

**Questions and Concerns Raised During Outreach Process**

Throughout the process of developing the Siting Policy, several critical questions and issues were raised by community members.

**Is Affordable Housing Concentrated in Some San José Neighborhoods?**

There are only nine census block groups within the City of San Jose that have more than 50% of the homes in the block restricted-affordable housing. In order to determine concentration of affordable housing, the consultants assessed concentration at the census block group level, which allows a finer-grained approach to identify possible instances of concentration than census tract-level measurement. Concentration of affordable housing is calculated by comparing the County Assessor's dataset of current homes with data on current and pipeline of affordable housing.<sup>1</sup>

Only nine block groups, comprising two percent of block groups in the city, have 50 percent or more of its housing stock comprised of affordable housing and more than 200 existing affordable housing (the median number of homes in block groups in San José is 437). Six of these block groups are located in Category 2 neighborhoods and three are located in Category 3 neighborhoods. Four of the over-concentrated block groups (all in Category 2) are partially overlapping with Growth Areas, and one block group (in Category 3) is located entirely within a Growth Area. Three block groups, including two of the block groups partially within Growth Areas, are located within Displacement and Exclusion Risk areas (all in Category 2).

It is important to note, in a city where approximately 46 percent of existing households would qualify for affordable housing and its draft Regional Housing Need Allocation would require planning for 23,775 new affordable housing for very low- and low-income households during the next planning cycle, 78 percent of block groups do not even contain any existing or pipeline deed-restricted affordable housing. Affordable housing represents between one percent and 49 percent of the total housing stock in 19 percent of block groups (114) in San José.

**Do Affordable Housing Developments Negatively Impact Neighborhoods?**

Recent literature has found affordable housing and/or permanent supportive housing does not depress or negatively impact property values or the surrounding communities. There is no reason to believe that new supportive or affordable housing developments will negatively impact property values. A 10-year research study including 122 new low-income housing developments in the City of San José showed that the value of homes within 2,000 feet of new housing increased at the same rate as homes further away.<sup>2</sup>

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<sup>1</sup> <https://www.sccassessor.org/index.php/component/k2/item/493-annual-report-2010-2021>

<sup>2</sup> <https://www.sccgov.org/sites/opa/newsroom/Documents/Myths.pdf>

Research further provides developing affordable housing or permanent housing within impoverished neighborhoods has a positive impact to the already vulnerable community. In the City of San José Homeless Census & Survey Comprehensive Report 2019, of the homeless people surveyed 83% of respondents reported having lived in Santa County, and among these respondents, 71% had lived in Santa Clara County for five or more years, while 14% had lived in Santa Clara County for less than one year.<sup>3</sup>

Pinpointing the causation of homelessness is difficult; however, research shows providing affordable housing is one of the most cost-effective ways to address homelessness and prevent homelessness; specifically, for those who need the most help. Public services cost about \$62,000 per person per year for the most vulnerable individuals when living on the streets.<sup>4</sup>

One study concluded that “the effect of supportive housing might vary, for example, depending upon the concentration of supportive housing buildings – there might be some threshold number of developments sited near each other that may begin to negatively affect surrounding property values.” New supportive housing is designed to improve the quality of life for the entire community. Often, crime statistics may capture the reality of neighborhoods, however there is no conclusive evidence that supportive or affordable housing increase neighborhood crime.<sup>7</sup> For each dollar invested in affordable housing, the local economy is boosted by leveraging public and private resources to generate income—including resident earnings and additional local tax revenue—and support job creation and retention.<sup>5</sup>

### **Who Lives in Affordable Housing?**

Critical services workers call affordable housing their home. The overwhelming majority of the City’s affordable housing stock is restricted to incomes over 30% of the Area Median Income (AMI) with the majority of restrictions between 50% and 60% of the AMI. Many workers such as Healthcare Support (annual average income of \$37,834), Janitors (\$38,473) to Elementary School Teachers (\$88,202) can barely afford rents. The annual income needed to afford average rent for a one-bedroom apartment is \$82,240, for a two-bedroom, a household would need to make \$103,560 annually to afford an apartment.<sup>6</sup> San José housing affordability levels typically support working households with maximum incomes of up to \$58,000 - \$69,600 (one person) and up to \$82,850 – \$99,420 (family of four). Less than 1% of the total housing stock is income restricted affordable housing for Extreme Low Income (ELI) households. ELI homes typically house low-wage and minimum wage earners, seniors, and other at-risk residents (such as formally homeless) with annual incomes of up to \$34,800 (one-person) and up to \$49,700 (family of four).<sup>7</sup> The City has also recently prioritized the development of permanent supportive housing which provides homes for

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<sup>3</sup> <https://www.sanjoseca.gov/home/showpublisheddocument/47511/637116587121970000>

<sup>4</sup>

<https://housingtoolkit.sccgov.org/sites/g/files/exjcpb501/files/Evidence%20That%20Supportive%20Housing%20Works.pdf>

<sup>5</sup> <https://nlihc.org/explore-issues/why-we-care>

<sup>6</sup> <https://www.sanjoseca.gov/home/showpublisheddocument/72579/637562458382430000>

<sup>7</sup> <https://www.sanjoseca.gov/home/showpublisheddocument/72579/637562458382430000>

our most vulnerable residents. The majority of these developments serve people with disabilities.

### **What are the Positive Outcomes for Low-Income Households in Opportunity Areas?**

Opportunity areas, referred to as resource-rich areas in the Siting Policy, have characteristics shown through research to be associated with upward mobility, educational attainment, physical and mental health, and other positive outcomes, particularly for children. Based on the Siting Policy recommendations 73 census tracts meet this definition in San José, comprising 34 percent of tracts citywide. Research further shows, adults living in lower-poverty neighborhoods experience overall better mental and physical health and are more likely to be employed and to have earnings above the federal poverty level. Additionally, youth living in lower-poverty and opportunity areas are exposed to greater educational opportunities and are also more likely to have attended college<sup>12</sup>. This is also consistent with the Assessment of Fair Housing that requires cities to proactively take meaningful action to foster choice in opportunity areas.

### **What is supportive housing?**

Supportive housing looks like any other housing, but includes individualized support services to help residents remain housed and live productively within our community. Supportive housing is a proven strategy to reintegrate chronically homeless and other vulnerable homeless families and individuals into the community by first addressing their basic housing need and then providing ongoing support to help address other life issues and remain housed<sup>8</sup>.

### **Is supportive housing the same as a homeless shelter?**

Homeless shelters (emergency shelters) provide a temporary place to sleep for people experiencing homelessness, usually limited to six months or less. By contrast, supportive housing provides residents with permanent homes and wraparound support services to ensure people are able to stay in housing.

Providing housing is actually one of the most cost effective ways to address homelessness, specifically for those needing the most help. According to Home Not Found: The Cost of Homelessness in Silicon Valley, public services cost about \$62,000 per year for each of the most vulnerable homeless individuals when they are on the streets. After moving them into supportive housing, that cost is reduced to \$20,000.<sup>9</sup>

### **Will supportive housing become a magnet for homeless individuals in my neighborhood?**

Most developers of supportive housing in our community have been successfully building affordable housing in the region for decades. These developers, property managers and supportive service providers implement effective approaches that benefit the entire community and do not typically become magnets for homeless individuals. In Santa Clara County,

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<sup>8</sup> <https://housingtoolkit.sccgov.org/tools/frequently-asked-questions#3925188384-655111879>

<sup>9</sup> <https://housingtoolkit.sccgov.org/tools/frequently-asked-questions#3925188384-655111879>

supportive housing developments do not offer drop-in services (providing food, clothing or emergency shelter, for example) for people experiencing homelessness who do not live there.<sup>10</sup>

**Will the Siting Policy apply to other types of housing such as group homes, shelters or affordable developments financed by outside agencies?**

The Siting Policy will apply to permanent affordable housing funded by the Housing Department located in the City of San José with affordability restrictions limiting rents to 80% of the Area Median Income.

The Siting Policy does would **not** apply to:

1. Acquisition and rehabilitation of existing deed-restricted affordable housing because these units already are included in the existing count. These units are included in the evaluation of the overall distribution goal.
2. Bridge Housing Communities and Emergency Interim Housing because these are time-limited and are governed by a separate policy. More recently, these units have been developed in response to the pandemic and have been approved by the City Council. These units are not included in the evaluation of the overall distribution goal because they are not permanent housing.
3. Affordable units or affordable homes developed provided under the City's inclusionary housing ordinance because these homes are required under the Zoning Code as part of an integrated mixed-income development. The Policy will apply in cases where the developer elects to build their affordable units off-site. All inclusionary units at or below 80% of the Area Median Income will be included in the evaluation of the overall distribution goal.
4. Group homes are not funded by the City. They are not permanent deed-restricted affordable housing. Temporary homeless shelters are not permanent deed-restricted affordable housing. Additionally, restriction of the siting of these uses is often limited by state and federal law including fair housing laws protecting the disabled. These uses are not included in the evaluation of the overall distribution goal.
5. Permanent affordable housing that is not funded by the City because the Housing Department is not funding the development. The City, as a lender, can decide where to fund new construction, however the State Planning Act Planning and Zoning Law prohibits the City, in its planning capacity, from imposing conditions on affordable housing that are not imposed on market rate housing. Staff will work with other funders and request they align their funding with the City Siting Policy. These units will be included in the evaluation of the overall distribution goals.

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<sup>10</sup> <https://housingtoolkit.sccgov.org/tools/frequently-asked-questions#3925188384-655111879>