Anti-Displacement DRAFT Solutions

Key: H = High, M = Medium, L = Low (Impact/Effort/Resources)

The following are draft solutions that could help lessen residential displacement or its effects in San José. These are ideas that the City would lead in implementation, often with partners. Those listed as "In Progress" already have City Council direction to pursue.

IN PROGRESS				
City Staff DRAFT Recommendations	Description	Funding Required?	Timing	
Conduct a Public Land Survey and Partner with the State to Leverage Public Land for Affordable Housing and Community Preservation	Existing law provides incentives to produce affordable housing on publicly owned land. Identifying and sharing information of the location of viable sites could assist affordable housing developers with locating future development on those sites.	No	2020- 21	
 Actions: a. Partner with State to convene local agencies to identify and prioritize potential sites for affordable housing. (L/L/L) 	Staff is working to integrate public sites into existing Opportunity Sites GIS tool under development. Impact:			
b. Integrate State and local agencies' public land into City's Sites Opportunity Map being developed with consultant & determine ongoing process for updates. (M/L/H)	Streamlines process for affordable housing developers to locate potential sites for affordable housing on publicly owned land.			
Actions: a. Analyze recent rent increases on restricted affordable housing units to determine if they exceed 5% per year. (H/L/L)	Restricted affordable rent maximums are set by formula per County incomes which have recently risen 8-11% per year. If actual affordable rents have risen to maximums allowed, this would cause financial strain on affordable housing residents. (Note that 5% is the increase allowed for rent-stabilized apartments per the City's Apartment Rent Ordinance.) Studying residents' "rent burden" (percentage of gross income spent on rent) is also part of this analysis. This recommendation would provide data to inform possible City policies on rent increases in restricted affordable housing, so as to protect residents and to protect the long-term affordability of restricted affordable housing.	No	2020	
	Impact: • Approximately 19,000 restricted affordable apartments			

City Staff DRAFT Recommendations	Description	Funding Required	Timing
1. Explore Expanding Legal Counsel in Evictions for Low-Income Tenants and Low-Income Rental Property Owners Actions: a. Identify funding to commission a study with the County of the costs and benefits of implementing a tenant right to legal counsel program. (L/L/L) b. Identify funding for legal representation of tenants to expand program. (H/L/M) c. Identify possible new sources for grants to legal services for harassment cases. (L/L/H) d. Research gaps in legal representation for low-	A study in New York City found that 95% of landlords used an attorney for eviction, but only 1% of tenants has legal counsel. The system is very unequal and produces negative impacts for residents such as job loss, disruption to a resident's support network, worse educational outcomes, and worsened mental health. Evictions have decreased every year since NYC established the right to legal counsel. This recommendation suggests the City and County study if a right to counsel program would be an effective strategy in SCC as a proactive intervention to help decrease evictions, determine how much a program would cost, and if there would be a public cost savings. Impact: Over 7,000 households face eviction every year in San José.	Yes Approx. \$15,000 for study CDBG- eligible, but limited funding	2021
income rental property owners in evictions. (L/L/L) 2. Expand Tenant and Rental Property Owner Education and Neighborhood Development Programs Actions: a. Host / sponsor more "Know Your Rights" trainings throughout the City for landlords and tenants, increase education efforts with existing staff and partners. (H/L/L) b. Support engagement and leadership development for organizations representing historically disinvested neighborhoods. (H/L/L)	Most historically redlined and disinvested neighborhoods are experiencing ongoing displacement today. Tenants and landlords have reported that they often are unaware their legal rights, especially recent law changes. This would recommend the City prioritize tenant and property owner education on their legal rights to increase the effectiveness of current tenant protections. The City could also fund developing historically disinvested neighborhoods' capacity to organize, identify needs, and train local leaders. This could help them to improve their long-term prospects - seek help to avoid displacement, communicate with owners, request neighborhood amenities from developments, consider future formation of tenant co-ops, etc. Impact: Increased knowledge of legal rights for renters and landlords Increased civic participation in historically disinvested neighborhoods	Yes CDBG- eligible, but limited funding	2020

PROTECTION (9 recommendations	PROTECTION (9 recommendations)				
City Staff DRAFT Recommendations	Description	Funding Required	Timing		
 3. Create Plan to Establish a Housing Resource Center Actions: a. Convene community organizations to collectively plan for, fund, and staff a volunteer central hotline for housing emergency referrals and housing rights information. (L/M/L) b. Identify location for resource center where displacement is high. (L/L/L) 	Staff often heard that residents don't know where to turn to for reliable help when they have an urgent housing question or emergency. Evictions in San Jose are reaching similar levels to the number of foreclosures during the foreclosure crisis. During the foreclosure crisis the City teamed up with Realtors, Housing Trust, the Law Foundation of Silicon Valley and others to staff, locate, and fund a ForeclosureHELP center to help households avoid displacement. Impact: The ForeclosureHELP center assisted over 1,000 residents during the height of the foreclosure crisis.	No	2021		
 4. Develop Strategies to Increase Fair Access to Housing Actions: a. Create a workplan to develop targeted strategies for specific populations to help lower barriers to housing through the availability of certain types or housing types and the housing application process, both in affordable housing and marketrate housing. (L/M/L) b. Convene one or more working groups with representatives focusing on different subpopulations' housing needs, property managers, and owners to make specific recommendations. (L/H/L) c. Seek approvals, funding, and any legislative changes necessary. (M/M/M) 	Staff and consultant research for the Assessment of Fair Housing revealed that women-headed households, households with children, large families, disabled households, mixed-status and undocumented households, limited English speaking, and residents with criminal records face additional hurdles to finding and maintaining housing. These groups represent a significant portion of San Jose's population. Workgroups would determine what policies may be helpful to increase access to housing for these groups and could promote partnerships across sectors. Impact: • Women-headed households: 38,600 households • Households with Children: 126,657 households • Large Families (5 or more persons): 55,153 households • Disabled: 86,129 individuals • Mixed-status and undocumented households: 120,000 individuals • Limited English Speaking: 40,617 Households • Criminal record: 28,000 misdemeanors and 5,900 felonies in Santa Clara County in 2017 alone	No	2020-22		

PROTECTION (9 recommendations)				
City Staff DRAFT Recommendations	Description	Funding Required	Timing	
5. Expand Apartment Rent Ordinance (ARO) Disclosure Action: a. Require disclosure that a building is subject to ARO on advertisements and by notice recorded on title or other mechanism at time of sale. (L/L/L)	Staff heard during community engagement that some immigrant groups are being targeted to purchase apartment buildings without being informed the buildings are under subject to the Apartment Rent Ordinance. This would recommend additional disclosure Impact: 38,886 ARO apartments	No	2020	
6. Responsible Lending Guidelines Action: a. Support State efforts to pass a Non-Bank Multifamily Lender Licensing (Responsible Lending Guidelines) to discourage lenders from funding acquisition of speculative multifamily rental deals predicated on the displacement of the current tenants. (L/L/L)	Lender underwriting practices may finance deals which presume returns on investment based on the displacement of existing tenants. The City could support the State of California to release guidance on best practice alternatives to assumptions of high rent increases and displacement of current tenants, similar to guidance released by the State of New York in 2018. Impact: A recent report by the California Reinvestment Coalition found a bank issued hundreds of loans to a single investor who filed 500 petitions to the Oakland rent board to terminate tenancies and remove units from the City's Rent Adjustment Program.	No	2021	

PROTECTION (9 recommendations)				
City Staff DRAFT Recommendations	Description	Funding Required	Timing	
7. Establish a Neighborhood Tenant Preference for Affordable Housing Actions: a. Work with California HCD to develop a Neighborhood Tenant Preference that is broadly applicable to new restricted affordable apartments and that does not conflict with Fair Housing laws. (M/M/M) b. Work on legislation that supports such preferences. (L/M/L)	Tenant preferences allow low-income people to get into virtual 'shorter lines' when applying for affordable new apartments that are available to the general public. (All other requirements still apply to get into the apartment.) A Neighborhood Tenant Preference is one that gives a preference to people who live near new affordable apartments. The rationale is that these applicants should get greater access to the new affordable homes as they have endured the impacts of development in their area, and they may be living in a changing neighborhood. Residents in new restricted affordable housing benefit from reasonable rents, higher housing quality, and decreased risk they are displaced from their current neighborhood. A Neighborhood Preference could pair well with a production strategy to build more affordable housing in areas likely to experience displacement. This could also work well with an improved Urban Village Planning process for affordable housing (please see #15). Impact: • A Neighborhood Preference could apply to ~16,000 households over the next decade.	No	2020-21	

PROTECTION (9 recommendations)				
City Staff DRAFT Recommendations	Description	Funding Required	Timing	
 8. Increase Housing Quality and Prevent Code Enforcement related Retaliatory Evictions Actions: a. Seek funding sources to assist landlords with low-cost loans and grants for property improvements to address blight or health and safety issues. (H/H/H) b. Explore expanding proactive rental inspections/requirements for those rental units not covered by the City's existing inspections – rented single-family homes, duplexes, condominiums, and other rentals in San José. (M/H/M) c. Explore if receivership may be appropriate for properties that have become serious health and safety dangers to residents. (M/H/M) d. Provide information and target Preservation funding to help community and nonprofit partners to acquire and maintain properties that have repeated major code violations, particularly in areas experiencing displacement. (H/H/H) 	Retaliatory evictions sometimes occur in response to ad hoc code enforcement complaints. Proactive rental inspections help spur necessary maintenance of rental properties and remove some of the risk of retaliatory evictions. Landlords who have long-time residents also may not be able to do expensive rehabilitation without assistance. Conditions to the loans and grants could require a certain number of years of affordability or other community benefit. Some landlords may also avoid critical maintenance needs at their properties without desire to correct them, despite the safety impacts on the current tenants. Receivership was a useful tool during the foreclosure crisis and may be appropriate in these situations. The City could help inform or fund voluntary purchases of these types of buildings. This could be a win-win-win for sellers, buyers and tenants. Impact: • Expand proactive rental inspections to nearly 1/3 of rental units not currently covered by the City's proactive rental inspection program. • Since the San Francisco Small Sites Program was created in 2014, the program has acquired 25 buildings and 160 units.	Yes CDBG- eligible	2022	

PROTECTION (9 recommendations)				
City Staff DRAFT Recommendations	Description	Funding Required	Timing	
 9. Expand Existing Tenant Protections Actions: a. Explore clean-up legislation for AB 1482 (Chiu 2019) that would allow local education & enforcement of this new Statewide anti-rent spike and just cause eviction law. (H/H/H) b. Explore legislation to enable the City to receive copies of eviction notices provided to mobilehome owners and mobilehome renters. 	 a. AB 1482 (2019) is a new State law that prevents rent spikes and requires just causes for eviction. It covers more buildings than ARO and the only enforcement mechanism is suing under State law. This recommendation could enable local education & enforcement to help increase understanding & compliance both with 1482 as well as the City's ordinances. The law could also potentially provide local education & enforcement resources. b. Mobilehome evictions may be an issue, but the City is unable to study this issue as it lacks data. Amending State law is the legally best way to get this information. The law could also potentially provide local education & enforcement resources. Impact: Over 31,100 apartments, condos, single family-homes, and duplexes now covered by AB 1482 	No	2020	
	Residents of nearly 11,000 mobilehomes			

PRESERVATION (5 recommendations)			
City Staff DRAFT Recommendations	Description	Funding Required	Timing
 10. Create a "No Net Loss" Policy Actions: a. Create a 'no net loss' policy to prevent the number of rental units affordable to households at or below a specified income level from dropping below the number of such units set in a baseline year. (L/L/L) b. Improve City's tracking system for affordable housing properties that will sell and/or lose affordability. (L/M/L) c. Work with the State to understand and maximize benefits of noticing requirements for affordable housing that will lose affordability to inform City's tracking system. (M/M/L) 	The City could adopt a 'no net loss policy' to prevent the number of affordable rental units from dropping below the number currently available, to ensure progress toward increasing the available affordable housing stock. This analysis can be conducted citywide and in specific areas as needed. State HCD has also offered to work with San José on implementing best practices around tracking and noticing, and create an overall strategy. Impact: Ability to track to progress toward net positive growth in the availability of affordable housing in the market.	No	2020-21

PRESERVATION (5 recommendations)			
City Staff DRAFT Recommendations	Description	Funding Required	Timing
 11. Explore a Community Opportunity to Purchase Program Actions: a. Explore a Community Opportunity to Purchase Program that would require advance notice for the sale of affordable and market-rate residential properties to nonprofits, tenant organizations & public agencies to help keep properties affordable in perpetuity. (H/H/H) b. Assess capacity needs for organizations to do preservation work and/or form local Community Development Corporations, and identify resources to build capacity. (H/H/H) 	A COPA program would provide advance notice of the sale of affordable and market-rate residential properties to nonprofit developers, tenants, or public agencies and provide them the first opportunity to purchase the property. More properties could become restricted affordable, to the extent public subsidies were available. This strategy would recommend the City learn from those involved with San Francisco's COPA program to assess the current applicability of a similar program in San José. This would include an assessment of nonprofit organizations with capacity that are interested in acquiring and rehabilitating existing, potentially smaller buildings in San José. Impact: Encourages access by buyers who would keep buildings restricted affordable in the long-term. Avoids displacement from rental building sales Gives advance notice to tenants to allow them to plan ahead Creates a potential pathway for existing tenants to acquire assets, were tenant co-ops to form and purchase buildings	TBD Silicon Valley Community Foundation and Council of Community Housing Organizations (CCHO) support available	2020-22
 12. Establish a Preservation Investment Fund Actions: a. Work with local philanthropy and other affordable housing funders to gauge interest in developing a preservation investment fund for San José. (H/H/H) b. Target use on existing apartment buildings of a defined minimum size in neighborhoods at high risk of displacement. (H/L/L) 	Current sources of funding that could be used for affordable housing preservation is dedicated to production of new affordable housing. A preservation investment fund would create a new pool of funding that would not compete with affordable housing development. A flexible source of funds (in addition to Production funds) is needed to quickly acquire existing buildings and provide long-term subsidies with conventional financing to keep residents at a range of incomes in place. Impact: Since the Denver TOD fund was started in 2014, the Fund has created or preserved 1,354 affordable rental units near transit at the cost of \$24,283 per unit.	Yes	2021-2022

PRESERVATION (5 recommendations)			
City Staff DRAFT Recommendations	Description	Funding Required	Timing
13. Conduct a Feasibility Study of Innovative Housing Solutions, Including Co-ops and Community Land Trusts Actions: a) Conduct a feasibility study to assess the feasibility and necessary ingredients to strategies such as Community Land Trusts and tenant co-ops in San José that can help control housing costs, grow assets, enable self- governance, and create job pathways. (L/L/L)	Community Land Trusts (CLTs) and tenant co-ops are innovative solutions to creating affordable housing. CLTs are nonprofits whose mission is to implement neighborhood control of land use and to hold land for the purpose of maintaining affordable housing in perpetuity. Limited equity cooperative is a form of shared homeownership, typically of the same building. Ownership is membership based and maintenance of the building is at-cost. Limited equity co-ops have rules regarding pricing of shares when sold, with the intention to maintain affordable housing. City could help to catalyze these strategies by identifying needs and next steps to create the foundation for these types of strategies. City could team with philanthropy to pay for the study, but would engage the consultant and direct the work. Local preservation efforts are usually undertaken by local nonprofit community development corporations, which San José lacks. Feasibility study, followed by business plan for a San José/South Bay CLT, could help identify next steps and needed resources. Impact: Create new affordable homeownership opportunities Conserve land for affordable housing in perpetuity	Yes Challenge Grant support available	2020

PRESERVATION (5 recommendations)			
City Staff DRAFT Recommendations	Description	Funding Required	Timing
 Actions: a) Study short-term rentals in San José to see how they function as part of the local housing stock. b) Consider implications for the City's Short-term Rental Ordinance. (H/H/H) 	Short-term rental properties can remove potential homes from both the local for-sale and rental housing stock. However, some residents also say that short-term rentals are mostly single rooms and not whole homes. They say short-term rentals help low-income homeowners to create income by renting extra rooms. The City currently has a short-term rental ordinance, but the City could benefit from studying the impact of short-term rentals on the local housing stock. This would help the City understand how the current program is working before demand increases for short-term rentals. Impact: Tracks loss of housing for long-term residential use to short-term rentals. Mitigates impact of lost rental housing, if any.	Yes Cost of consultant study TBD	2022

PRODUCTION (3 recommendations)			
City Staff DRAFT Recommendations	Rationales	Funding Required	Timing
15. Establish a New Source of Funding for Affordable Housing and Anti-Displacement Action: a. Continue to explore and pursue ways to collect more funding for Affordable Housing and anti-displacement. (H/H/L)	In 2018, the Mayor and City Council adopted an ambitious 25,000-unit housing goal, of which 10,000 homes should be affordable. As of September 2019, the City has met over twenty-five percent of the City's 25,000-unit goal. However, using all its current funding sources, the City estimates it can subsidize only 5,615 new affordable homes in the next five years. Additional resources and incentives are needed to meet the City's 10,000 affordable homes goal. In addition, some of the initiatives of this citywide anti-displacement strategy may require new resources to implement. Impact: New resources to increase the Production of new affordable housing,	Yes	2020
	Preservation of existing affordable housing, and programs and policy development for housing stabilization and homelessness prevention.		
Action: Amend the General Plan and zoning ordinance to allow deed-restricted affordable housing under the Public Quasi Public (PQP) General Plan land use designation and zoning district, when such residential uses are developed as a secondary use in conjunction with the primary use of the property as a place of worship. (L/M/L)	Faith organizations are already important partners helping address the homelessness crisis by operating temporary shelters and safe parking programs. Provision of affordable housing is consistent with many of these faith organizations missions, and the City has received inquiries from several faith-based organizations about how to help get affordable housing developed on their parking lots. This could help speed land use entitlements, reduce cost of development, find some new sites, and promote housing ownership by mission-oriented organizations that would preserve affordability in the long term. This recommendation would also have no impact on foregone property tax, as neither churches nor affordable housing controlled by nonprofits meeting certain conditions pays it, per State law. Impact: • Increase the number of sites for affordable housing.	No	2020

PRODUCTION (3 recommendations)					
City Staff DRAFT Recommendations	Rationales	Funding Required	Timing		
17. Urban Village Planning for Affordable Housing Development and Anti-Displacement Actions: a. Include affordable housing analysis in Urban Village Plans, starting with Southwest Expressway, to determine sites, scale, affordability levels and other considerations to better accommodate residents who may be displaced. (M/M/M) b. Integrate updates on affordable housing and displacement status into Urban Village annual reports. (M/M/M)	Urban villages are walkable, bicycle-friendly, transit-oriented, mixed use settings that provide both housing and jobs. Urban Villages are the primary growth areas in the City's General Plan. They have a goal of producing 25% affordable housing, but no way to require that much be built on individual sites, as 25% exceeds the 15% Inclusionary Housing site-specific requirement. Village Plans identify the location of land uses, so analyzing best locations for affordable housing would help to ensure that locations where housing is encouraged, and the forms and densities, would also be appropriate and score well for competitive affordable housing funding sources. This strategy would work well with rules that allow affordable housing to be built before market-rate housing in Urban Village that do not yet have plans, so residents in danger of displacement might have somewhere local and affordable to move.	Yes	2020 - ongoing		
	 Regular reporting on how Urban Villages are progressing would also help policy makers to make decisions regarding growth and mitigating potential displacement. Analysis includes: Map and analyze existing building stock for affordability (market-rate, naturally affordable, rent-stabilized, mobilehome, and affordable) and areas at-risk of redevelopment. (L/M/L) Estimate income levels of existing residents in at-risk areas to inform the type of affordable housing that could directly offset local displacement following redevelopment (L/M/L) Map publicly owned sites. (L/L/L) Map parcels where 100% affordable housing projects could be located to maximize competitiveness for federal, state, and regional subsidy sources. (H/L/L) Identify areas that are most competitive for funding and the areas that should be prioritized for 100 percent affordable housing. (H/H/H) Impact: Improves proactive planning to produce affordable housing and to mitigate local displacement before new investment occurs. 				

GENERAL (2 recommendations)					
City Staff DRAFT Recommendations	Rationales	Funding Required	Timing		
18. Establish an Anti-Displacement Working Group Action: a. Convene a broad array of stakeholders to further develop anti-displacement strategies. Stakeholders include government partners, housing & real estate experts, practitioners, housing advocates, labor, schools, hospitals, community leaders, nonprofit service providers, and philanthropy. (H/M/L)	City staff have benefitted from convening a regular dedicated group of internal and external stakeholders who are interested in preventing displacement. Many of the recommendations included in this strategy require the participation of multiple agencies and sectors. It is crucial that a broad group of organizations continue to come together to work regularly on the implementation of the Citywide anti-displacement strategy. The City can act as convener, and City Hall can be used as meeting space, as the workgroup forms. Impact: Creates an inclusive process for stakeholders to develop anti-displacement strategy policies and programs. Creates a regular opportunity for a broad-based group of stakeholders to engage on the issue of displacement.	No Support available through Challenge Grant	2020		
19. Increase representation of renters on City boards and commissions Action: a. Add renter and homeowner question to board and commission applications for Housing and Community Development Commission, Planning Commission, Neighborhoods Commission, and Human Services Commissions. (M/L/L)	Several City Commissions evaluate and provide recommendations to the City Council on policies and programs that may impact renters. Staff has heard there is little renter representation on the Housing and Community Development Commission, Planning Commission, Neighborhoods Commission, and Human Services Commissions. Increasing representation of renters on City boards and commissions would help ensure that renter perspectives can be included in upcoming policies presented to the City Council. This proposal would gather data and create a method for updating the data over time so that the proportion of renter representation can be considered. Impact: Creates a method to track renter representation on commissions so the City can evaluate whether renters are underrepresented on boards and commissions.	No	2021		