

San José Charter Review Commission Recommendation Memo Template

Drafted April 19th, 2021; Revised July 2nd, 2021

1) Proposal Name

Proposal Name:	<i>ARTICLE XX THE PROMOTION OF HOME OWNERSHIP OPPORTUNITES FOR LOW INCOME RESIDENTS OF SAN JOSE</i>
Submitted by:	<i>Commissioner Maria Fuentes</i>
Date submitted:	<i>October 29, 2021 (Revised Nov. 1, 2021, and Nov. 17, 2021)</i>

2) Proposal Details

<p>1) What problem(s) are you trying to address? <i>Before suggesting a solution, it is important to be clear about the problem you aim to solve.</i></p>	<p>Today, all San Jose residents experience dramatic rising costs for home ownership. Within Santa Clara County, San Jose is the largest and fastest growing housing center, yet low income residents do not find homes for purchase affordable on their otherwise adequate income. Today, San Jose is experiencing a housing crisis. The cost of mortgage or rental payments are out of reach for many low income residents. Many individuals and families must live in crowded shared homes and apartments.</p> <p>The City of San Jose has policies which protect the environment by preserving surrounding rural lands, preserve commercial property which may present future business and employment opportunities, and control the cost for the City of San Jose caused by the growth in the city. Many of these requirements are contained in the San Jose City Charter Article XIX An Act to Limit Urban Sprawl and the Fiscal and Environmental Effects of Specified Development in Outlying Areas. However, the City Charter does not address the serious housing crisis faced by City Residents.</p> <p>The key findings of a new report issued by Joint Venture Silicon Valley titled “2021 Silicon Valley Poll” sought to identify how residents of Silicon Valley are feeling especially now as they are impacted by the pandemic in addition to pre-pandemic stressors:</p> <ul style="list-style-type: none"> • “56% of respondents say they are likely to leave the region in “the next few years.” This is a nine-point uptick from 2020 when the same question was posed by a pre-pandemic survey.” • “The general cost of living (84%) and high housing costs (77%) are the top two
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	<p>reasons cited for wanting to move.”</p> <ul style="list-style-type: none"> • “76% of the respondents identify the cost of housing as the most serious problem in the Bay Area, followed by the cost of living, homelessness, the increasing frequency of wildfires and drought.” • “40% of overall respondents feel financially insecure. Higher percentages of Hispanic or Latino/a and Black or African Americans self-identify as insecure.”
<p>2) How has this problem possibly benefited or burdened people, especially BIPOC, low-income, undocumented and immigrant, those experiencing houselessness, etc.?</p> <p><i>Is there data that speaks to the impact of this problem? What does the disaggregated data tell us?</i></p>	<p>The low income sector of San Jose has been most severely impacted by the high increases in the cost of housing in Silicon Valley. This has led to severe crowded living conditions where more than one family must share a small house or apartment, and the numbers of unhoused individuals in our community illustrate injustice and wearing hopelessness. Individuals identified as middle class such as younger generation teachers, law enforcements, manager in the service areas face the burden of high rental costs and mortgages that are outside their income levels.</p> <p>This proposal seeks to start addressing the needs of those with the highest burden, the low income population.</p>
<p>3) What change are you proposing?</p> <p><i>Describe the revision to San José’s Charter that you are proposing. Include relevant Charter section numbers.</i></p>	<p>The following new Charter Article XX is proposed:</p> <p>ARTICLE XX The Promotion of Home Ownership Opportunities for Low Income Residents of San Jose</p> <p>SECTION 2101. Findings and Purpose</p> <p>The people of the City of San Jose find and declare as follows:</p> <p>San Jose residents experience dramatic rising costs for home ownership. Within Santa Clara County, San Jose is the largest and fastest growing housing center, yet low income residents do not find homes for purchase affordable on their otherwise adequate income.</p> <p>San Jose already made policies which protect the environment by preserving surrounding rural land, preserve commercial property which may present future business and employment opportunities, and control the cost of City of San Jose services by centralizing housing growth.</p>

The people of San Jose find it must establish new policies to support the purchase of Affordable Housing by low income San Jose residents while not impacting existing policies or resources available to support affordable rental housing for its residents.

Therefore, Article XX The Promotion of Home Ownership Opportunities for Low Income Residents of San Jose has the goal to meet this need which is vital to the long-term sustainability of San Jose as home to its residents.

SECTION 2102. Definitions

For the purpose of this section, the following definition shall apply:

- (a) Low Income Residents: Defined by 60% AMI or some other widely acceptable measure in the future
- (b) Affordable Housing: Somebody should pay no more than 30% of their income for a mortgage
- (c) House for Purchase: includes detached houses, condominiums, town houses, duplexes etc.

SECTION 2103. City Policy to Support and Sustain the Purchase of Housing Property by Low Income Stable Residents

The following policy is intended to directly assist San Jose residents who otherwise are not able to purchase a home in San Jose because their salary will not qualify them to purchase available homes for sale. This policy shall not impact already existing or future land that provides rental housing.

1. At least every other year, the Mayor and City Council shall conduct a comprehensive study which identifies opportunities that will assist San Jose residents to purchase a home. Examples of potential opportunities are City, County, State or Federal legislative acts, efforts by the business or philanthropic sectors seeking to improve the quality of life in the city of San Jose by supporting the expansion of home ownership by low income San Jose residents. This analysis shall be considered a major policy requiring an Equity Assessment.
2. Upon identifying opportunities per the study, the Mayor and City Council will delegate the responsibility to pursue, promote and participate in these opportunities for home purchase for its residents starting with low income residents.
3. On a regular basis the City of San Jose shall identify land not currently zoned for housing which is highly suitable to convert to land to be used for affordable housing for purchase. This section shall not apply to land covered by Article XIX.
4. As the City of San Jose negotiates new business developments Community Benefit programs to assist low income residents as defined by the City Housing Department to achieve home ownership, shall be included.
5. Additional policies and programs to promote homeownership by low income residents which are subsidy, incentive and educational based, including those that are voluntarily rather than regulatory based shall be explored.
6. Article XX shall incorporate racial and social equity analysis to promote the use of an “equity lens” during its implementation. An equity lens is a tool used to improve planning, decision-making, and resource allocation leading to more racially equitable policies and

	<p>programs. For any policy or project included in Article XX decision makers could consider:</p> <ol style="list-style-type: none"> a. Structural Equity: What historic advantages or disadvantages have affected residents in the given community? b. Procedural Equity: How are residents who have been historically excluded from planning processes being authentically included in the planning, implementation, and evaluation of the proposed policy or project? c. Distributional Equity: Does the distribution of civic resources and investment explicitly account for potential racially disparate outcomes? d. Transgenerational Equity: Does the policy or project result in unfair burdens on future generations?
<p>5) Who might benefit from or be burdened by this change? <i>Is there data that speaks to the potential impact of this change? What are the potential unintended consequences of this change?</i></p>	<p>The direct beneficiaries of this proposal are Low Income Residents defined in the recommended Article XX as “60% AMI or some other widely acceptable measure in the future.”</p> <p>There is no identified burden from this change to the San Jose City Charter.</p>

<p>6) What are the arguments against this proposal? <i>Summarize the arguments you expect or data you have found in opposition to this recommendation.</i></p>	<p>Arguments against this proposal are not expected. No such data has been identified.</p>
<p>7) Must this be a Charter revision? <i>Can this problem be addressed without changing the charter (e.g., Council action, cultural change)? If not, should this be a policy recommendation to be included in the Commission's report?</i></p>	<p>The housing crisis in San Jose includes the burden faced by low income working residents who most likely will never be able to buy a home in their city. This reality appears to be cemented into the local economy. Article XX contains proactive, result orientated support toward the possibilities of home ownership for these residents which City of San Jose leaders shall implement if Article XX is approved by the voters of San Jose.</p>
<p>8) Are there other examples of this change? <i>If you have found other examples of this change, please share them and any outcomes that have been observed.</i></p>	<p>Research to determine if other cities have adopted similar charter amendments will be necessary.</p>

3) Proposal Research & Citations

List below the results of any research conducted to inform this memo.

Questions	Recommending Person Response to Questions	Subcommittee Notes (i.e. Agreements, questions, additions, concerns, next step, etc.)
<p>List of citations <i>All data must be cited so that Commissioners who are not part of the Subcommittee in question may locate the source of information as needed.</i></p>		
<p>Any speakers who presented to the subcommittee must be listed. <i>Include name, title, affiliations, etc., along with a brief summary of the information presented by them.</i></p>		
<p>Relevant Links <i>Provide links or locations of the information in this research as much as possible,</i></p>	<p>2021 Silicon Valley Poll 2021 Silicon Valley Index Joint Venture Silicon Valley 84 W. Santa Clara St. San Jose, CA 95113 www.jointventure.org</p>	



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*otherwise
provide
attachments.*