



Housing

Affordable Housing Siting Policy

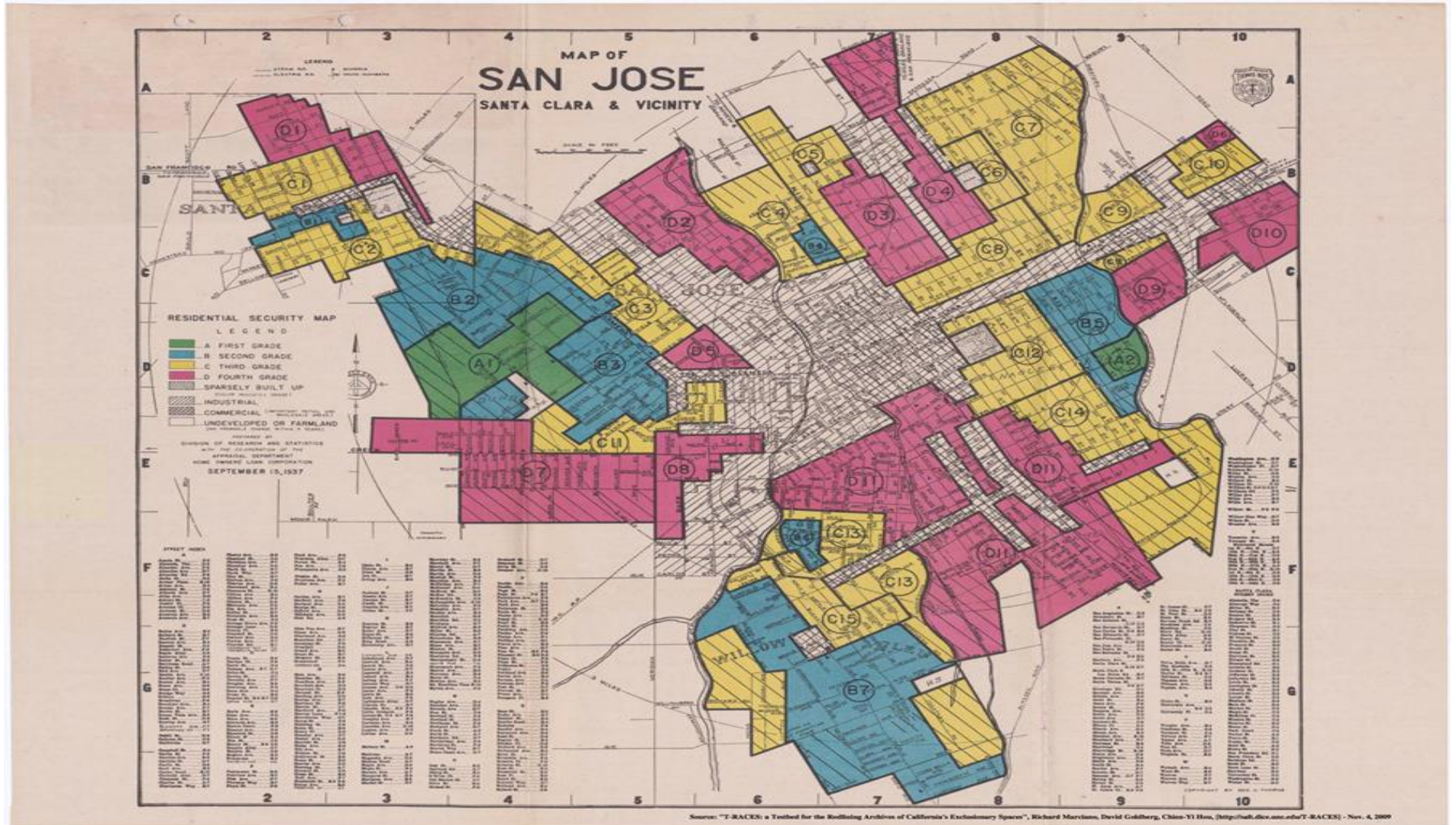
September 30, 2022

Jacky Morales-Ferrand
Director

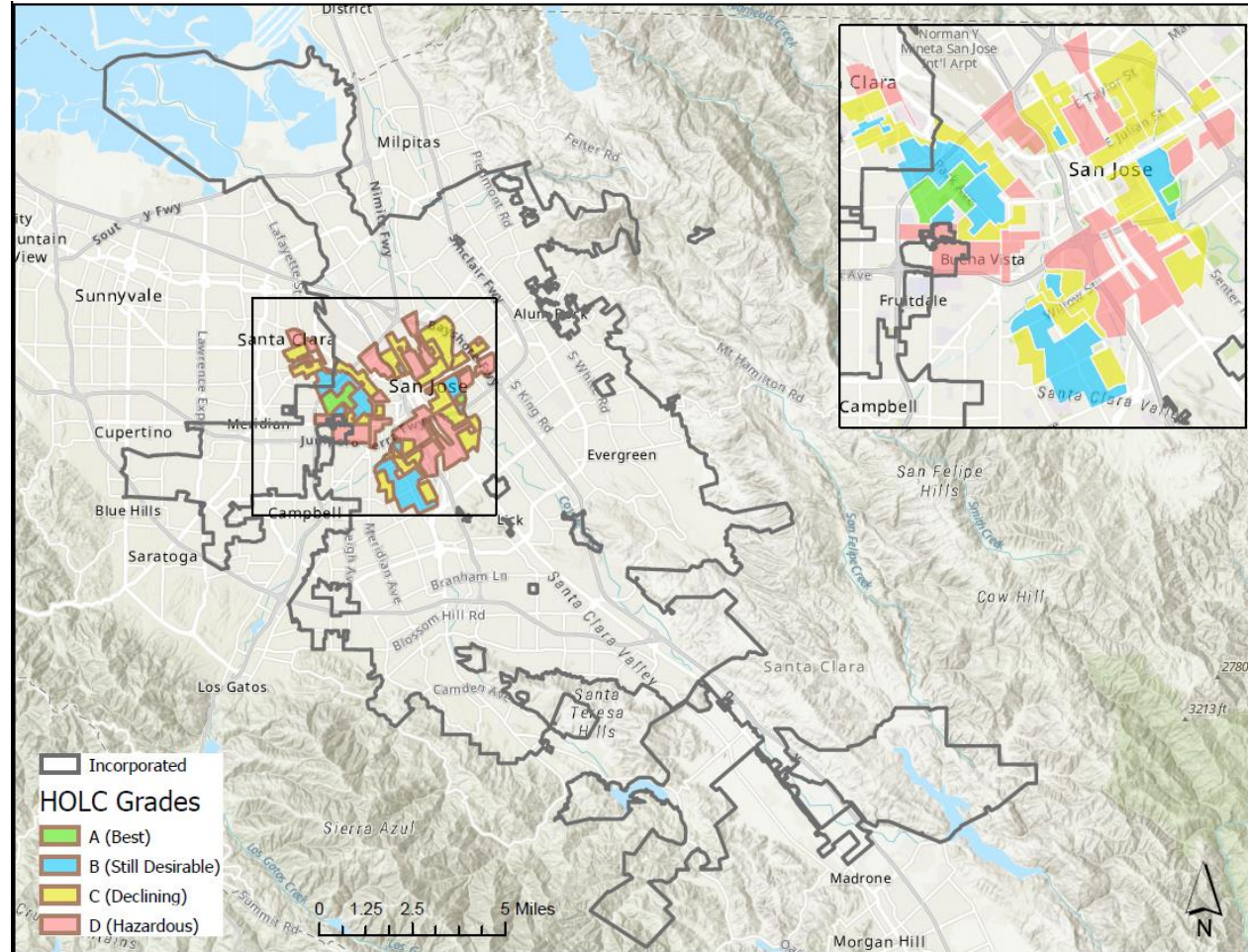
Rachel VanderVeen
Deputy Director

Joshua Ishimatsu
Senior Development Officer

San José's History



San José's Growth and Development



Affordable Housing with City Funding



Fairways at San Antonio Court



Villas in the Park



2022 Income Limits

		Santa Clara County Area Median Income					
		Poverty Threshold	Extremely Low Income	Very Low-Income		Lower-Income	
			30%	40%	50%	60%	80%
Number In Household	1 Person	13,788	35,370	47,160	58,950	70,740	94,320
	2 Person	17,529	40,440	53,920	67,400	80,880	107,840
	3 Person	21,559	45,510	60,680	75,850	91,020	121,360
	4 Person	27,740	50,550	67,400	84,250	101,100	134,800

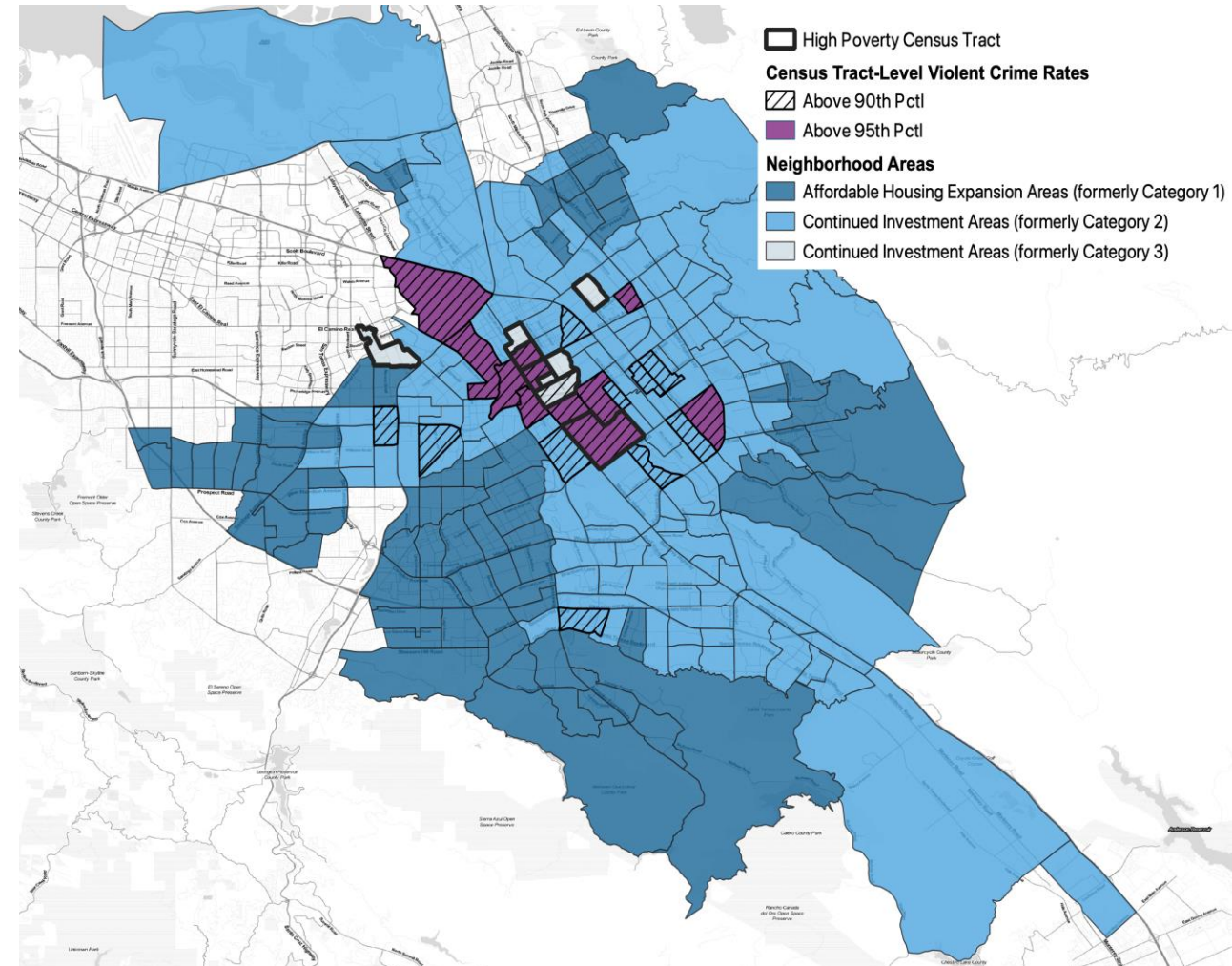
Siting Policy Goals

- Expand Choice – consistent with California, Federal Fair Housing Law, build affordable housing in neighborhoods where they have been excluded
- Mitigate displacement
- Transparent to developers stakeholders and easily administered by City staff



Council Direction - Definitions

- Consider violent crime data by census block group level and at the 90th percentile level
- Consider limiting the criteria to only include income levels



Council Direction – NOFA Results

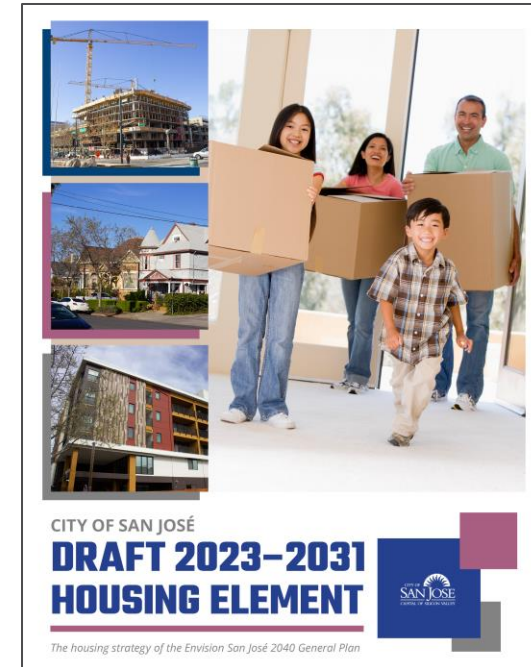
Neighborhood Area(s)	Total Affordable Homes	% of Total Affordable Homes	Total Developments
Affordable Housing Expansion Areas	227	16%	2
Continued Investment Areas	1,234	84%	14
Total	1,461	100%	16

Council Direction – Potential Development

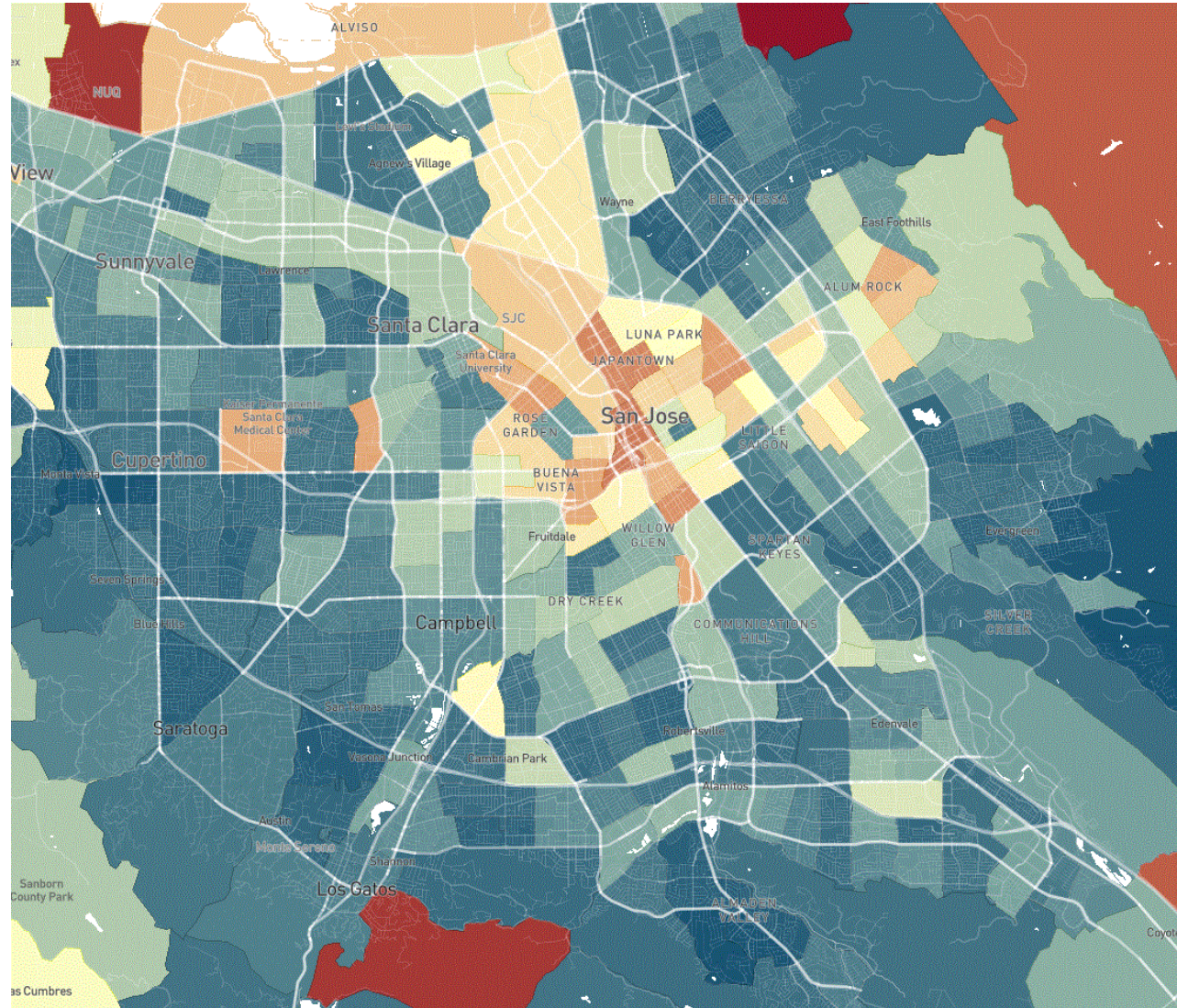


Council Direction – Housing Element Analysis

Neighborhood Areas	Estimate of Lower Income Units can be built	% Of Lower Income Capacity	# Of Parcels w/capacity to develop Low Income Units	% Of all 529 HE Sites for projected Low-income units
Affordable Housing Expansion Areas	8,565	36%	96	18%
Continued Investment Areas	14,954	64%	148	28%
Total	23,519	100%	244	47%



What Research Supports – Opportunity Atlas

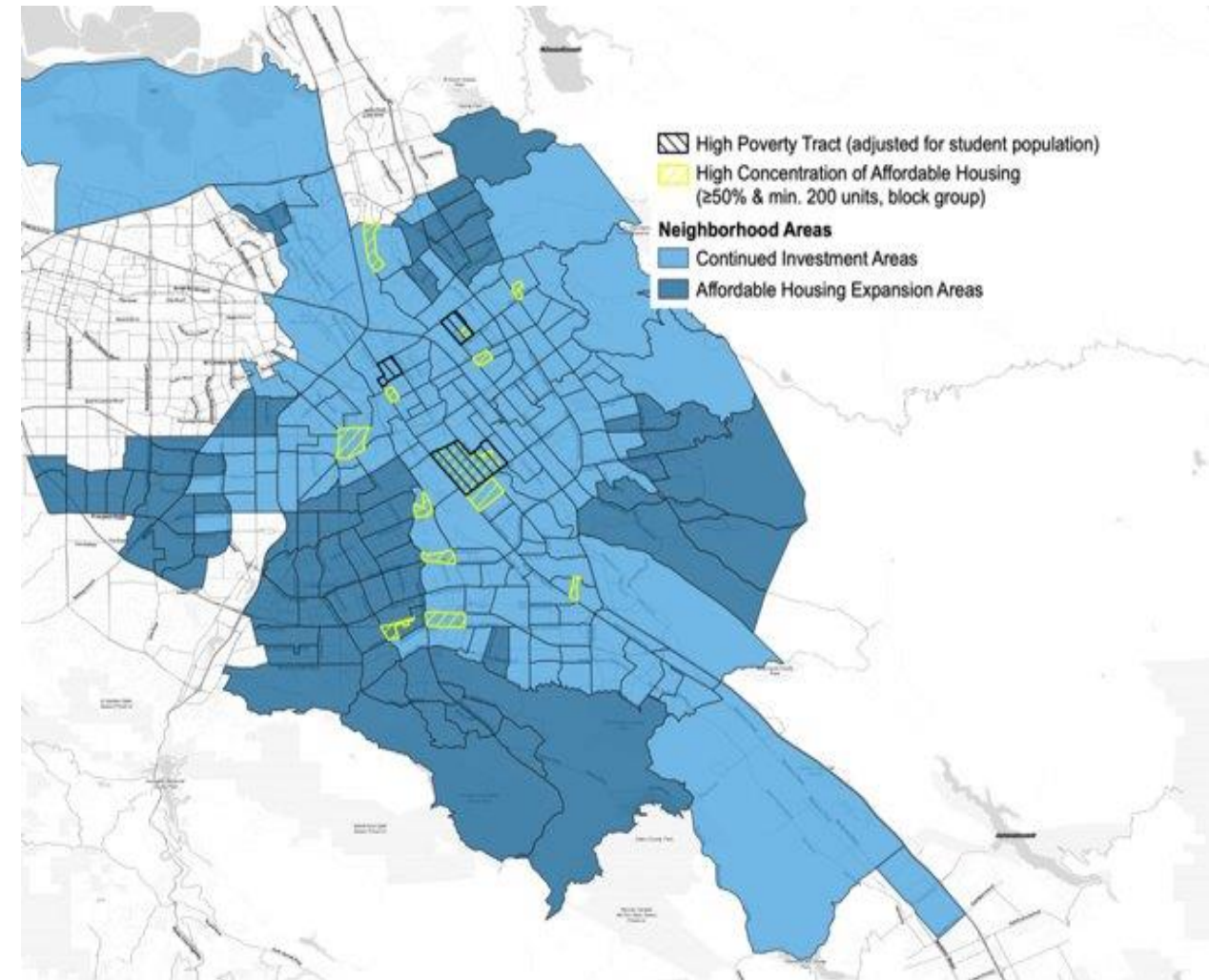


Distribution of Affordable Homes

Neighborhood Areas	Percentage of the City	Current Distribution of Units	New Unit Distribution Goal 5 year for FY21-22 to FY 25-26
Affordable Housing Expansion Areas	34%	9%	35%
Continued Investment Areas	66%	91%	65%

Further Review

- 🏠 If affordable homes are greater than 50% of the housing stock in a census block.
- 🏠 If a census tracts has more than 20% of households living at or below the poverty threshold.



Allow Affordable to Move Forward

- 🏠 Neighborhood facing displacement
- 🏠 Growth area
- 🏠 Mixed-income development
- 🏠 Part of a community development investment plan that has approved funding

Reporting



Evaluation of all affordable housing that house residents earning up to 80% AMI



Evaluation begins immediately after the award of the NOFA fiscal year 2025–2026



Evaluate Siting Policy against its distribution goals

Why the Change

Previous

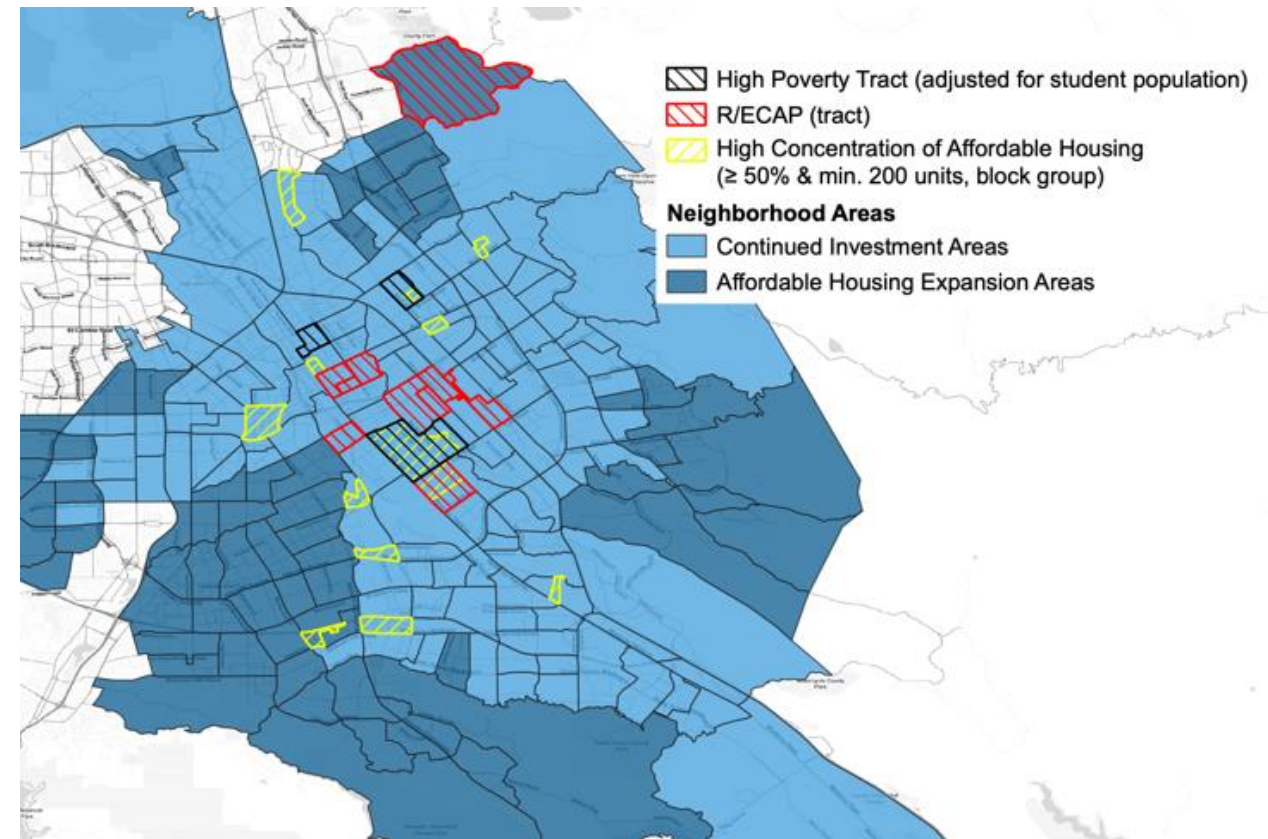
- Increasing the threshold to 90% percentile, limits housing choice even more
- Contribute to the negative stereotypes of affordable housing and harms lower income neighborhoods
- Lack of consensus on crime definition

Proposed

- Expand choice by creating more opportunities in the city
- Invest in all parts of the city, especially including where historically disinvestment has occurred
- Methodology based on income consistent with research

Additional Recommendations

Prioritize CDBG funding to targeted neighborhoods including areas with racial segregation and concentrated poverty (FY24-25)



Staff Recommendation

1. Accept the staff report on the proposed Affordable Housing Siting Policy which includes research addressing City Council direction from the August 31, 2021, City Council meeting and a recommendation that the City Council at the December 6, 2022, meeting adopt a Resolution approving the proposed Siting Policy; and
2. Cross reference this item to the December 6, 2022, City Council meeting.



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Thank you

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