Items – Production, Preservation and Protection*






# Impact and Level of Effort

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## Impact

- High Impact 
- Moderate Impact 
- Low Impact 
- Legally Required 
- To Be Determined 




## Effort

- Low Effort 
- Moderate Effort 
- High Effort 

# Housing Catalyst Work Plan Dashboard

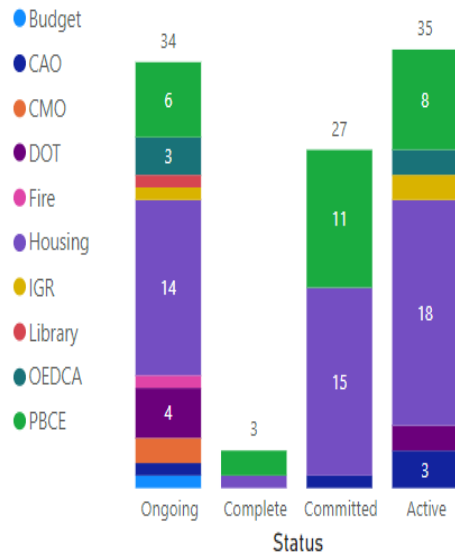
## Housing Catalyst Work Plan

For a full description of work items, and defined impact/effort levels please see here: 

To coordinate implementation of housing production, preservation and protection work across multiple departments, the Housing Catalyst Team was established in 2018. The team meets on a biweekly basis and is composed of staff from the Business Development team in the Office of Economic Development and Cultural Affairs, the Citywide Planning Division of the Department of Planning, Building, and Code Enforcement, the Policy and Planning Team and the Residential Development Division of the Housing Department, and the Planning Team of the Department of Parks, Recreation, and Neighborhood Services.

The Housing Catalyst Team Work Plan contains near-term strategies, programs, and policies from the 2022-2031

### Status By Department



Ref #	Work Item	Department(s)	Planned Completion	Status	Update	Impact	Level of Effort
H-1	Interim Homeless Housing Construction	Housing	December 2025	Active	In May 2023, the Guadalupe EIH (previously known as Civic Center), was completed and began services with a capacity of 96 units. Also in 2023, the Department of Public Works began the procurement process for the Rue Ferrari expansion, which will add 100 additional units. The Housing Department continues to manage state grants obtained to fund operations/services including the Permanent Local Housing Allocation (PLHA) and Homeless Housing, Assistance and Prevention (HHAP) programs from multiple funding rounds. In 2024, staff plans to seek additional funding to support ongoing operations of the City's interim housing.	Moderate	High
H-11	Feedback from Those with Lived Experience in Homelessness in Decision Making	Housing	2031	Ongoing	In 2023, the Housing Department formalized its first partnership agreement with the local Lived Experience Advisory Board (LEAB). The City of San José and LEAB entered into a 2-year agreement to incorporate the voices of those with lived experience into local and regional decisionmaking. LEAB members will provide firsthand expertise and insight to address the causes of homelessness and impact policy change to adapt to the changing needs of those experiencing homelessness. LEAB members will also provide direct and immediate awareness to obstacles, identify deterrence strategies, and provide feedback regarding housing programs. This new contract formalizes the City of San José's partnership with the LEAB and ensures that the voices of those who use our services are at	Low	Moderate

# Work Plan Highlights

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- Housing on Public/Quasi Public Lands (P-24)
- City Streamlined Ministerial Approval Ordinance (P-7)
- Small Multifamily Housing (P-35)
- CEQA Analysis for Urban Villages (P-37)
- Evaluation of Urban Village Planning Process (P-40)
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# Key Anti-Displacement Work Items

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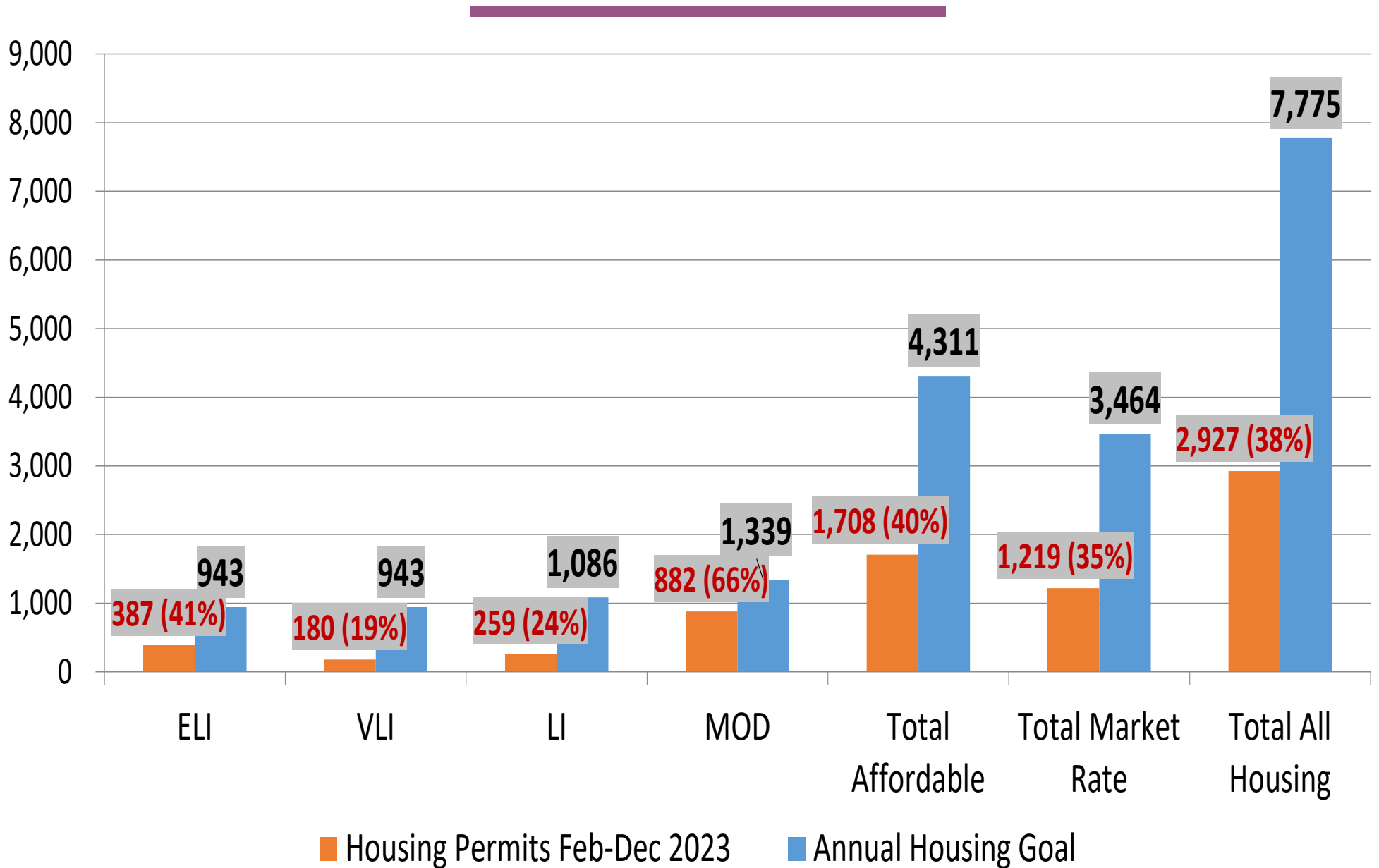
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# San José's Housing Needs (RHNA)

Income Category	2023 HCD Income Limits		2023-2031 RHNA (Units)	Annual Goal (Units)
	1-person	4-person		
<b>Extremely Low Up to 30% AMI</b>	≤ \$38,070	≤ \$54,390	7,544	943
<b>Very Low 31%-50% AMI</b>	\$63,450	\$90,650	7,544	943
<b>Low 51%-80% AMI</b>	\$101,520	\$145,040	8,687	1,086
<b>Moderate 81%-120% AMI</b>	\$152,280	\$217,560	10,711	1,339
<b>Above Moderate</b>	\$152,281+	\$217,561+	27,714	3,464
<b>Totals</b>			<b>62,200</b>	<b>7,775</b>

55%  
of  
RHNA  
Goal

# Housing Production – Building Permit Issuance



# Affordable Housing Production

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- Approximately \$4.8 billion in City subsidies would be required to meet RHNA goal
  - Sufficient low-income housing tax credits and equity also needed to support most affordable developments
- Revenues are down from local sources such as LMIHAF, Measure E, County Measure A
- Competition for all City-issued NOFAs indicate strong need for the proposed Affordable Housing Regional Bond Measure

# 2023-2024 Housing Successor Annual Report Highlights

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1. Assets of \$713.6 million
2. Four required tests met
  - ✓ *Excess Surplus* test: Timely spending of loan repayments
  - ✓ *Senior Housing* test:  $\leq 50\%$  of LMIHAF funds spent on senior affordable housing over past 10 years (39%)
  - ✓ *Extremely Low-Income* test:  $\geq 30\%$  of LMIHAF funds on housing for residents  $\leq 30\%$  AMI over 5 years (43%) – next due spring 2025
  - ✓ *60%-80% AMI* test:  $\leq 20\%$  of LMIHAF funds on housing for residents 60% to 80% AMI over 5 years (0%) – next due spring 2025



# Recommendations

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- Item 8.1:** As recommended by the Community and Economic Development Committee on February 26, 2024, accept the status report on the work to implement the Housing Catalyst Team Work Plan.
- Item 8.2:** (a) Accept the Calendar Year 2023 Annual and First Progress Report on the Implementation of the San José 2023-2031 Housing Element; and
- (b) Accept the Fiscal Year 2022-2023 Housing Successor to the Redevelopment Agency Annual Report.

# Housing Catalyst Team Work Plan and Housing Element Annual Progress Report

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## **City Council**

March 19, 2024

Items 8.1 & 8.2

Jerad Ferguson, Principal Planner, PBCE

Kristen Clements, Division Manager, Housing Department



*Planning, Building and  
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