

The mission of the Housing Department is to strengthen and revitalize our community through housing and neighborhood investment.

HOUSING

The Housing Department employs multiple strategies to meet the housing needs of San José residents, who face some of the highest housing costs in the nation. These strategies include:

- Administering a variety of single-family and multi-family loans,
- Financing new affordable housing construction,
- Recommending housing-related policies,
- Extending the useful lives of existing housing through rehabilitation,
- Managing rent stabilization programs and tenant protection programs,
- Addressing homelessness through a regional “housing first” model, and
- Administering a number of federal and state grant programs.

The Housing Department’s operating expenditures totaled \$15.5 million in 2020-21. This included personal and non-personal/equipment expenditures. The Department was responsible for an additional \$4.4 million in Citywide expenses and \$38.4 million for loans and grants.

Funding for the Department included revenues from the Department’s loan portfolio that continued to generate program income (principal outstanding as of November 2021 was \$632 million). Additional revenues come from various state and federal grants. Loan repayments, interest and miscellaneous revenues totaled \$85 million, an increase from \$50 million last year, due to more project development loans being paid off in 2020-21.

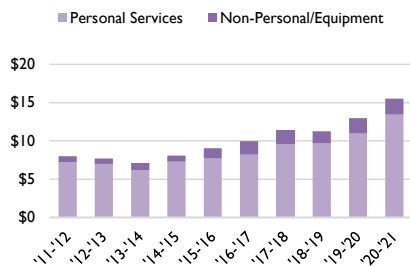
During the pandemic, Housing expanded services, including rental assistance and food distribution, as well as emergency sheltering, interim housing, and Bridge Housing Communities.

2020-21 Housing Program Funds Received	
Loan Repayments, Interest, and Miscellaneous Revenues	\$84,811,320
Project Homekey	\$11,361,182
Community Development Block Grant (CDBG)	\$11,279,726
Fees and Charges	\$6,257,792
Bond Administration Fee	\$3,886,132
HOME Investment Partnership Grant (HOME)	\$3,358,799
Rental Rights	\$2,656,875
Housing Opportunities for People with AIDS (HOPWA)	\$1,799,612
SureStay Hotel Rental Income	\$1,411,245
Emergency Solutions Grant (ESG)	\$1,036,668
HOPWA CARES	\$12,686
Total	\$127,872,038

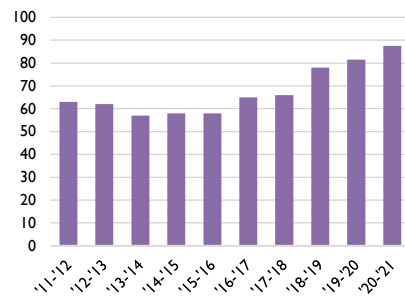
Select Housing Policy Initiatives

- **Anti-Displacement Strategy** - to prevent and mitigate displacement of lower-income San Jose residents
- **Affordable Housing Siting Policy** - to align affordable housing siting patterns with fair housing principles by increasing housing in higher opportunity neighborhoods, mitigating displacement, and reducing disparities in resources
- **Diridon Affordable Housing Implementation Plan** - in light of large-scale investments at Diridon station and Google development, this plan strategizes affordable housing production and preservation, and renter protections

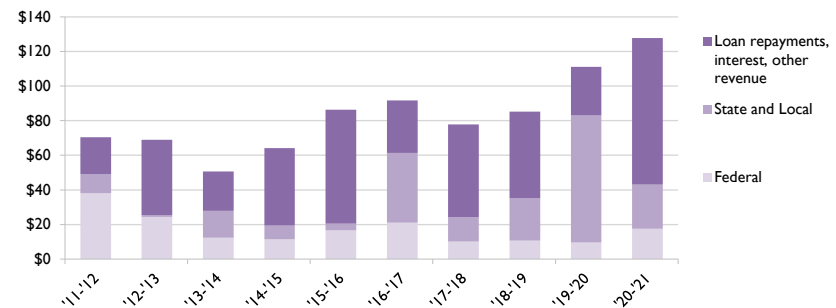
Housing Operating Expenditures (\$millions)



Housing Authorized Positions (\$millions)



Comparison of Funding Sources (\$millions)



AFFORDABLE HOUSING PRODUCTION & PRESERVATION

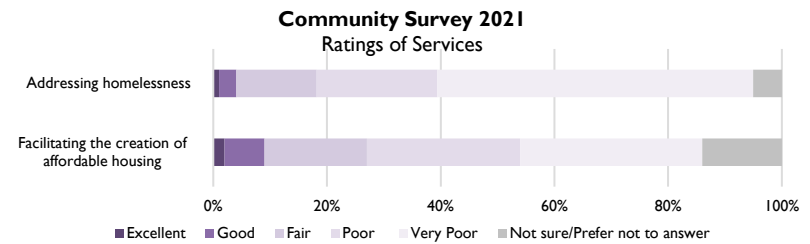
Building New Affordable Housing

The availability of affordable housing has continued to be an area of concern for San José residents for a number of years. In 2021, only 4 percent of surveyed residents rated the City's efforts in addressing homelessness as "excellent" or "good"; only 9 percent rated the City's efforts to facilitate the creation of affordable housing as "excellent" or "good".

The City's efforts to increase the supply of affordable housing in San José include making loans to developers and authorizing conduit financing. Due in part to cost and material shortages, developers did not complete any new affordable housing units with City help in 2020-21. For new projects under construction, the City committed an average per-unit subsidy of about \$111,036 (for 564 affordable housing units) in 2020-21. According to the Department, unit costs can vary widely depending upon a variety of factors. There are over 20,000 affordable housing units in San José.

Rehabilitating Existing Housing & Financing Home Buying

Low-income homeowners whose homes are in need of repairs can qualify for City financial help to rehabilitate them. The Department is no longer providing major rehabilitations, but is focused on providing essential repairs. In 2020-21, the Department provided minor repairs for 235 homes in partnership with Rebuilding Together Silicon Valley and Habitat for Humanity.



Quetzal Gardens - Affordable Housing Development

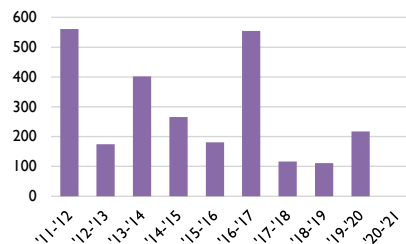


Source: Santa Clara County

Project Homekey

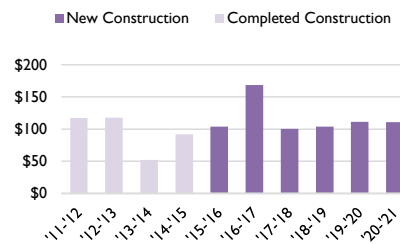
Project Homekey converts existing commercial properties and buildings to permanent or interim housing. In 2020-21, the City acquired the SureStay Hotel which has a capacity of 76 units.

Number of Affordable Housing Units Completed in the Fiscal Year



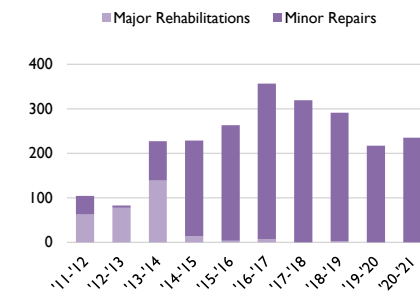
Note: No units were completed in 2020-21.

Average Per-Unit Subsidy for New Projects Under Construction (\$thousands)



Note: Prior to FY '15-'16, this measure was based on completed projects. It is now based on new construction only.

Rehabilitated Units



Note: Major rehabilitations are no longer provided.

HOUSING

HOMELESSNESS INTERVENTION

According to the 2019 San José Homeless Census and Survey, 6,097 San José residents were homeless when the census was conducted, including chronically homeless, youth, families with children, and veterans. Of these, 84 percent were unsheltered.

The Department provided \$66.8 million in grant funding (federal and state funding) to 15 service providers in 2020-21 as part of a region-wide effort to address homelessness. During 2020-21, 1,733 homeless San José residents were assisted into housing by the collective efforts of local jurisdictions and non-profit service providers. The Department received 5,847 calls and emails to its Homeless Concerns Hotline.

In 2020-21, the Services, Outreach, Assistance and Resources (SOAR) program provided street-based support and services to 14 of the City's largest encampments. In 2021-22, the Department plans to expand the SOAR program to eight additional locations.

The City has three interim housing projects (Plaza Hotel and two Bridge Housing Communities (BHC or tiny homes)) to provide temporary housing opportunities for homeless individuals currently enrolled in a housing program while they search for permanent affordable housing. In 2020-21, these sites served 190 individuals. Additionally, three emergency interim housing (EIH) were built to prioritize high-risk homeless individuals during the pandemic. EIHs will convert to BHCs once the pandemic subsides.

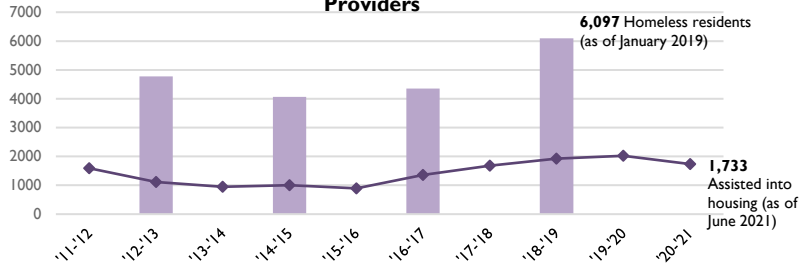
The Rapid Rehousing program helps households exit homelessness by providing limited or ongoing rental subsidies. In 2020-21, 215 individuals were enrolled and 84 percent of households that exited the program exited into permanent housing.

Monterey Bernal Emergency Interim Housing



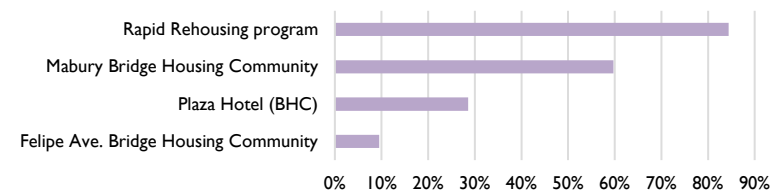
Source: Housing Department

Formerly Homeless San José Residents Housed by the Collective Efforts of Local Jurisdictions and Non-profit Providers



Sources: San José Homeless Census and Survey (prepared by Applied Survey Research, 2019) and Santa Clara County Homeless Management Information System (HMIS). Note: The San José Homeless Census and Survey is conducted every two years. Due to COVID-19, it was not conducted in 2021.

% of exited participants who successfully exited to permanent housing



Source: U.S. Department of Housing and Urban Development (HUD) annual performance reports. Total number of participants who exited: Rapid Rehousing Program (N=45), Mabury BHC (N=77), Plaza Hotel (N=7), Felipe Ave. BHC (N=21).

HOUSING

NEIGHBORHOOD INVESTMENT & PUBLIC SERVICES

The Department received nearly \$11.8 million in federal Community Development Block Grant (CDBG) program funds in 2020-21. CDBG funds are used for housing rehabilitation, fair housing, code enforcement, senior and homeless services, foreclosure prevention, and economic development services.

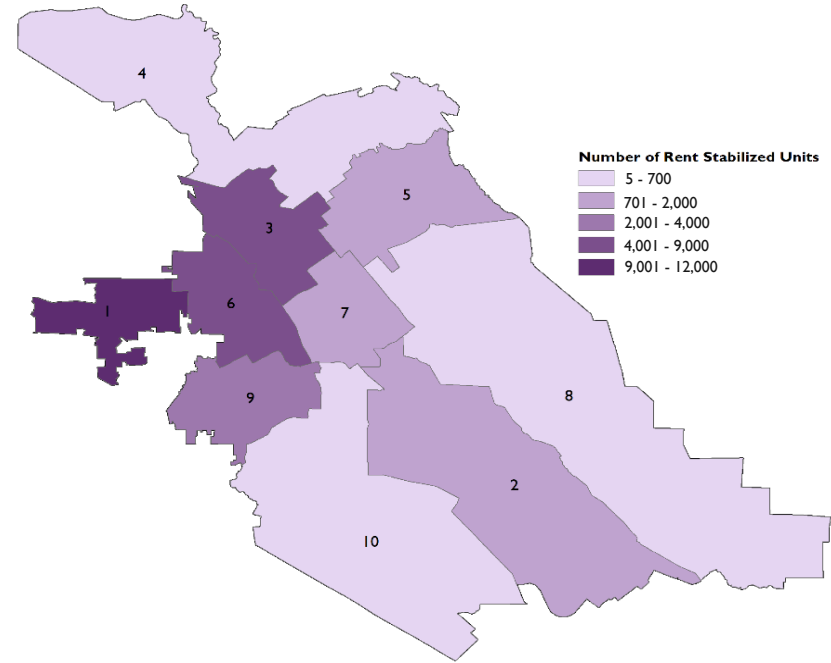
Rent Stabilization and Tenant Protections

The Rent Stabilization Program oversees local ordinances providing limits on rent increases, just cause provisions, and requirements for removing apartments from the rental market. The program provides oversight of over 39,000 rent-controlled units, or about a third of the City's rental housing units. In 2020-21, there were 63 tenant and landlord petitions filed. Thirty-seven percent resulted in an agreement between the tenant and landlord.

From August 2020 to September 2021, California issued a statewide eviction moratorium, stating that no tenant can be evicted as a result of rent owed due to COVID-19 hardship. In partnership with the County as well as other community partners, Housing reported \$31 million was distributed for rental assistance, helping 14,000 households.

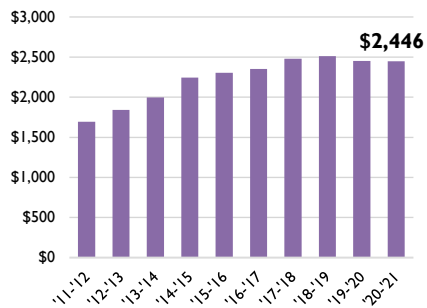
In September 2020, Council approved an Anti-Displacement Strategy. The Strategy focuses on steps the City can take to help prevent and mitigate displacement of lower income residents from San Jose.

Rent Stabilized Apartments in San José

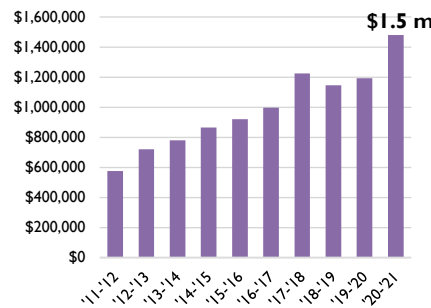


Source: Auditor map of San José rent stabilized units data as of November 2021.

Average Monthly Rent in San José



Median Single-Family Home Price



Sources: Housing Market Report for Second Quarter 2021; SCCAOR June 2021 report.
 Note: Average monthly rent is for all market-rate unit types (excludes affordable units). Data provided by Costar as of July 2021. Prior years updated to reflect Costar data.

KEY FACTS (2020-21)

Median Household Income*:	\$115,893
Annual income needed for a two bedroom apt. (avg. rent):	\$108,960
Annual income needed to afford median priced home:	\$253,428

Sources: U.S. Census American Community Survey, 2019 1-year estimates; Housing Market Report for Second Quarter 2021.

*Based on 2019 U.S. Census data, San José level data for 2020 was not available.

