



*Housing*

# Tenant Preferences to Mitigate Displacement for Affordable Housing

**City Council**

March 26, 2024

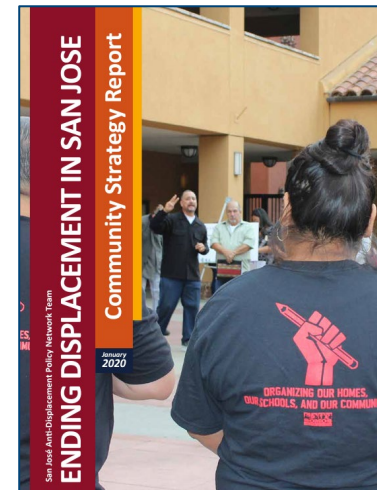
Item 8.2

**Kristen Clements**  
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# Background

- City Council direction in 2017
- A priority in Community Strategy Report: Ending Displacement in San José (2020)
- Prioritized by community groups and stakeholders
- Included in the Citywide Residential Anti-Displacement Strategy (adopted 2020)
- Included in the Housing Element 2023-2031 as required work item (S-20)
- Informed by other cities' preferences and fair housing law

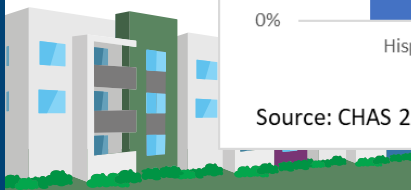
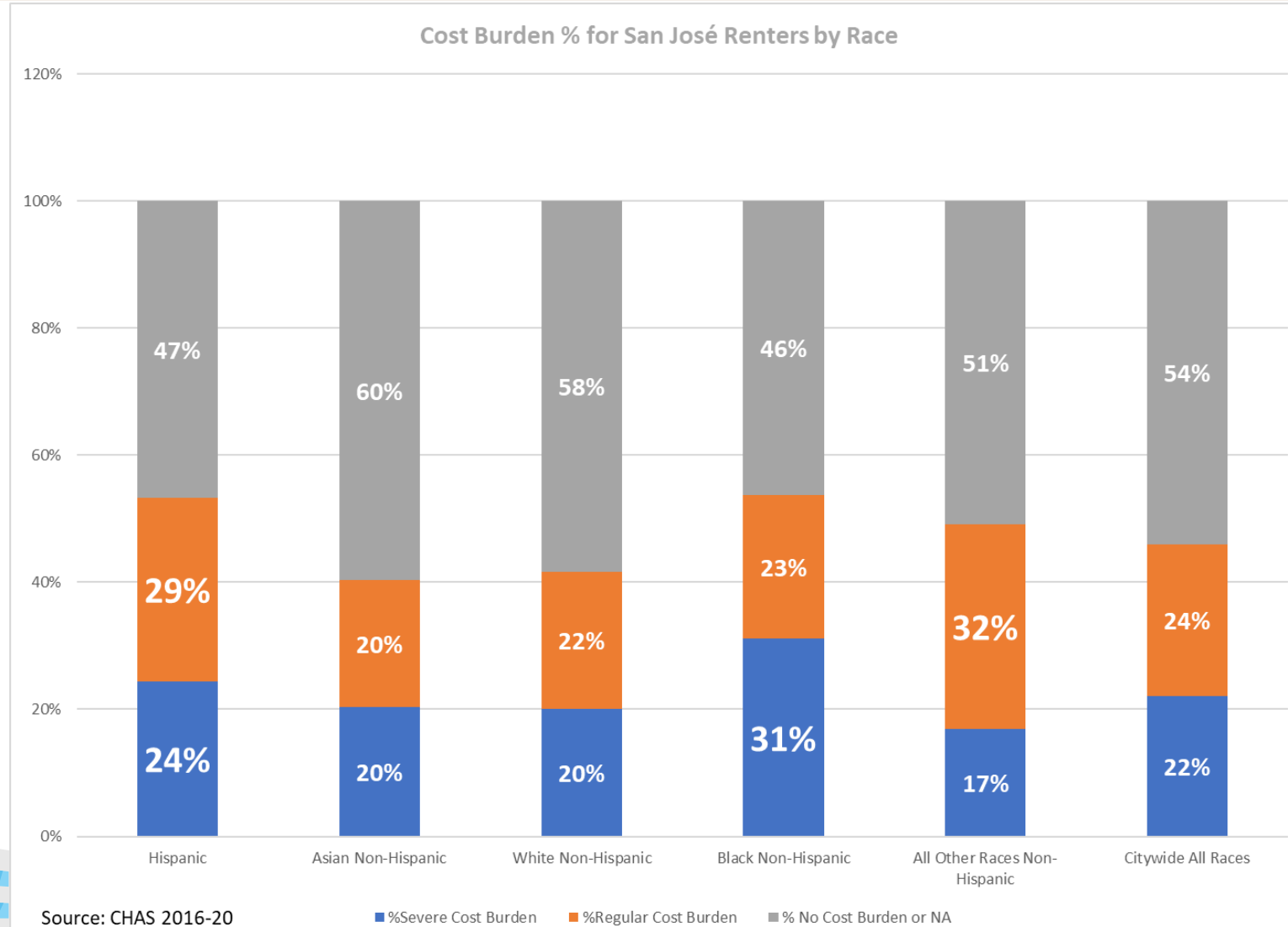


# Goals of Tenant Preferences Program

- Help prevent displacement of lower-income renters
- Increase likelihood that lower-income renters stay in San José
- Make best use of scarce publicly-funded affordable housing
- Increase fair housing choices for current San José residents



# Displacement Risk Disproportionately Hurts Hispanic and Black Renters

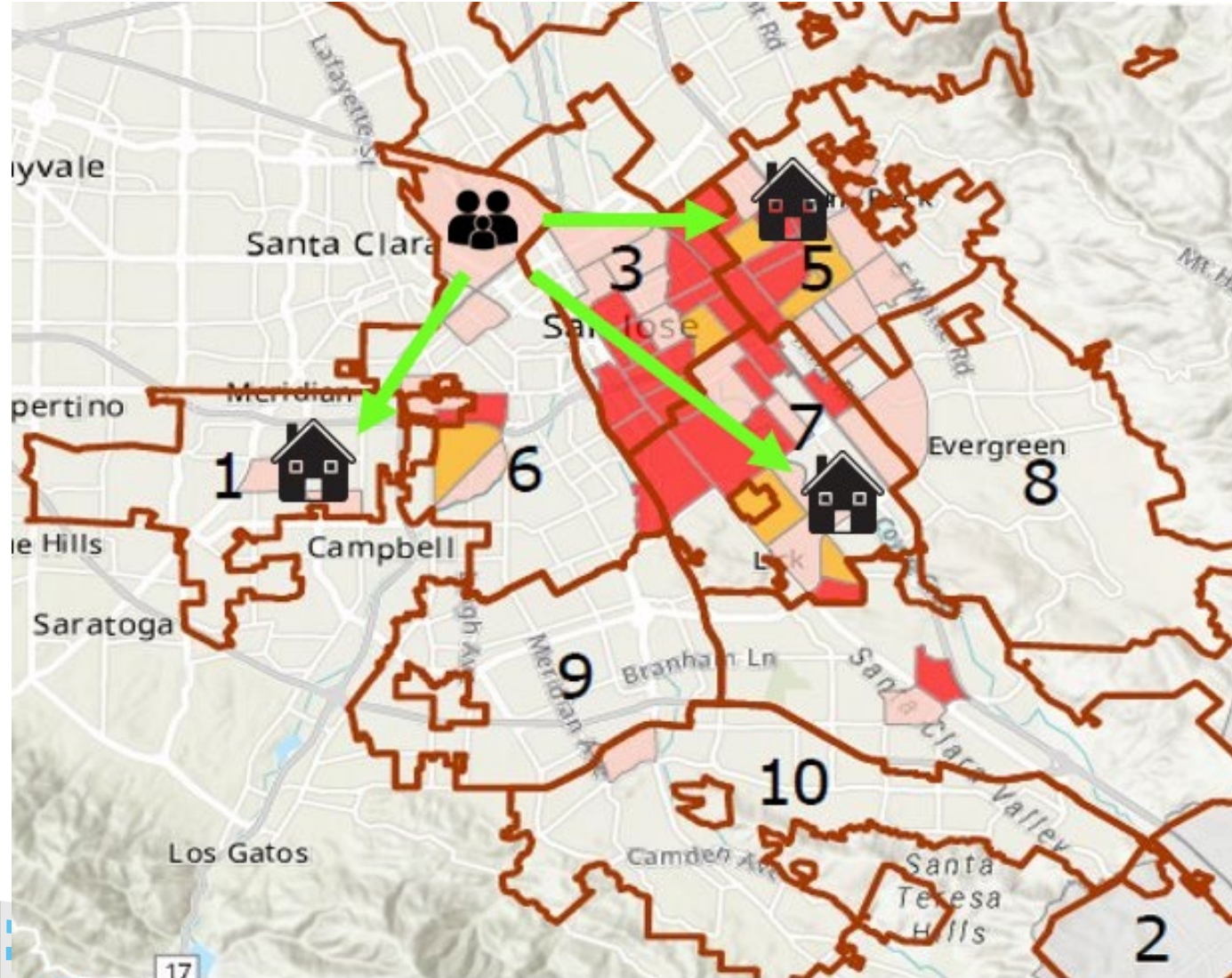


# Creating Tenant Preferences that Mitigate Displacement

- 🏠 State Senate Bill 649 (Cortese, 2021)
  - City-sponsored bill recognizes population at-risk of displacement
- 🏠 Extensive analysis to meet fair housing requirements
  - Protected classes analyzed: Race, Disability, Family Size, Women Head of Household, Veterans, Seniors
- 🏠 Technology developed to support administration (Doorway)
- 🏠 City Council approval
- 🏠 State approval (as a lender)



# Applicants Have Increased Mobility, Choices



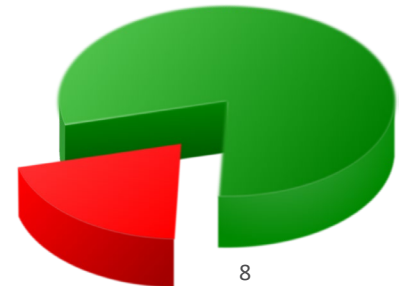
# 1. Residents in High-Displacement Census Tracts

- 🏠 **Definition:** Requires 20% of affordable apartments in subject properties be reserved/prioritized for applicants from definitive or probable displacement areas
- 🏠 **Applicants:** Lower-income ( $\leq 80\%$  AMI), currently living in Census tracts categorized as having definitive or probable displacement
- 🏠 **Objective:** Increase housing choices in same area or new area of San José



## 2. Applicants Living in Same Council District

- 🏠 **Definition:** Requires 15% of affordable apartments in subject properties be reserved/prioritized for applicants who already live in the same City Council District of the property
- 🏠 **Applicants:** Lower-income ( $\leq 80\%$  AMI), currently living in same City Council district as subject property
- 🏠 **Objective:** Improve housing choices to remain in same area of San José and preserve local networks





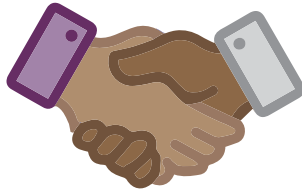
# Applicants Improve Stability, Keep Networks



# Applicability to Properties



City-funded affordable housing projects



Existing City-funded affordable properties  
(implemented on deal-by-deal basis)



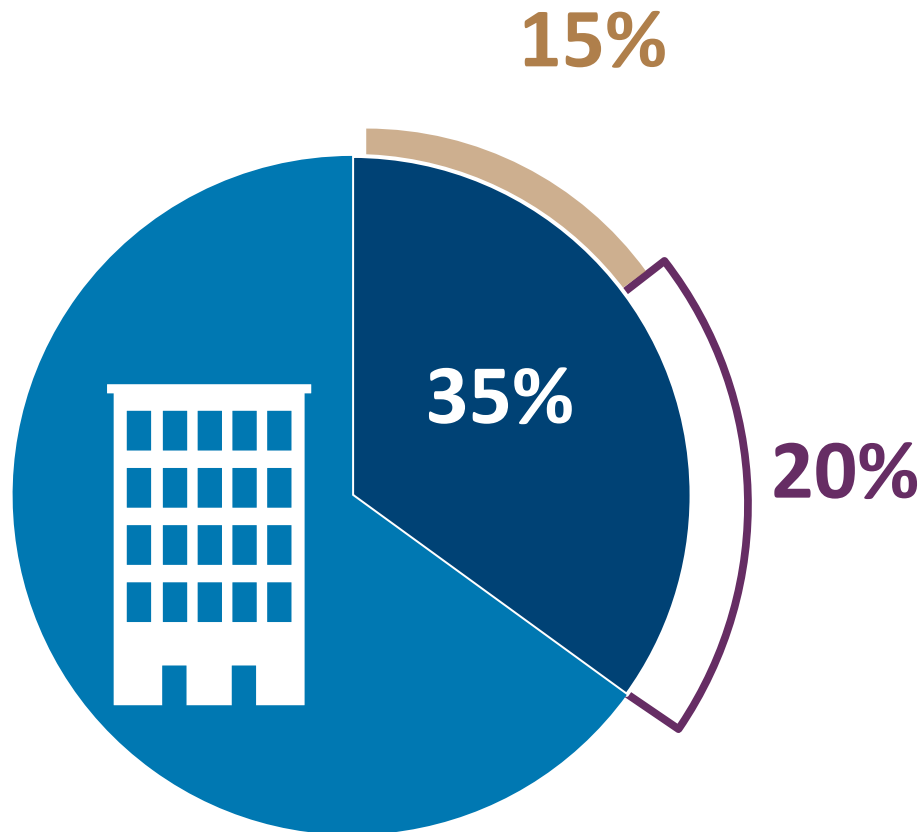
Properties with City-negotiated  
development agreements

*Does include senior housing*

*Does not include restricted affordable units for special populations*



# How the Proposed Program Would Work: Apartments Set Aside for Applicants Qualifying for Preference



- **35%** of a property's restricted affordable apartments available to the general public
  - No more than **15% of units** for applicants in same neighborhood Council District
  - **20% of units** for applicants in high-displacement areas
- Set-aside has commensurate mix of apartment types as whole property



# Engagement Activities

- 🏠 Summer 2023 - winter 2023-2024: Presented draft framework to property owners and managers, stakeholders, and public
  - Held two public meetings, two Developer Roundtables with SV@Home
  - Met with property managers, attorneys, other stakeholders
  - 240 attendees at 14 meetings
  - Revised framework based on feedback
- 🏠 September 14, 2023
  - Housing and Community Development Commission
- 🏠 January-February 2024: Tested tenant preferences feature in Doorway



# Next Steps

## 🏠 Spring 2024

- 🏠 Create administrative guidelines, loan documents language, tools
- 🏠 Begin public education and outreach with partners

## 🏠 Summer 2024 and beyond

- 🏠 Incorporate into new construction loan documents and existing deals on a case-by-case basis
- 🏠 Seek HCD approval





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