

2021 Housing Element Annual Progress Report

City Council

March 22, 2022

Item 8.3

Presenters: Kristen Clements, Division Manager, Housing

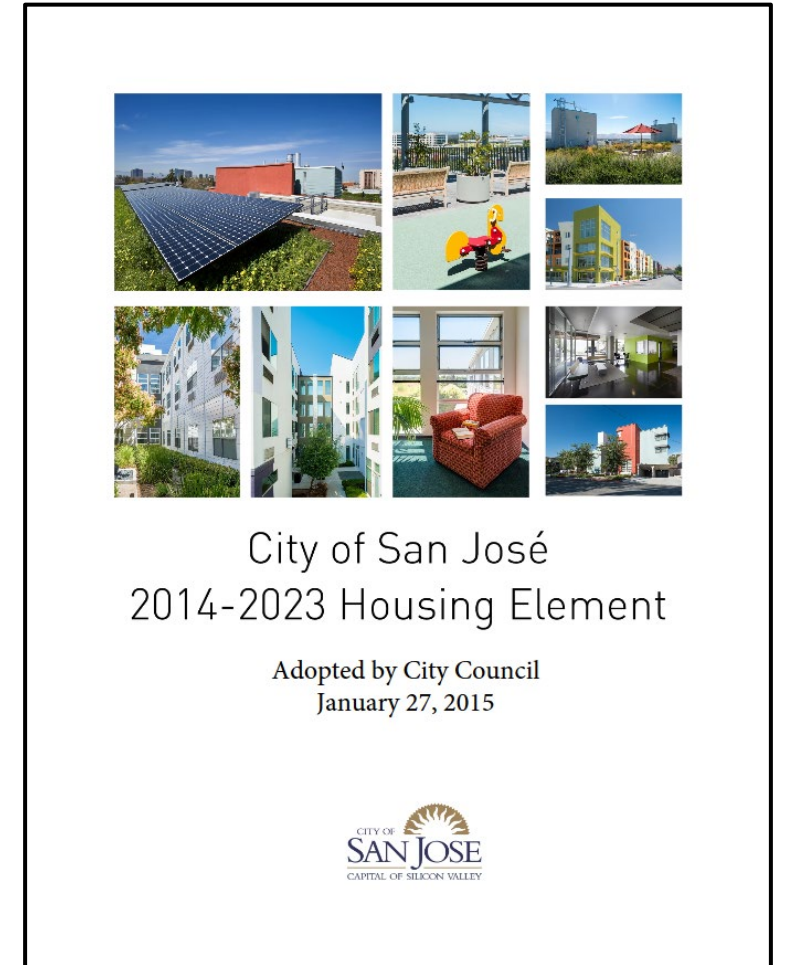
Michael Brilliot, Deputy Director, PBCE



*Planning, Building and
Code Enforcement*

Housing Element

- Annual Progress Report required to submit to HCD and OPR by April 1st
- Contents of Housing Element
 - Housing needs assessment
 - Site inventory
 - Constraints
 - Programs
- New reporting requirements
- Higher RHNA numbers next cycle, planning underway

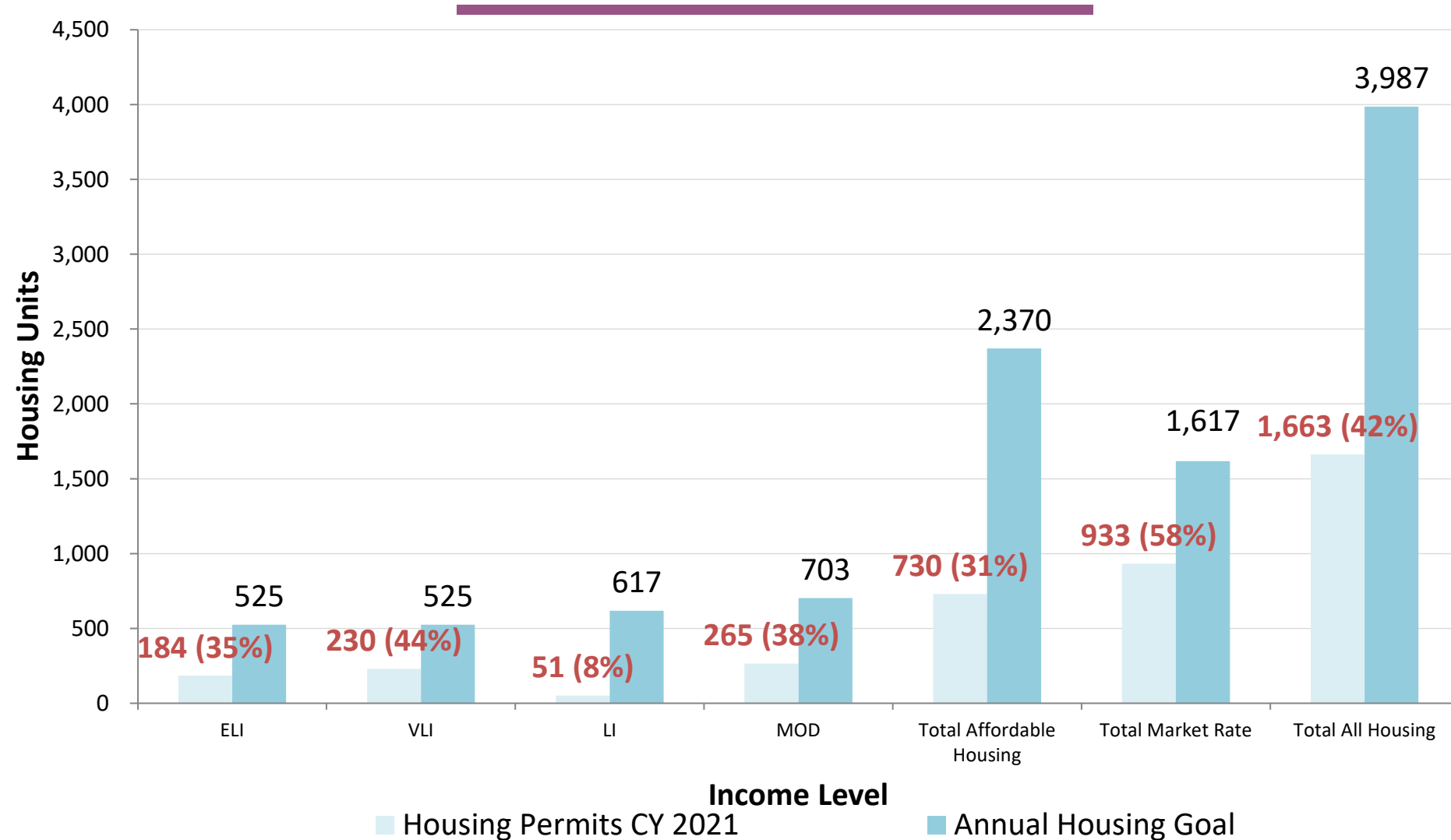


San José's Housing Needs (RHNA)

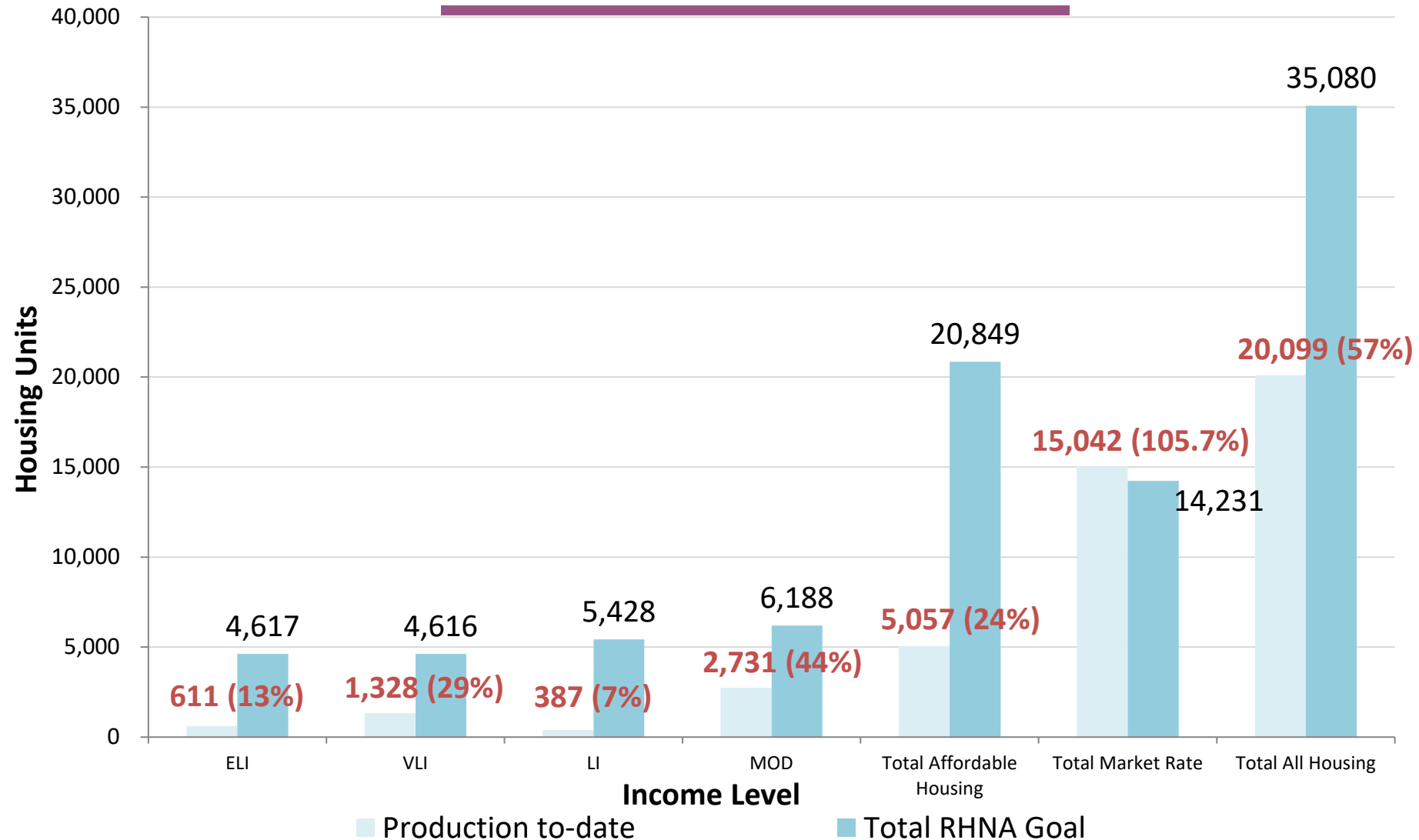
Income Category*	2021 Income Range		2014-2022 RHNA (Units)	Annual Goal (Units)
	1-person	4-person		
Extremely Low Up to 30% AMI	≤ \$34,800	≤ \$49,700	4,617	525
Very Low 31%-50% AMI	\$58,000	\$82,850	4,616	525
Low 51%-80% AMI	\$82,450	\$117,750	5,428	617
Moderate 81%-120% AMI	\$127,100	\$181,550	6,188	703
Above Moderate	\$127,101+	\$181,551+	14,231	1,617
	Totals		35,080	3,987

59%
of
total

CY 2021 Residential Building Permit Performance



Cumulative RHNA Performance



Housing Activity

- Diverging rental and for-sale markets
 - Lower rents (7% decrease) and higher vacancies (8.7% overall, 18.1% Class A) as of 4Q 2021
 - Hotter for-sale market: Days on market decrease 38 days → 18 days
- Slight increase in building permit activity
 - 1,663 units permitted – 20% increase from 2020
 - 42% of permitted units in Urban Villages – 50% increase from 2020
 - While number has increased, still lower than average annual issued
 - Majority of residential building permits were for ADUs

Housing Strategies: Production

- Housing Crisis Workplan
 - GP Policies IP 5.10 & 5.12 amended
 - Inclusionary Housing Ordinance amended to add flexibility
 - Parks fee established 50% credit for moderate-income housing units
- Diridon Station Area Plan & Affordable Housing Implementation Plan
- Two NOFAs issued to support over 1,500 new affordable homes
- Three sites purchased and development RFPs issued for six City-owned sites

Housing Strategies: Preservation

- COVID-19 response
 - Project Homekey, retaining motel housing post-pandemic

Housing Strategies: Protection

- COVID-19 response for housing
 - City Eviction Moratorium
 - \$29.5 million for local Emergency Rental Assistance
 - Help coordinate 40+ CBO partners
 - Homelessness prevention services
 - Homelessness encampment services

2020-2021 Housing Successor Annual Report Highlights

1. Assets of \$698.7 million
2. Two required tests met
 - *Excess Surplus* test
 - *Senior Housing* test: $\leq 50\%$ of LMIHAF funds spent on senior affordable housing over past 10 years

Staff Recommendation

1. Accept the Calendar Year 2021 Annual Progress Report on the Implementation of the San José 2014-23 Housing Element
2. Accept the Fiscal Year 2020-21 Housing Successor to the Redevelopment Agency Annual Report

Item 8.3

2021 Housing Element Annual Progress Report

*Presenter: Kristen Clements, Division Manager, Housing
Michael Brilliot, Deputy Director, PBCE*