

Housing Department

Jacky Morales-Ferrand, Director

MISSION

To strengthen and revitalize our community through housing and neighborhood investment

CITY SERVICE AREA

Community and Economic Development

CORE SERVICES

AFFORDABLE HOUSING PORTFOLIO MANAGEMENT

Manage the city's affordable housing loan portfolio, including loan servicing and monitoring, compliance of income restricted apartments; retain and extend the length of the restrictions to preserve the long-term affordability of the apartments

AFFORDABLE HOUSING PRODUCTION AND PRESERVATION

Provide financing for the rehabilitation, development, and construction of affordable housing; provide technical assistance to market-rate developers to meet their affordable housing requirements; offer limited homeownership loans, and administer Inclusionary and Housing Impact fee programs

HOMELESSNESS INTERVENTIONS AND SOLUTIONS

Provide a coordinated response to homeless residents including street-based outreach, case management, essential services, referrals and housing options, and invest in interim short-term housing solutions

NEIGHBORHOOD CAPITAL INVESTMENT AND PUBLIC SERVICES

Invest in at-risk residents and neighborhoods, provide funding for housing and community development capital projects, and provide support to public service organizations

RENT STABILIZATION AND TENANT PROTECTION

Administer rent stabilization programs and requirements that stabilize rents, while assuring landlords a fair return, and that protect tenants, mitigate impacts of displacement, and prevent retaliation

Strategic Support: Planning and Policy Development, Public Education, Budget, Financial Management, Clerical Support, Human Resources, Audit Supervision, and Pandemic Response

Housing Department

Service Delivery Framework

| PROGRAM | DESCRIPTION |
|---|--|
| <i>Affordable Housing Portfolio Management Core Service</i> | |
| Loan Compliance | Manages and oversees the City's affordable housing loan portfolio including loan servicing and monitoring and compliance of affordable deed restricted apartments. |
| Property Maintenance and Inspection | Works with existing developments to retain and preserve the long-term viability of affordable apartments. |
| <i>Affordable Housing Production and Preservation Core Service</i> | |
| Affordable Housing Development Loans | Provides financing and technical assistance for the construction of new affordable housing, the acquisition and rehabilitation of existing housing, and the restructuring of existing financing to create new and preserve existing affordable housing opportunities for low-income households and individuals. Assist in the application of State programs such as Homekey and Affordable Housing and Sustainable Communities Grants. |
| Homeownership Opportunities | Provides loan servicing for recipients of lending programs. |
| Inclusionary Housing | Provides technical assistance to market-rate residential and commercial developers in meeting their affordable housing requirements. |
| Rehabilitation Loans and Grants | Funds minor home repairs for low-income homeowners and mobile homeowners. |
| <i>Homelessness Interventions and Solutions Core Service</i> | |
| Homeless Outreach and Case Management | Provides a coordinated response to unsheltered homeless residents including street-based outreach, engagement, case management, and essential services such as mobile hygiene, warming locations, and temporary and incidental shelters. |
| Interim Supportive Housing Development | Develops and oversees operation of interim housing solutions to bridge the gap from temporary shelter to permanent supportive housing. |
| Joint Encampment Response Team | Provides outreach services and housing referrals to unhoused residents prior to an encampment abatement. |
| Tenant Based Rental Assistance and Rapid Rehousing | Provides short-term rental subsidies, with supportive services during the subsidy period, to help homeless residents obtain permanent housing as quickly as possible. |
| <i>Neighborhood Capital Investment and Public Services Core Service</i> | |
| Community Development Block Grant - Infrastructure Investments | Funds City infrastructure improvements in low-income neighborhoods and facility upgrades for non-profits that serve low-income communities. |
| Non-Profit Service Grants to Support Housing and Community Development Needs | Provides grants to non-profit organizations to support fair housing and tenant legal services, senior programs, homeless programs, minor repair program for homeowners and mobile homeowners, and operating support. |
| Place-Based Neighborhood Strategy | Provides community engagement and leadership development services in low-income neighborhoods. |

Housing Department

Service Delivery Framework

| PROGRAM | DESCRIPTION |
|---|--|
| <i>Rent Stabilization and Tenant Protection Core Service</i> | |
| Apartment Rent Ordinance Administration | Protects tenants from excessive rent increases and evictions while assuring landlords a fair return; provides balanced treatment for both tenants and landlords through efficient and consistent administration of the apartment rent stabilization programs. |
| Mobilehome Rent Ordinance Administration | Protects mobile home residents from excessive rent increases while assuring park owners receive a fair return through efficient and consistent administration of the Mobilehome Rent Ordinance. |
| <i>Strategic Support Core Service</i> | |
| Housing Planning and Policy Development | Analyzes, develops and recommends public policy to strengthen affordable housing and community development programs. Provides research support for advancement of new and one-time programs. Tracks and coordinates the Department's legislative response to legislation and program regulations at both the State and Federal levels. |
| Housing Management and Administration | Provides administrative oversight for the department, including executive management, financial management, human resources, and analytical support. |
| Housing Pandemic Response | Provides for the coordination and delivery of emergency services and recovery activities in response to the COVID-19 pandemic. |

Housing Department

Department Budget Summary

Expected 2022-2023 Service Delivery

- Continue to advance funding commitments for 4 affordable housing developments, totaling 591 new apartments, as part of the implementation of the \$150 million Notice of Funding Availability.
- Begin construction on Kelsey, Roosevelt, McEvoy, and the Daliah Apartments that will produce 499 affordable apartments including 185 permanent supportive apartments.
- Complete work on the Anti-Displacement Tenant Preference Ordinance and Community Opportunity to Purchase program and bring those to Council for approval.
- Develop the 2023-2031 Housing Element and the Assessment of Fair Housing Plan.
- Continue to develop the top priorities of the Citywide Residential Anti-Displacement Strategy, reporting progress quarterly to two City Council committees on COVID-19 Response and Recovery.
- Implement the new Lived Experience seat and alternate seat on the Housing & Community Development Commission to broaden the commission's composition.
- Award six developers City-owned sites for the development of affordable housing.
- Open up to four new interim housing sites/hotels, including 365 new interim housing units funded through the State Homekey program and another 76 units funded through other external funding sources at a site adjacent to the San José Police Department; enhance support and basic needs to individuals residing in homeless encampments through the Services Outreach Assistance and Resources (SOAR) Program.
- Implement the Housing Plan and relocate the people living at Guadalupe Gardens site.
- Implement the new 2020-25 Consolidated Plan and the 2022-23 Annual Action Plan authorizing \$14.5 million in annual allocations of federal funding to increase and preserve affordable housing, respond to homelessness, strengthen neighborhoods, and promote fair housing.
- Provide contract management and monitoring of the \$112 million in CDBG, CRF, ESG, and HOPWA CARES Act funds received for the COVID-19 response that provides a range of services.
- Complete Department-wide Equitable Results Training to advance and support the Department's racial equity work and start the development of an Equity Action Plan.

2022-2023 Key Budget Actions

- Continues 4.0 Analyst II positions and adds 1.0 Staff Specialist position through June 30, 2023, to support contract development and management, performance tracking, and Federal reporting to distribute and monitor the influx of grant funding related to COVID-19 response and recovery.
- Eliminates 1.0 vacant Housing Policy and Planning Administrator position, adds 1.0 Building Maintenance Superintendent position, and adds 2.0 Building Rehabilitation Inspector positions, through June 30, 2023, to manage the maintenance and rehabilitation of hotel/motels purchased by the Housing Department and emergency interim housing communities.
- Adds 1.0 Senior Development Officer position, through June 30, 2023, to coordinate BeautifySJ encampment management, including abatements and escalated site clean-ups, and to oversee the Services Outreach Assistance and Resources (SOAR) program.
- Continues 1.0 Senior Development Officer position, through June 30, 2023, responsible for developing new housing preservation and production policies and programs, with a focus on developing the Department's moderate-income housing strategies.

Operating Funds Managed

- Affordable Housing Impact Fee Fund
- American Recovery Plan
- Building Home and Jobs Act Fund
- Community Development Block Grant Fund
- Economic Development Administration Loan Fund
- Home Investment Partnership Program Trust Fund
- Homeless Housing, Assistance, & Prevention Fund
- Housing Trust Fund
- Inclusionary Fee Fund
- Low and Moderate Income Housing Asset Fund
- Multi-Source Housing Fund
- Rent Stabilization Fee Fund

Housing Department

Department Budget Summary

| | 2020-2021 Actuals *** | 2021-2022 Adopted | 2022-2023 Forecast | 2022-2023 Proposed |
|--|--------------------------|----------------------|-----------------------|-----------------------|
| Dollars by Core Service | | | | |
| Affordable Housing Portfolio Management | 2,562,624 | 3,559,202 | 3,660,529 | 3,872,017 |
| Affordable Housing Production and Preservation | 34,811,957 | 76,511,843 | 29,941,176 | 30,191,176 |
| Homelessness Interventions and Solutions | 27,052,079 | 33,802,844 | 50,899,743 | 72,694,368 |
| Neighborhood Capital Investment and Public Services | 18,264,735 | 59,228,630 | 29,022,937 | 29,430,376 |
| Rent Stabilization and Tenant Protection | 2,197,313 | 3,633,783 | 3,214,854 | 3,214,854 |
| Strategic Support - Community & Economic Development | 64,423,947 | 44,947,966 | 25,962,443 | 26,963,807 |
| Strategic Support - Other - Community & Economic Development | 12,998,813 | 6,272,743 | 6,964,577 | 7,841,866 |
| Total | \$162,311,468 | \$227,957,011 | \$149,666,259 | \$174,208,464 |
| Dollars by Category | | | | |
| Personal Services and Non-Personal/Equipment | | | | |
| Salaries/Benefits | 13,292,106 | 14,936,033 | 15,128,365 | 16,598,281 |
| Overtime | 159,593 | 34,830 | 34,830 | 34,830 |
| Subtotal Personal Services | \$13,451,699 | \$14,970,863 | \$15,163,195 | \$16,633,111 |
| Non-Personal/Equipment | 2,070,848 | 3,587,332 | 1,742,332 | 2,237,332 |
| Total Personal Services & Non-Personal/Equipment | \$15,522,547 | \$18,558,195 | \$16,905,527 | \$18,870,443 |
| Other Costs* | | | | |
| City-Wide Expenses | 4,356,811 | 8,223,003 | 7,350,000 | 29,665,000 |
| General Fund Capital | 0 | 0 | 0 | 0 |
| Housing Loans and Grants | 38,371,441 | 79,384,973 | 31,011,550 | 31,011,550 |
| Other | 102,656,622 | 119,573,754 | 90,935,341 | 90,935,341 |
| Other - Capital | 0 | 0 | 0 | 0 |
| Overhead Costs | 1,399,615 | 2,142,086 | 3,388,841 | 3,651,130 |
| Workers' Compensation | 4,432 | 75,000 | 75,000 | 75,000 |
| Total Other Costs | \$146,788,921 | \$209,398,816 | \$132,760,732 | \$155,338,021 |
| Total | \$162,311,468 | \$227,957,011 | \$149,666,259 | \$174,208,464 |

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document. The amounts in the 2021-2022 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

** The positions displayed in the 2020-2021 Actuals column reflect those included in the 2020-2021 Adopted Budget.

*** 2020-2021 Actuals may not subtotal due to rounding.

Housing Department

Department Budget Summary

| | 2020-2021 Actuals *** | 2021-2022 Adopted | 2022-2023 Forecast | 2022-2023 Proposed |
|--|--------------------------|----------------------|-----------------------|-----------------------|
| Dollars by Fund | | | | |
| General Fund (001) | 4,588,105 | 8,761,776 | 7,912,658 | 30,227,658 |
| Low And Moderate Income Housing Asset Fund (346) | 38,945,835 | 77,399,566 | 34,035,542 | 34,823,336 |
| Coronavirus Relief Fund (401) | 35,312,432 | 0 | 0 | 0 |
| American Rescue Plan Fund (402) | 0 | 16,150,000 | 20,683,425 | 20,965,297 |
| Emergency Reserve Fund (406) | 4,500,000 | 15,636,000 | 0 | 0 |
| Housing Trust Fund (440) | 2,435,016 | 4,525,820 | 4,175,962 | 4,175,962 |
| Community Development Block Grant Fund (441) | 10,801,609 | 21,591,727 | 16,489,579 | 16,489,579 |
| Home Investment Partnership Program Trust Fund (445) | 10,104,546 | 3,145,572 | 14,412,683 | 14,412,683 |
| Multi-Source Housing Fund (448) | 52,834,939 | 59,119,119 | 15,316,056 | 15,623,153 |
| Rental Stabilization Program Fee Fund (450) | 2,658,574 | 4,034,580 | 4,154,609 | 4,154,609 |
| Inclusionary Fee Fund (451) | 130,412 | 5,594,093 | 521,185 | 521,185 |
| Affordable Housing Impact Fee Fund (452) | 0 | 197,279 | 234,022 | 234,022 |
| Homeless Housing, Assistance, and Prevention Fund (454) | 0 | 11,801,479 | 27,481,892 | 28,252,120 |
| Building Homes and Jobs Act Fund (456) | 0 | 0 | 4,248,646 | 4,328,860 |
| Total | \$162,311,468 | \$227,957,011 | \$149,666,259 | \$174,208,464 |
| Positions by Core Service** | | | | |
| Affordable Housing Portfolio Management | 11.50 | 12.50 | 11.50 | 12.50 |
| Affordable Housing Production and Preservation | 17.00 | 18.00 | 13.00 | 13.00 |
| Homelessness Interventions and Solutions | 11.00 | 10.25 | 10.25 | 13.00 |
| Neighborhood Capital Investment and Public Services | 7.60 | 7.60 | 7.60 | 8.60 |
| Rent Stabilization and Tenant Protection | 17.07 | 17.07 | 17.07 | 17.07 |
| Strategic Support - Community & Economic Development | 23.33 | 24.33 | 23.33 | 28.58 |
| Strategic Support - Other - Community & Economic Development | 0.00 | 1.75 | 9.75 | 11.75 |
| Total | 87.50 | 91.50 | 92.50 | 104.50 |

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** The positions displayed in the 2020-2021 Actuals column reflect those included in the 2020-2021 Adopted Budget.

*** 2020-2021 Actuals may not subtotal due to rounding.

Housing Department

Department Budget Summary

| | 2020-2021 | 2021-2022 | 2022-2023 | 2022-2023 | 2022-2023 |
|--|-----------|-----------|-----------|-----------|--------------------|
| | Actuals** | Adopted | Forecast | Proposed | Proposed Positions |

Dollars by Program*

Affordable Housing Portfolio Management

| | | | | | |
|-------------------------------------|------------------|------------------|------------------|------------------|--------------|
| Loan Collections | 21,241 | 0 | 0 | 0 | 0.00 |
| Loan Compliance | 2,399,656 | 2,459,202 | 2,410,529 | 2,250,101 | 10.50 |
| Property Maintenance and Inspection | 141,727 | 1,100,000 | 1,250,000 | 1,621,916 | 2.00 |
| Sub-Total | 2,562,624 | 3,559,202 | 3,660,529 | 3,872,017 | 12.50 |

Affordable Housing Production and Preservation

| | | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| Affordable Housing Development Loans | 34,305,535 | 74,880,548 | 28,690,500 | 28,940,500 | 6.80 |
| Affordable Housing Impact Fees | 50 | 0 | 0 | 0 | 0.00 |
| Homeownership Opportunities | 8,885 | 220,000 | 150,000 | 150,000 | 0.00 |
| Inclusionary Housing | 392,367 | 402,822 | 354,573 | 354,573 | 2.00 |
| Rehabilitation Loans and Grants | 105,120 | 1,008,473 | 746,103 | 746,103 | 4.20 |
| Sub-Total | 34,811,957 | 76,511,843 | 29,941,176 | 30,191,176 | 13.00 |

Homelessness Interventions and Solutions

| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|--------------|
| Homeless Outreach and Case Management | 13,169,785 | 25,750,576 | 39,261,070 | 39,821,253 | 8.75 |
| Interim Supportive Housing Development | 522,800 | 1,177,315 | 1,199,213 | 22,433,655 | 1.25 |
| Joint Encampment Response Team | 1,112,858 | 283,252 | 292,348 | 292,348 | 1.50 |
| Local and Regional Coordination/Policy Development to End Homelessness | 150,000 | 0 | 0 | 0 | 0.00 |
| Tenant Based Rental Assistance and Rapid Rehousing | 12,096,636 | 6,591,701 | 10,147,112 | 10,147,112 | 1.50 |
| Sub-Total | 27,052,079 | 33,802,844 | 50,899,743 | 72,694,368 | 13.00 |

Neighborhood Capital Investment and Public Services

| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------|
| Community Development Block Grant - Infrastructure Investments | 2,838,457 | 6,718,177 | 6,871,063 | 6,871,063 | 7.24 |
| Neighborhood Stabilization | 185,442 | 0 | 0 | 407,439 | 1.00 |
| Non-Profit Service Grants to Support Housing and Community Development Needs | 14,997,928 | 52,500,953 | 22,142,374 | 22,142,374 | 0.36 |
| Place-Based Neighborhood Strategy | 242,908 | 9,500 | 9,500 | 9,500 | 0.00 |
| Sub-Total | 18,264,735 | 59,228,630 | 29,022,937 | 29,430,376 | 8.60 |

Rent Stabilization and Tenant Protection

| | | | | | |
|--|------------------|------------------|------------------|------------------|--------------|
| Apartment Rent Ordinance Administration | 1,883,968 | 3,409,480 | 2,982,136 | 2,982,136 | 15.77 |
| Mobilehome Rent Ordinance Administration | 313,345 | 224,303 | 232,718 | 232,718 | 1.30 |
| Sub-Total | 2,197,313 | 3,633,783 | 3,214,854 | 3,214,854 | 17.07 |

Strategic Support - Community & Economic Development

* Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** 2020-2021 Actuals may not subtotal due to rounding.

Housing Department

Department Budget Summary

| | 2020-2021 | 2021-2022 | 2022-2023 | 2022-2023 | 2022-2023 |
|---|----------------------|----------------------|----------------------|----------------------|--------------------|
| | Actuals** | Adopted | Forecast | Proposed | Proposed Positions |
| Housing Management and Administration | 4,009,632 | 4,508,665 | 4,145,886 | 4,145,886 | 17.88 |
| Housing Pandemic Response | 59,769,969 | 39,009,824 | 20,859,887 | 21,328,487 | 4.25 |
| Housing Planning and Policy Development | 644,346 | 1,429,477 | 956,670 | 1,489,434 | 6.45 |
| Sub-Total | 64,423,947 | 44,947,966 | 25,962,443 | 26,963,807 | 28.58 |
| Strategic Support - Other - Community & Economic Development | | | | | |
| Housing Other Departmental - City-Wide | 326,345 | 2,250,000 | 3,350,000 | 3,965,000 | 11.75 |
| Housing Other Departmental - Grants | 11,361,182 | 1,735,657 | 34,547 | 34,547 | 0.00 |
| Housing Other Operational - Administration | 2,258 | 0 | 0 | 0 | 0.00 |
| Housing Overhead | 1,304,596 | 2,142,086 | 3,232,030 | 3,494,319 | 0.00 |
| Housing Transfers | 0 | 70,000 | 273,000 | 273,000 | 0.00 |
| Housing Workers' Compensation | 4,432 | 75,000 | 75,000 | 75,000 | 0.00 |
| Sub-Total | 12,998,813 | 6,272,743 | 6,964,577 | 7,841,866 | 11.75 |
| Total | \$162,311,468 | \$227,957,011 | \$149,666,259 | \$174,208,464 | 104.50 |

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Housing Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2021-2022 Adopted to 2022-2023 Proposed)

| | Positions | All Funds (\$) | General Fund (\$) |
|--|---------------|--------------------|-------------------|
| Prior Year Budget (2021-2022): | 91.50 | 18,558,195 | 538,773 |
| Base Adjustments | | | |
| One-Time Prior Year Expenditures Deleted | | | |
| • Rebudget: Rent Stabilization Program – Hearing Officers | | (400,000) | 0 |
| • Rebudget: Anti-Displacement Consulting Services | | (200,000) | 0 |
| • Rebudget: Loan Underwriting Consulting Services | | (200,000) | 0 |
| • Rebudget: General Municipal Advisory Services | | (150,000) | 0 |
| • Rebudget: Relocation Advisory Services | | (100,000) | 0 |
| • Rebudget: Website Consulting Services | | (100,000) | 0 |
| • Rebudget: Community Plan to End Homelessness Communications | | (50,000) | 0 |
| • Rebudget: Recovery Café | | (10,000) | 0 |
| • Policy Studies and Consulting Services | | (280,000) | 0 |
| • Pre-Development Consulting Services | | (275,000) | 0 |
| • Homeless Response and Coordination Staffing (1.0 Senior Development Officer) | (1.00) | (173,003) | 0 |
| • Affordable Housing Portfolio Management Staffing (Blighted Properties) (1.0 Community Programs Administrator) | (1.00) | (173,003) | 0 |
| • Racial Equity Action Plan | | (100,000) | 0 |
| • Catalyze Silicon Valley | | (5,000) | (5,000) |
| • Measure E – 5% Program Administration Staffing (1.0 Senior Development Officer) | (1.00) | 0 | 0 |
| One-Time Prior Year Expenditures Subtotal: | (3.00) | (2,216,006) | (5,000) |
| Technical Adjustments to Costs of Ongoing Activities | | | |
| • Salary/benefit changes | | (27,357) | (845,526) |
| • COVID-19 Pandemic Response and Community and Economic Recovery (City Council Approval November 30, 2021): 1.0 Analyst I/II, 1.0 Assistant Director, 1.0 Development Officer, 1.0 Senior Development Officer | 4.00 | 874,411 | 874,411 |
| • Contract Services: Financial Consulting | | 25,000 | 0 |
| • Fund Shift: Homeless Rapid Rehousing Staffing | 0.00 | (308,716) | 0 |
| Technical Adjustments Subtotal: | 4.00 | 563,338 | 28,885 |
| 2022-2023 Forecast Base Budget: | 92.50 | 16,905,527 | 562,658 |
| Budget Proposals Recommended | | | |
| 1. Grants Management Staffing | 5.00 | 746,911 | 0 |
| 2. Underwriting and Financial Consulting for Affordable Housing Projects | | 250,000 | 0 |
| 3. Property Management Team Staffing | 2.00 | 227,802 | 0 |

Housing Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2021-2022 Adopted to 2022-2023 Proposed)

| | Positions | All Funds (\$) | General Fund (\$) |
|--|---------------|-------------------|-------------------|
| Budget Proposals Recommended | | | |
| 4. Homeless Response Team and BeautifySJ Coordination Staffing | 1.00 | 207,439 | 0 |
| 5. Housing Preservation and Production Staffing | 1.00 | 207,439 | 0 |
| 6. Policy and Planning Studies Consulting Services | | 195,000 | 0 |
| 7. Commercial Linkage Fee Staffing | 1.00 | 130,325 | 0 |
| 8. Measure E - 5% Program Administration | 2.00 | 0 | 0 |
| Total Budget Proposals Recommended | 12.00 | 1,964,916 | 0 |
| 2022-2023 Proposed Budget Total | 104.50 | 18,870,443 | 562,658 |

Housing Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

| 2022-2023 Proposed Budget Changes | Positions | All Funds (\$) | General Fund (\$) |
|--------------------------------------|-----------|----------------|-------------------|
| 1. Grants Management Staffing | 5.00 | 746,911 | 0 |

***Community and Economic Development CSA
Homelessness Interventions and Solutions and Strategic Support – Other –
Community and Economic Development Core Services
Homeless Outreach and Case Management and Pandemic Response Programs***

This action continues 4.0 Analyst II positions and adds 1.0 Staff Specialist position, through June 30, 2023, funded by the Homeless Housing, Assistance, and Prevention Fund and the Multi-Source Housing Fund, to provide COVID-19 contract development and management, performance tracking, and federal reporting. The Housing Department has received over \$100 million in federal and state funding to respond to the COVID-19 pandemic. The total housing grant funding received through COVID-related sources was more than three times the amount of federal housing grants the City usually receives within a year. This staffing is necessary to effectively distribute and monitor the use of such grant resources. (Ongoing costs: \$0)

| | | | |
|---|--|----------------|----------|
| 2. Underwriting and Financial Consulting for Affordable Housing Projects | | 250,000 | 0 |
|---|--|----------------|----------|

***Community and Economic Development CSA
Affordable Housing Production and Preservation Core Service
Affordable Housing Development Loans Program***

This action adds non-personal/equipment funding of \$250,000, in the Low and Moderate Income Housing Asset Fund, for on-call underwriting and financial consulting services to facilitate pre-development and development activities associated with future housing development projects resulting from the \$150 million Notice of Funding Availability (NOFA) that closed in February 2022. Underwriting services will support the 19 new affordable housing projects requesting funding. (Ongoing costs: \$250,000)

Housing Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

| 2022-2023 Proposed Budget Changes | Positions | All Funds (\$) | General Fund (\$) |
|---|-----------|----------------|-------------------|
| 3. Property Management Team Staffing | 2.00 | 227,802 | 0 |

***Community and Economic Development CSA
Affordable Housing Portfolio Management, Homelessness Interventions and Solutions, and Strategic Support – Other – Community and Economic Development Core Services***

Loan Compliance, Property Maintenance and Inspection, Interim Supportive Housing Development, and Housing Pandemic Response Programs

This action eliminates 1.0 vacant Housing Policy and Planning Administrator position and adds 1.0 Building Maintenance Superintendent position, funded by the Homeless Housing, Assistance, and Prevention Fund, and adds 2.0 Building Rehabilitation Inspector positions funded by American Rescue Plan Fund through June 30, 2023. These positions will manage the maintenance and rehabilitation of hotel/motels purchased by the Housing Department, and emergency interim housing communities constructed by the City. The Housing Department has nine existing shelters and two additional sites coming online in 2022-2023 without maintenance staff to oversee the physical structures, all of which will require ongoing oversight. In addition, this action reallocates 50% of an existing Building Rehabilitation Inspector position from the Low and Moderate Income Housing Asset Fund to the Building Homes and Jobs Act Fund. Additional one-time non-personal/equipment funding of \$50,000 is included in the Low and Moderate Income Housing Asset Fund to purchase a utility vehicle to support this additional staff. (Ongoing savings: \$71,772)

| | | | |
|---|------|---------|---|
| 4. Homeless Response Team and BeautifySJ Coordination Staffing | 1.00 | 207,439 | 0 |
|---|------|---------|---|

***Community and Economic Development CSA
Neighborhood Capital Investment and Public Services Core Service
Neighborhood Stabilization Program***

This action adds 1.0 Senior Development Officer position, through June 30, 2023, funded by the Housing Authority Litigation Award Fund, to coordinate BeautifySJ encampment management, including abatements and escalated site clean-ups. The position will additionally oversee the Services Outreach Assistance and Resources (SOAR) program, ensuring a baseline level of service at 16 encampments and expansion to 10 additional encampments. This position also fills a key leadership position for the Encampment Management Coordination Collaborative team, a city-wide cross-functional team working on encampments, leading a small workgroup dedicated to coordinating social services with the County of Santa Clara. (Ongoing costs: \$0)

Housing Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

| 2022-2023 Proposed Budget Changes | Positions | All Funds (\$) | General Fund (\$) |
|--|-------------|----------------|-------------------|
| 5. Housing Preservation and Production Staffing | 1.00 | 207,439 | 0 |

***Community and Economic Development CSA
Strategic Support – Community and Economic Development Core Service
Housing Planning and Policy Development Program***

This action continues 1.0 Senior Development Officer position, through June 30, 2023, funded by the Low and Moderate Income Housing Asset Fund. This position will develop new housing preservation and production policies and programs with a focus on developing the Department's moderate-income housing strategies, including both rental and home ownership opportunities, as outlined in the Residential Anti-Displacement Strategy adopted by City Council in September 2020. The position additionally serves as the primary liaison with Anti-Displacement Working Group consultant facilitators and directly supports the completion of the Assessment of Fair Housing continuing into 2022-2023. (Ongoing costs: \$0)

| | | | |
|---|--|----------------|----------|
| 6. Policy and Planning Studies Consulting Staffing | | 195,000 | 0 |
|---|--|----------------|----------|

***Community and Economic Development CSA
Strategic Support – Community and Economic Development Core Service
Housing Planning and Policy Development Program***

This action adds one-time non-personal/equipment funding of \$195,000, from the Low and Moderate Income Housing Asset Fund, for consulting services for various policy and planning studies. Consulting services will support the following efforts planned for 2022-2023, and in response to the City Council-approved anti-displacement strategy and direction to update the moderate-income strategy: Non-Profit Capacity Building (\$75,000); Moderate Income Strategy Report Update (\$20,000); Tenant Preferences (\$50,000); and the Right to Counsel Study (\$50,000). Selected consultants will assist with data collection and analysis, curriculum design and training, and implementation planning, as applicable for these respective efforts. (Ongoing costs: \$0)

| | | | |
|---|-------------|----------------|----------|
| 7. Commercial Linkage Fee Program Staffing | 1.00 | 130,325 | 0 |
|---|-------------|----------------|----------|

***Community and Economic Development CSA
Strategic Support – Community and Economic Development Core Service
Housing Planning and Policy Development Program***

This action adds 1.0 Analyst II position, through June 30, 2024 and funded by the Low and Moderate Income Housing Asset Fund, to support the implementation of the Commercial Linkage Fee passed by the City Council in September 2020. At the time the Commercial Linkage Fee was passed, staff estimated that 1.0 Analyst position would be adequate to support the program; however, the implementation process has proven highly complex and staff-intensive, requiring additional staffing to ensure timely billing and collections under the unique recommended fee repayment structure. This staffing level is consistent with the Commercial Linkage Fee memorandum approved by City Council on March 29, 2022. (Ongoing costs: \$156,389)

Housing Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment



| 2022-2023 Proposed Budget Changes | Positions | All Funds (\$) | General Fund (\$) |
|---|--------------|------------------|-------------------|
| 8. Measure E – 5% Program Administration Staffing | 2.00 | 0 | 0 |
| <i>Community and Economic Development CSA Strategic Support Core Service Housing Other Departmental – City-Wide Program</i> | | | |
| <p>This action adds 1.0 Development Officer position and 1.0 Senior Analyst position, funded by the Measure E – 5% Program Administration City-Wide Expenses appropriation, to accelerate the production of \$150 million in new affordable housing projects. The Development Officer position will provide financial and technical assistance for the development of new affordable housing for low-income households as the Housing Department scales up its capacity to manage additional affordable housing production. The Senior Analyst position will provide a higher level of expertise and management oversight of the complex budgeting and reporting requirements of the funds managed by the Housing Department, as well as provide additional human resources capacity and structure to the Administration team. (Ongoing costs: \$0)</p> | | | |
| 2022-2023 Proposed Budget Changes Total | 12.00 | 1,964,916 | 0 |

Housing Department

Performance Summary

Affordable Housing Portfolio Management

Performance Measures

| | 2020-2021 Actual | 2021-2022 Target | 2021-2022 Estimated | 2022-2023 Target |
|---|---------------------|---------------------|------------------------|---------------------|
|  Monetary default rate of loan portfolio by category: | | | | |
| % of total loan principal | | | | |
| 1. Project Loans | 0% | 0% | 0% | 0% |
| 2. Rehabilitation Loans | 0% | 0% | 0% | 0% |
| 3. Homebuyer Loans | 0% | 0% | 0% | 0% |
| % of total loans: | | | | |
| 1. Project Loans | 0% | 0% | 0% | 0% |
| 2. Rehabilitation Loans | 0% | 0% | 0% | 0% |
| 3. Homebuyer Loans | 0% | 0% | 0% | 0% |
|  % of portfolio units brought into compliance with safe and sanitary condition requirements within 90 days | 100% | 75% | 100% | 100% |

Activity and Workload Highlights

| | 2020-2021 Actual | 2021-2022 Forecast | 2021-2022 Estimated | 2022-2023 Forecast |
|--|----------------------|----------------------------|------------------------|----------------------------|
| # of single family Loan Management transactions (refinances, subordinations, assumptions, payoffs) | 125 | 80 | 110 | 80 |
| Size of Housing Department loan portfolio by category: | | | | |
| Total loan principal (\$): | | | | |
| 1. Project Loans | \$608,571,726 | \$741,000,000 ¹ | \$699,014,909 | \$728,669,092 ¹ |
| 2. Rehabilitation Loans | \$10,300,000 | \$9,000,000 | \$9,500,000 | \$9,000,000 |
| 3. Homebuyer Loans | \$45,900,000 | \$49,500,000 | \$43,500,000 | \$43,000,000 |
| Total | \$664,771,726 | \$799,500,000 | \$722,017,909 | \$780,669,092 |
| Total number of loans: | | | | |
| 1. Project Loans | 122 | 147 | 125 | 136 |
| 2. Rehabilitation Loans | 243 | 175 | 250 | 200 |
| 3. Homebuyer Loans | 787 | 775 | 750 | 700 |
| Total | 1,152 | 1,097 | 1,125 | 1,036 |
| # of major projects in loan portfolio inspected Annually | | | | |
| - Projects | 106 | 95 | 33 | 45 |
| - Units | 0 ² | 1,425 | 0 ² | 700 |
| # of City facilitated affordable rental units | 15,439 | 21,694 | 15,504 | 15,715 |
| # of income restricted for-sale homes | 1,167 | 950 | 1,000 | 950 |

¹ The 2021-2022 Forecast and 2022-2023 Forecast levels reflect the completion of two Notices of Funding Availability (NOFA), totaling \$100 million and \$150 million respectively, and anticipated project loan closings.




² The 2020-2021 Actual and 2021-2022 Estimated levels reflect a pause in unit inspections due to the COVID-19 pandemic. Unit inspections are anticipated to resume in 2022-2023, coinciding with the relaxation of public health measures.

Housing Department

Performance Summary

Affordable Housing Production and Preservation

Performance Measures

| | 2020-2021 Actual | 2021-2022 Target | 2021-2022 Estimated | 2022-2023 Target |
|---|---------------------|---------------------|------------------------|---------------------|
|  Cumulative ratio of non-City funds to City funds over the last five years in the New Construction Program | 3.98:1 | 4.89:1 | 4.06:1 | 4.33:1 |
|  % of annual target achieved for production of affordable housing/# of units | 75% (216) | 100% (288) | 75% (216) | 100% (211) |
|  % of funding committed to extremely low-income households | 39% | 45% | 39% | 45% |

Activity and Workload Highlights

| | 2020-2021 Actual | 2021-2022 Forecast | 2021-2022 Estimated | 2022-2023 Forecast |
|---|---------------------|-----------------------|------------------------|-----------------------|
| # of affordable housing units completed in the fiscal year | 216 ¹ | 301 | 216 | 211 |
| Average per-unit subsidy in funding commitments for new construction projects | \$133,000 | \$119,000 | \$133,000 | \$125,000 |




¹ The 2020-2021 Actual of 216 varies from the 2020-2021 Actual included in the City Auditor Office's Annual Report on City services for FY 2020-2021 due to data on affordable housing developments not being available at the time of publishing.

Housing Department

Performance Summary


Homelessness Interventions and Solutions

Performance Measures

| | 2020-2021 Actual | 2021-2022 Target | 2021-2022 Estimated | 2022-2023 Target |
|---|---------------------|---------------------|------------------------|---------------------|
|  Reduction in the number of homeless individuals from prior two years ¹ | 0 | 200 | 200 | 200 |
|  % of households who exit the Rapid Rehousing Program into permanent housing that maintain Housing for at least 6 months | 84% | 85% | 80% | 80% |
|  Average number of days from enrollment households in rapid rehousing programs got into permanent housing | 88 Days | 60 Days | 60 Days | 60 Days |

¹ Efforts to reduce the number of homeless have been assisted by recent increases in state and federal grant funding and local Measure E revenues. The 2020-2021 Actual data is unavailable as the 2021 Point-in-Time (PIT) Homeless Census and Survey has been delayed due to the COVID-19 pandemic and results are pending verification and release.

Activity and Workload Highlights

| | 2020-2021 Actual | 2021-2022 Forecast | 2021-2022 Estimated | 2022-2023 Forecast |
|---|---------------------|-----------------------|------------------------|-----------------------|
|  # of households who maintained permanent housing in City-funded rapid rehousing programs in the last 12 months ¹ | 66 | 200 | 125 | 150 |
| Estimated number of homeless individuals Counted in San Jose ² : | | | | |
| - Chronically homeless | 0 | 1,500 | 1,500 | 1,500 |
| - Non-chronically homeless | 0 | 4,500 | 4,500 | 4,500 |
| # of homeless individuals (affiliated with San José) who secured new permanent housing: | | | | |
| - Chronically | 523 | 700 | 600 | 600 |
| - Non-chronically | 1,476 | 1,300 | 1,500 | 1,500 |
| # of homeless individuals assessed for permanent housing | 5,587 | 5,000 | 6,000 | 6,000 |

¹ New enrollments were delayed as existing program households transitioned to new agencies upon the execution of new agreements in 2020-2021.




² The 2020-2021 Actual data is unavailable as the 2021 Point-in-Time (PIT) Homeless Census and Survey has been delayed due to the COVID-19 pandemic and results are pending verification and release.

Housing Department

Performance Summary

Neighborhood Capital Investment and Public Services

Performance Measures

| | 2020-2021 Actual | 2021-2022 Target | 2021-2022 Estimated | 2022-2023 Target |
|--|---------------------|---------------------|------------------------|---------------------|
|  % of CDBG-funded projects meeting all stated outcomes: | | | | |
| - City projects | 100% | 90% | 90% | 90% |
| - Non-City projects | 100% | 90% | 90% | 90% |
|  % of CDBG invoices processed within 30 days of receipt of all required documentation | 90% | 90% | 90% | 90% |
|  % of CDBG contracts executed by July 1 | 50% | 50% | 50% | 50% |

Activity and Workload Highlights



| | 2020-2021 Actual | 2021-2022 Forecast | 2021-2022 Estimated | 2022-2023 Forecast |
|---|---------------------|-----------------------|------------------------|-----------------------|
| # of rehabilitation projects completed: | | | | |
| - Rehabilitation projects | 269 | 0 | 200 | 250 |
| - Minor repair | 235 | 260 | 300 | 350 |
| Total | 504 | 260 | 500 | 600 |

Housing Department

Performance Summary

Rent Stabilization and Tenant Protection

Performance Measures

| | 2020-2021 Actual | 2021-2022 Target | 2021-2022 Estimated | 2022-2023 Target |
|--|---------------------|---------------------|------------------------|---------------------|
|  % of tenant/landlord mediations that resulted in voluntary agreement | 52% | 85% | 80% | 80% |
|  % of cases resolved within 60 days of completed petition date | 61% | 75% | 80% | 80% |

Activity and Workload Highlights

| | 2020-2021 Actual | 2021-2022 Forecast | 2021-2022 Estimated | 2023-2023 Forecast |
|---|----------------------|-----------------------|------------------------|-----------------------|
| # of unduplicated mobilehome and apartment clients served by the Rent Stabilization Program | 6,999 | 7,800 | 7,100 | 7,100 |
| Average number of days from completed petition to resolution | 81 days ¹ | 120 days | 60 days ¹ | 60 days ¹ |

¹ The number of clients served has continued to be impacted by the COVID-19 pandemic and limited modes of contact (phone only), as well as the implementation of the Eviction Help Center which has assisted clients that the Rent Stabilization Program would typically serve.

Housing Department

Department Position Detail

| Position | 2021-2022 Adopted | 2022-2023 Proposed | Change |
|--|----------------------|-----------------------|--------------|
| Account Clerk I/II | 1.00 | 1.00 | - |
| Accountant I/II | 1.00 | 1.00 | - |
| Accounting Technician | 1.00 | 1.00 | - |
| Administrative Assistant | 1.00 | 1.00 | - |
| Administrative Officer | 1.00 | 1.00 | - |
| Analyst I/II | 21.00 | 27.00 | 6.00 |
| Assistant Director | 0.00 | 1.00 | 1.00 |
| Assistant to the Director | 1.00 | 1.00 | - |
| Building Maintenance Superintendent | 0.00 | 1.00 | 1.00 |
| Building Rehabilitation Inspector I/II | 3.00 | 5.00 | 2.00 |
| Building Rehabilitation Supervisor | 1.00 | 1.00 | - |
| Community Programs Administrator | 1.00 | 0.00 | (1.00) |
| Deputy Director | 2.00 | 2.00 | - |
| Development Officer | 13.00 | 15.00 | 2.00 |
| Development Specialist | 4.00 | 4.00 | - |
| Development Specialist PT | 0.50 | 0.50 | - |
| Director of Housing | 1.00 | 1.00 | - |
| Division Manager | 4.00 | 4.00 | - |
| Housing Policy and Plan Administrator | 4.00 | 3.00 | (1.00) |
| Information Systems Analyst | 1.00 | 1.00 | - |
| Office Specialist I/II | 3.00 | 3.00 | - |
| Public Information Manager | 1.00 | 1.00 | - |
| Public Information Representative I/II | 2.00 | 2.00 | - |
| Senior Accountant | 1.00 | 1.00 | - |
| Senior Analyst | 2.00 | 3.00 | 1.00 |
| Senior Development Officer | 12.00 | 13.00 | 1.00 |
| Senior Systems Applications Programmer | 1.00 | 1.00 | - |
| Staff Specialist | 7.00 | 8.00 | 1.00 |
| Student Intern PT | 1.00 | 1.00 | - |
| Total Positions | 91.50 | 104.50 | 13.00 |