

2020 Housing Element Annual Progress Report

City Council

March 30, 2021

Item 8.2

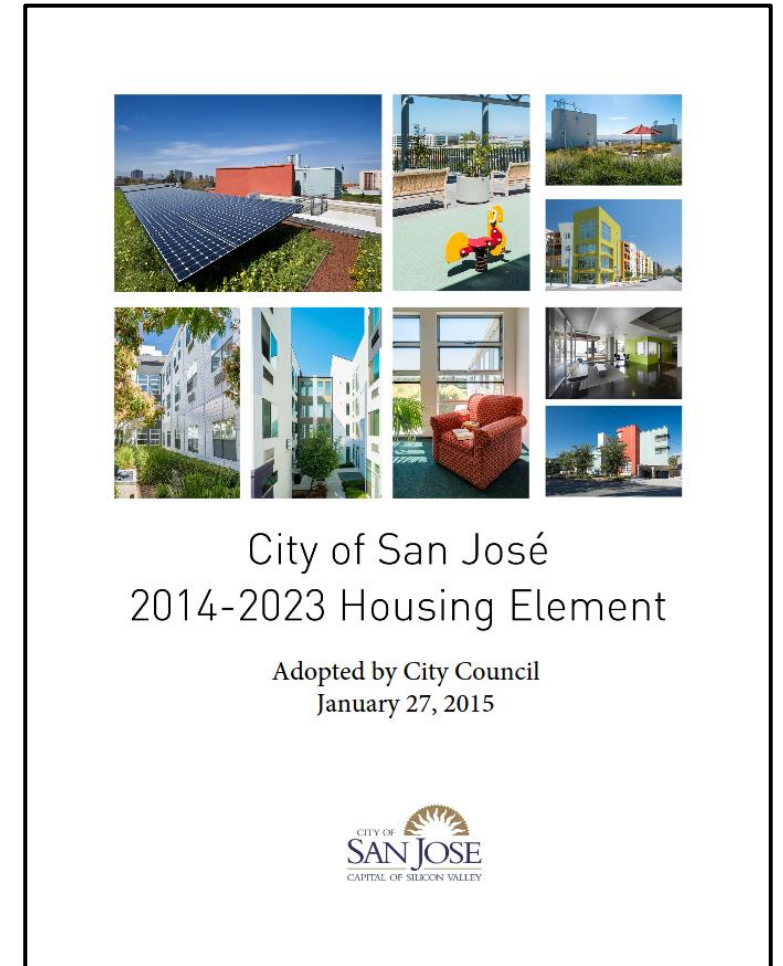
Presenters: Jacky Morales-Ferrand, Director, Housing Department
Ruth Cueto, Planning Supervisor, PBCE



*Planning, Building and
Code Enforcement*

Housing Element

- Annual Progress Report submitted to HCD and OPR by April 1st
- Contents of Housing Element
 - Housing needs assessment
 - Site inventory
 - Constraints
 - Programs
- New reporting requirements
- Higher RHNA numbers next cycle, planning underway

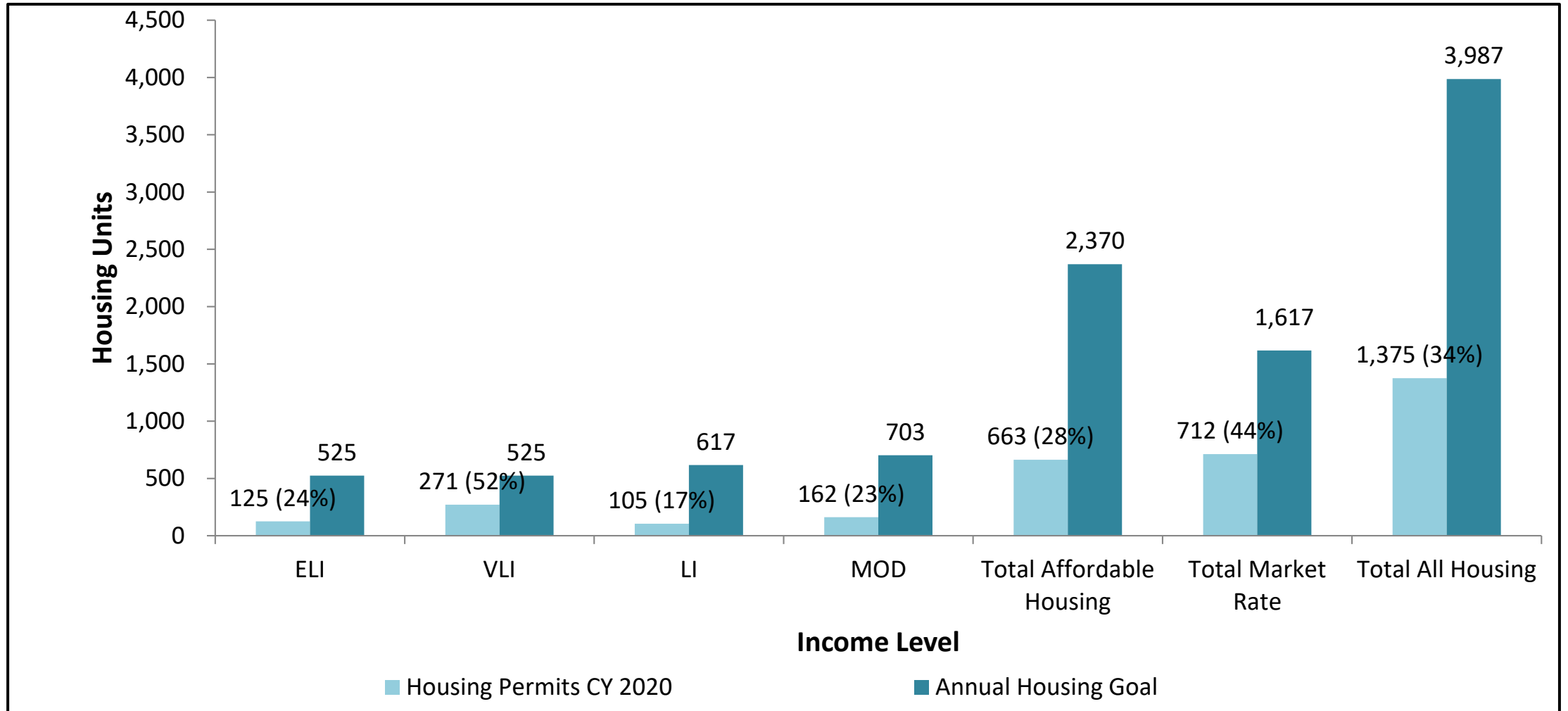


San José's Housing Needs (RHNA)

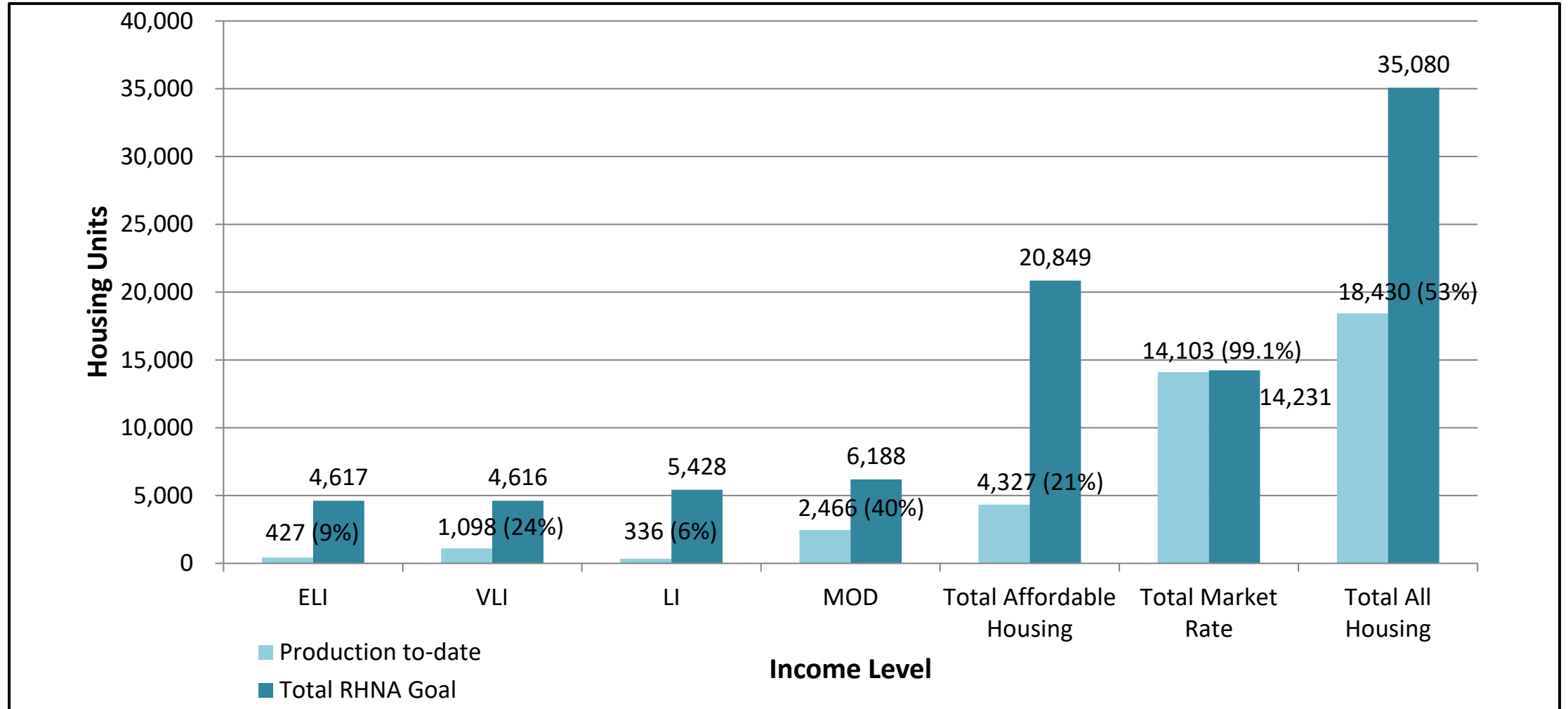
Income Category*	Income Range (1-4 people)	2014-2022 RHNA (Units)	Annual Goal (Units)
Extremely Low Up to 30% AMI	\$33,150 - \$47,350	4,617	525
Very Low 31%-50% AMI	\$55,300 - \$78,950	4,616	525
Low 51%-80% AMI	\$78,550 - \$112,150	5,428	617
Moderate 81%-120% AMI	\$118,950 - \$169,900	6,188	703
Above Moderate	\$169,901 and up	14,231	1,617
	Totals	35,080	3,987

59%
of
total

CY 2020 Building Permit Performance



Cumulative RHNA Performance



Housing Activity

- Diverging rental and for-sale markets
 - Lower rents (7% decrease) and higher vacancies (8.7% overall, 18.1% Class A)
 - Hotter for-sale market: Days on market decreasing from 38 days -> 18 days
- Slower building permit activity
 - 1,375 units permitted - 43% decrease from 2019
 - Fewer ADUs, but share of total units permitted higher (17% -> 24%), and still high compared to pre-State reform
 - 26% of permitted units in Urban Villages
 - Slowdown reflects softer market conditions and COVID-19 impacts

Housing Strategies: Production

- Housing Crisis Workplan
 - Commercial linkage fee
 - “1.5-Acre Rule”
 - San José Housing Site Explorer
- General Plan 4-Year Review Task Force
 - Opportunity Housing
- \$27 million to support 316 new affordable homes
- Site purchases
- *Affordable Housing Siting Policy*
- *Diridon Station Area Plan & Affordable Housing Implementation Plan*

Housing Strategies: Preservation

- COVID-19 response
 - Retaining motel housing post-pandemic
- Citywide Residential Anti-Displacement strategy
- Mobilehome Park General Plan amendments
- Measure E: \$5 million approved for acquisition/rehabilitation
- *Diridon Affordable Housing Implementation Plan*

Housing Strategies: Protection

- COVID-19 response for housing
 - Homeless housing
 - CARES Act funding for homelessness services
 - \$25 million for rental assistance
 - City Eviction Moratorium, Rent Increase Moratorium
- Citywide Residential Anti-Displacement strategy
- *“Eviction cliff” strategies*
- *Local tenant preferences*

2019-2020 Housing Successor Annual Report Highlights

1. Assets of \$692 million
2. Met *Excess Surplus* test
3. Met *Senior Housing* test: 15% of City funding to senior affordable housing
4. Met *Extremely Low-Income* test: 30% of LMIHAF funds spent on ELI housing

Looking Forward

1. Affirmatively Furthering Fair Housing – May 2021
2. Affordable Housing Siting Policy – June 2021
3. Opportunity Housing – October 2021

Staff Recommendation

1. Accept the Calendar Year 2020 Annual Progress Report on the Implementation of the San José 2014-23 Housing Element;
2. Accept the Fiscal Year 2019-20 Housing Successor to the Redevelopment Agency Annual Report; and
3. Approve the submission of an Amended and Restated Fiscal Year 2018-19 Housing Successor to the Redevelopment Agency Annual Report to correct a calculation error in the Seniors Test percentage