

Housing Crisis Workplan Update

| August 12, 2021

| **Housing & Community Development Commission**

| **Office of Economic Development**

| Jerad Ferguson, Housing Catalyst

| **Housing Department**

| Kristen Clements, Division Manager

| **Department of Planning,
Building, and Code Enforcement**

| Michael Brilliot, Deputy Director



Housing Production Report

Units Receiving Development Planning Approvals	
Market-Rate:	361
Affordable:	81
Market-Rate:	2,864
Affordable:	702
Market-Rate:	2,660
Affordable:	1,702
Market-Rate:	426
Affordable:	266
<i>Market-Rate:</i>	<i>6,311</i>
<i>Affordable:</i>	<i>2,751</i>
	9,062

Units Receiving Building Permits	
Market-Rate:	2,827
Affordable:	146
Market-Rate:	2,248
Affordable:	134
Market-Rate:	717
Affordable:	663
Market-Rate:	904
Affordable:	193
<i>Market-Rate:</i>	<i>6,696</i>
<i>Affordable:</i>	<i>1,136</i>
	7,832

Units Receiving Occupancy	
Market-Rate:	797
Affordable:	30
Market-Rate:	620
Affordable:	217
Market-Rate:	963
Affordable:	259
Market-Rate:	716
Affordable:	0
<i>Market-Rate:</i>	<i>3,096</i>
<i>Affordable:</i>	<i>506</i>
	3,602

2018



2023

2018

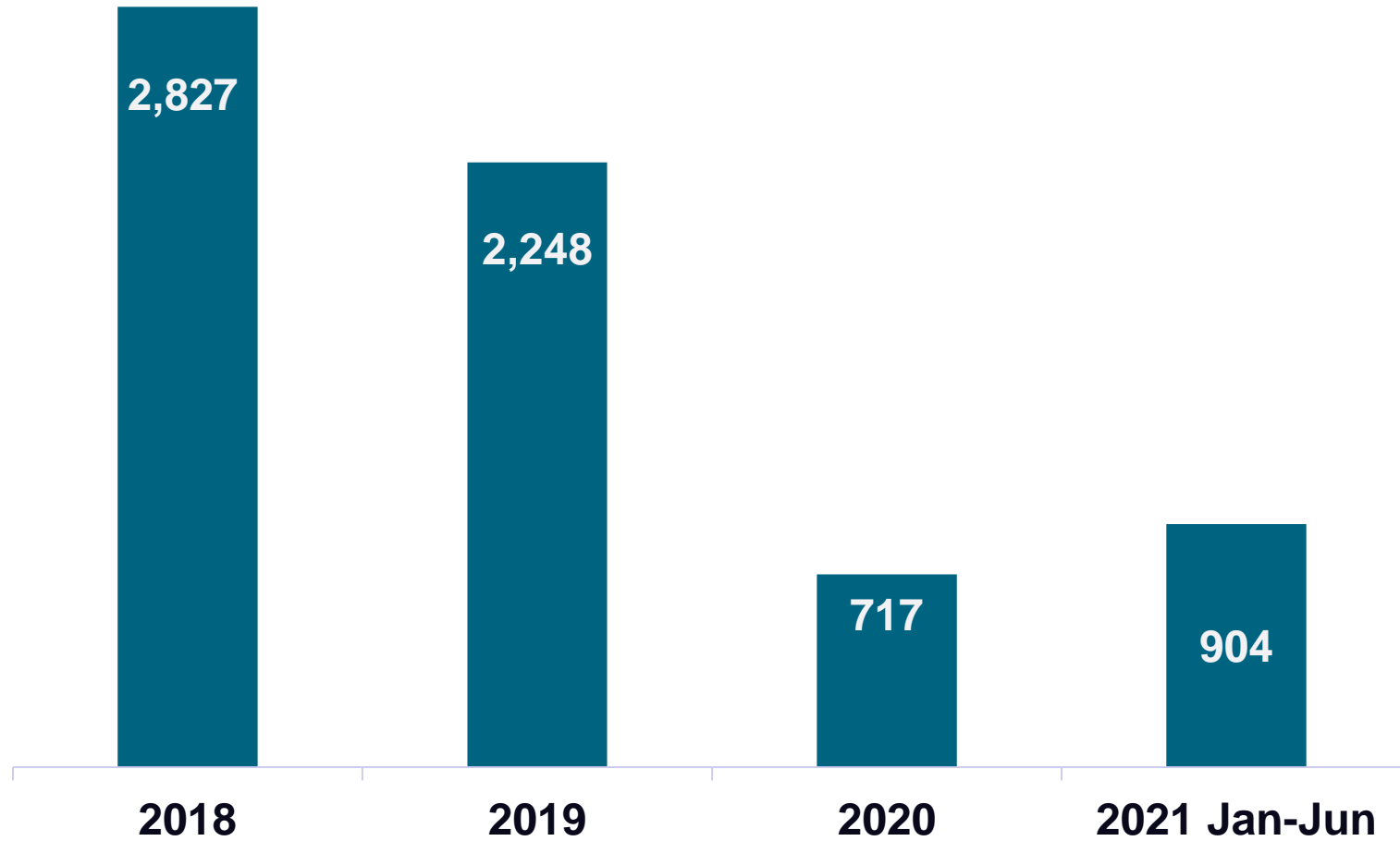
2019

2020

2021
Jan-Jun

Total

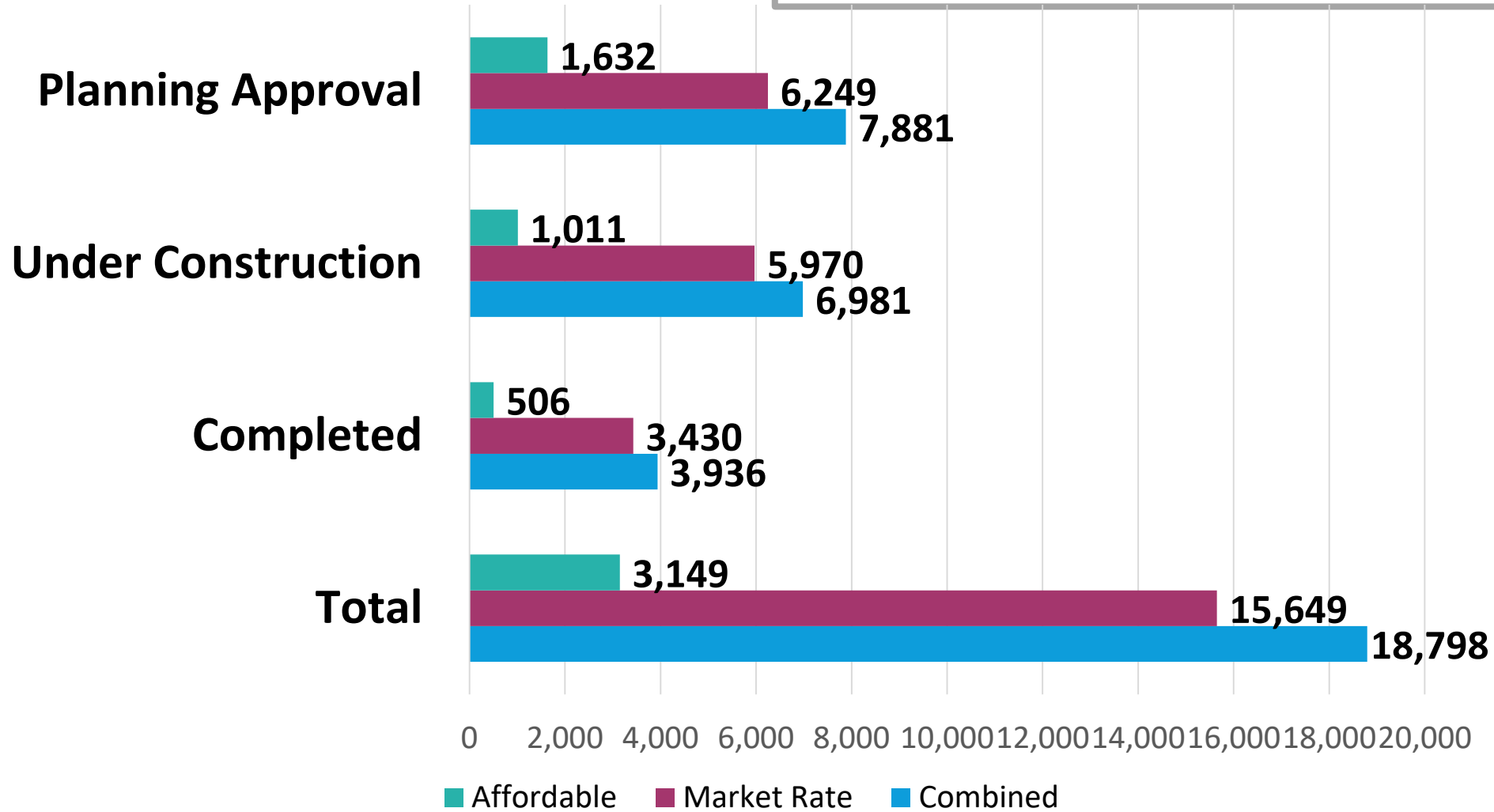
Market-Rate Units Receiving Building Permits



Overall Progress

2018  2021 Q2

25,000 Housing Units by 2023
Entitled, Under Construction, or Completed
15,000 Market-Rate Units
10,000 Affordable Units



Continued Financing Challenges for Affordable Housing Development

- **Regional share in latest round of bond allocations below expectations**
 - Only one project in major cities in region awarded allocation
 - Stalled significant number of projects
- **Continued competitiveness and undersupply of bond allocation will impede many affordable projects in San José**

Affordable Housing Production

- **SB 35 and AB 2162 Ministerial Approvals**

- Shortened approval timelines
- Estimate 85% of new affordable projects
- Since December 2018:
 - **SB 35:** 5 approved (434 units)
 - 2 permit pending (219 units)
 - 3 under review (783 units)
 - **AB 2162:** 5 approved (485 units)
 - 3 under review (334 units)

- **Affordable Housing Pipeline**

- Increased preliminary Review Applications and site inquiries
- 7,700 units in pipeline

Newly Completed Workplan Highlights

- ✓ **Refine General Plan Policy H-2.9 (the “1.5-acre rule”)**
- ✓ **Updates to Inclusionary Housing Ordinance (IHO)**
- ✓ **Parks Credit for Moderate-Income Housing satisfying IHO**

Ongoing Workplan Item Highlights

- **Commercial Linkage Fee Implementation**
 - Timing of payment
 - Recordation of payment obligation
 - Credits for various priorities
 - Planned return in fall 2021
- **Affordable Housing Siting Policy**
 - Policy to guide decisions on location of new affordable housing

Ongoing Workplan Item Highlights

- **North San José**

- Engaged consultant to prepare updated traffic report
- Moving forward with outreach and developing zoning and GP updates

- **San José Housing Site Explorer**

- Adding new features and shortcuts for developers
- Continued rollout and marketing

<https://san-jose-housing-ca.tolemi.com/>

New Items Not Previously Included in the Workplan

- **Housing Element Update**

- Sixth Regional Housing Needs Allocation (RHNA) cycle from 2022 to 2030
- San José will be allocated 62,202 units
- Website launched and outreach will begin in August 2021

- **Assessment of Fair Housing (AFH)**

- To be included in Housing Element
- Staff is creating draft strategies with other City departments, VTA and the Santa Clara County Office of Education
- Conducting outreach in summer 2021 and will continue into early 2022

Follow-up from Council on August 10

- **Include priority and impact ratings in next report**
 - H/M/L priority
 - Number of homes potential
- **Report to CEDC Vehicle Miles Travelled framework for CEQA**
 - Impact on affordable housing
- **Convene developers to discuss barriers to development**
 - Affordable developers then market-rate
 - Already part of Housing Element analysis
- **Provide more information on ADUs**

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