



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Rosalynn Hughey

SUBJECT: SEE BELOW

DATE: May 20, 2024

Approved

Date: 5/20/24

**SUBJECT: COMMUNITY OUTREACH FOR THE TENANT PREFERENCES
PROGRAM TO FIGHT DISPLACEMENT**

BACKGROUND

On March 26, 2024, City Council unanimously approved the Tenant Preferences Program (Program) to help fight residential displacement in San José.¹ Included in the motion was a direction by Councilmembers Ortiz, Torres, Cohen, and Candelas that asked staff to provide an analysis of outreach implementation and any anticipated funding to support the outreach for the Program. The **Attachment** includes the motion language. This memorandum responds to that direction.

ANALYSIS

Planned Tenant Preferences Engagement and Education Efforts through Staff

Under the existing Program implementation work plan, Housing Department staff in the Policy and Planning Division and the Residential Development Division will leverage existing Housing Department resources to engage and educate the community on opportunities under the Program. Prospective applicants will learn about the program through a variety of avenues.

Staff will develop multilingual educational material on the Program and will share it widely to the community. Distribution channels will include direct e-blasts, distribution through community partners, and information made available in paper at City-owned sites such as libraries and community centers. Staff plans to conduct presentations to raise awareness of prospective tenants near affordable housing properties subject to the Program. Staff will use the City's social media presence to push out information on new opportunities integrating tenant preferences in multiple languages. Staff also will continue to update the Housing Department's

¹ Item 8.2, Mar. 26, 2024, <https://sanjose.legistar.com/View.ashx?M=A&ID=1188780&GUID=03BF47FB-AEAE-4164-BCD1-1C4ADCDED687>

Tenant Preferences Program webpage² so that residents and affordable housing property owners can access the information. Posted information includes eligibility requirements, program support materials, and a list of the affordable housing properties incorporating tenant preferences. There also will be a link to Doorway, the online affordable apartment portal for applicants, so they can apply for available apartments. A significant proportion of the City's existing affordable housing portfolio and all new affordable housing developments are required to list their applications and vacancy announcements on Doorway. Doorway will clearly denote properties that are integrating the Program and will help screen applicants for Program eligibility.

In addition, when an affordable housing property in the City's portfolio begins its lease-up process or opens its waitlist, Housing Department staff already requires property managers to develop an affirmative fair housing marketing plan. The marketing plan demonstrates that the property outreach will target underserved communities least likely to hear about housing opportunities.

Importance of Robust Outreach to Populations Subject to Displacement that are Disproportionately People of Color

The Program is designed to help lower-income residents stay in San José. If outreach can be implemented more robustly than staff alone could accomplish, the City can communicate better with residents across San José from different races and ethnicities who need more affordable housing. Census tract data in San José consistently shows that Latino/a/x, Black, and Southeast Asian communities are more likely to be lower-income, renters, and housing cost burdened. These households face the greatest risk of displacement from San José. Latino/a/x, Vietnamese, and Black residents disproportionately live in areas with displacement pressures at double or triple the rate as non-Hispanic White households in San José.

Analysis based on the University of California Berkeley's Urban Displacement Project maps indicates that certain areas of the city are more prone to residential displacement. These areas are classified as "definitively" or "probably" undergoing displacement pursuant to 2019 data. Nearly half (45%) of the city's Hispanic/Latino/a/x population, 34% of the city's Vietnamese population, and 30% of the city's Black population were living in these neighborhoods. These population proportions can be compared to only 13% of non-Hispanic White residents living in these areas.

Given these statistics, enabling a variety of populations in higher displacement areas to become aware of and use the Program promotes racial equity.

² Tenant Preferences webpage, <https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/housing-policy-plans-and-reports/tenant-preferences>

Partnering with Community-Based Organizations for More Proactive and Robust Outreach

As part of the Program's implementation, staff is committed to conducting outreach that is robust and targets underserved communities disproportionately impacted by displacement. The optimal way to do this work is to partner with the many trusted local community partners and leaders in San José. Working together with community-based organizations (CBOs) allows staff to leverage vast community networks and build on the strength of existing relationships between CBOs and local community residents. Working with CBOs will help staff to successfully reach eligible households and overall promote greater housing outcomes for the community's most vulnerable residents.

Partnering with CBOs would be particularly important when an affordable housing property begins its lease-up process and later when it opens its waitlist for new applications. Prior to the time when the process opens, CBOs selected to assist in outreach could receive a copy of the subject property's marketing plan. Staff would collaborate with CBOs to coordinate resources and partners, identify potential barriers, and develop a community-driven outreach plan targeting residents living in high displacement tracts. Activities could include, but not limited to:

- Planning community-led information sessions;
- Tabling at community events;
- Conducting social media campaigns;
- Developing tailored educational material;
- Distributing flyers door-to-door;
- Conducting phone banking; and
- Assisting residents in filing applications.

Asking community partners to do this level of work with staff requires that they receive compensation for their efforts. To this end, in 2023, the City Manager's Office entered into contract with a variety of CBOs interested in helping the City conduct community-based outreach.

In the City's 2023-2031 certified Housing Element, there are several outreach strategies that the City needs to develop and implement to promote greater information sharing with and feedback from our residents. Strategy I-8, Promotores-based Outreach,³ states that the City would continue funding for the community-based *Promotores* outreach program. Housing Department staff had already anticipated using the Promotores team to help with this Program's implementation. Promotores would connect with potential tenant preference candidates from neighborhoods in target displacement census tracts to assist City staff to share information on new affordable housing opportunities, waitlist openings, and application assistance.

³ City of San José 2023-2031 Housing Element, Chapter 3, pg. 3-60,
<https://www.sanjoseca.gov/home/showpublisheddocument/106978/638355761263470000>

Cost Estimate for Robust Outreach

Table 1 lists the 10 new affordable housing developments anticipated to complete construction by 2027 that could be eligible to integrate the Program. In total, 679 units for the general public will be created; therefore, a 35% set-aside for the Program could result in up to 237 apartments being set aside for eligible Program applicants. Note that existing affordable properties also will integrate the Program gradually as apartments become available. For the highest impact, outreach resources therefore will be best spent on supporting the initial lease-up of new construction properties. Planning for lease-up typically begins one to one-and-a-half years prior to construction completion. Staff expects leasing activities for the upcoming developments to start beginning as early as fall 2024 and continue through 2026. **Table 1** provides the list of upcoming new construction affordable housing developments for which the Program could be implemented and robust outreach conducted in Fiscal Years 2024-2025 and 2025-2026.

Table 1: Upcoming New Construction Affordable Housing Developments

Property Name	# of General Population Units	Estimated Construction Completion Date	Likely Outreach Timing
1860 Alum Rock Ave.	29	Spring 2025	Summer 2024
551 Keyes	48	Spring 2025	Summer 2024
Parkmoor Community	39	Spring 2025	Summer 2024
Tamien Station	68	Fall 2025	Summer/fall 2024
Dry Creek Crossing	63	Fall 2025	Summer/fall 2024
777 W. San Carlos	102	Fall 2025	Summer/fall 2024
727 Almaden	73	August 2026	Spring 2025
525 North Capitol	93	March 2027	Winter 2025-26
Kooser Apartments	139	May 2027	Winter 2025-26
Santa Teresa Multifamily	25	July 2027	Spring 2026
Total general units	679		

Given the demand and scarcity of affordable units in San José, waitlists typically reach capacity within the first two weeks of lease-up opening. Outreach timelines may vary between each development; however, staff foresees two phases of outreach and engagement. The first is engaging with the community on affordable housing developments and application education. The second is targeted outreach several weeks prior to and during the initial two weeks of lease-up to assist the community in applying for apartments. Depending on the complexity of outreach plans, staff estimates up to 100 hours of work by CBO partners per property.

As detailed in **Table 2**, staff estimates that \$210,000 is needed for CBO support of robust lease-up outreach for the 10 upcoming developments for Fiscal Years 2024-2025 and 2025-2026.

Table 2: Additional Outreach Cost Estimate

Tasks	# Sessions/ Properties	Hours	Rate (Per Hour)	Subtotal
CBO master outreach contracts – setting scope of work and planning outreach specifics	N/A	20	\$50	\$1,000
CBO - Direct community outreach and engagement – general information conveyance, integration into existing meetings and communication vehicles	N/A	80	\$50	\$4,000
CBO – More intensive geographic outreach (ten target properties and three geographic areas covered for each property)	30	100	\$50	\$150,000
Promotores outreach / work sessions for application preparation, including preparation with property owners	30	20	\$50	\$30,000
Additional CBO contracts to cover other subpopulations at estimated \$2,500 per property	N/A	N/A	N/A	\$25,000
Total Estimated Need				\$210,000

Available Funding Sources

The Housing Department’s funding sources are not eligible for the Program outreach alone. The administrative allowance on sources that fund new affordable housing construction are capped and already being used to fund staff costs to administer the funds. Administrative funds pay for time spent making loan commitments, closing financing, overseeing construction progress, making disbursements, and administering the City’s loan provisions. Note that the Housing Department’s 2023 Notice of Funding Availability for new construction was oversubscribed by five times the amount of funding available.⁴ Therefore, using some of the allowable administrative costs for a portion of additional outreach, if available and those costs could be deemed eligible, is not the highest and best use of those extremely oversubscribed funds to build housing. The Housing Department needs to focus as much capital funding as possible on the developments themselves.

Therefore, a more robust Program outreach initiative than staff could do alone would likely need to be funded by the City’s General Fund. Staff estimates a cost of \$147,000 in 2024-2025 and \$63,000 in 2025-2026, which correspond to the potential timing of each outreach effort listed in Table 1.

⁴ Housing Element Annual Progress Report, Item 8.2, Mar. 21, 2024, p. 13, <https://sanjoseca.primegov.com/Portal/Meeting?meetingTemplateId=14334>

HONORABLE MAYOR AND CITY COUNCIL

May 20, 2024

Subject: Community Outreach for the Tenant Preferences Program to Fight Displacement

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COORDINATION

This memorandum was coordinated with the City Attorney's Office.

/s/

ROSALYNN HUGHEY
Deputy City Manager

Attachment: Council Draft Motion for Tenant Preferences Program

ATTACHMENT
COUNCIL DRAFT MOTION FOR TENANT PREFERENCES PROGRAM

The following reflects the motion for the City Council's approval of the Tenant Preferences Program to Fight Displacement on March 26, 2024:⁵

Action: Upon motion by Councilmember Peter Ortiz, seconded by Councilmember Omar Torres, and carried unanimously, (a) the Anti-Displacement Tenant Preference and Neighborhood Tenant Preference for Affordable Housing Programs Status Report was accepted and (b) Resolution No. RES2024-84, regarding the Anti-Displacement Tenant Preference Program was adopted.

Including acceptance of the joint memorandum from Councilmember Peter Ortiz, Councilmember Omar Torres, Councilmember Domingo Candelas, and Councilmember David Cohen, dated, March 22, 2024 recommending the following: accept staff recommendations with the following amendments: (1) Develop and implement this outreach strategy that includes proactive steps, beyond efforts of implementing in the Doorway Portal and Promotores program, to ensure that local community organizations who are active in the Displacement Census Tracts are engaged in supporting the Housing Department distribute information and resources on understanding the Tenant Preference Policy and how to apply. (a) This outreach should extend to groups such as, but not limited to: (i) SOMOS Mayfair, the Si Se Puede Collective, South Bay Community Land Trust, Silicon Valley @ Home, Sacred Heart Community Service, Affordable Housing Network, Latinos United for New America, Amigos de Guadalupe, Working Partnerships USA, Bill Wilson Center, YWCA, Catholic Charities etc. (b) Direct the City Manager to issue a Manager's Budget Addendum (MBA) providing an analysis of implementing this robust outreach plan that includes non- profit partners. (11-0-0)

⁵ Draft Minutes, Item 8.2, Mar. 26, 2024,
<https://sanjose.legistar.com/View.ashx?M=M&ID=1188780&GUID=03BF47FB-AEAE-4164-BCD1-1C4ADCDED687>