

MOVING OUR COMMUNITY FORWARD

Housing Department Annual Impact Report FY 2021-2022



Housing



OUR MISSION

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

Since the Housing Department was established in 1987, the City has been a leader in affordable housing, creating more than 21,000 new apartments for low-income San José residents.

A major function of the Housing Department is its work as a funder. The Department uses numerous financing vehicles to bring new affordable housing to fruition and rehabilitate older affordable housing.

The Department also funds grants for nonprofits to develop and provide social services, homeless response programs, and community infrastructure. Additional grants support Fair Housing policies, place-based neighborhood revitalization efforts, and meal programs for low-income seniors.

The Department oversees a range of other critical programs and initiatives, including rent control and stabilization programs for apartments and mobile homes, and the City's Ellis Act Ordinance, which protects the City's supply of affordable rental housing.

And, working in partnership with other City departments and agencies, the Housing Department works to ensure the City has a variety of housing options in every neighborhood.

OUR STAFF

2021-2022

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FROM THE DIRECTOR

The past year was a time of transition for the Housing Department. The year started with many pandemic-era restrictions still in place, and it ended with our community and our region moving forward into a post-pandemic world. It was a privilege to work alongside our incredible Housing Department staff as they took the lead in helping countless San José residents recover from the traumatic impacts of the pandemic with empathy, kindness and a positive spirit.

I feel no greater sense of professional pride than when I see our staff do the type of extraordinary work that gives optimism and belief to vulnerable individuals and families who need a helping hand.

FY 2021-22 Highlights

Few aspects of any person's life have as great an impact on their physical and emotional well-being than housing stability. During FY 2021-22, this was our priority. Our team helped thousands of residents at risk of homelessness remain housed, and helped thousands more who were already living on the street find safe, dignified housing. Some of the year's highlights include:

- Our **Eviction Help Center** helped 1,590 households apply for emergency rental assistance, resulting in over \$19 million in rental aid, enabling them to stay in their homes in the aftermath of the pandemic.
- Our **Homelessness Response Team** placed nearly 2,600 formerly homeless people in permanent or interim housing, helping them start the process of rebuilding their lives.
- Through a Notice of Funding Availability (NOFA) and a Request for Proposals (RFP), our **Residential Development Division** is now working with developers on 15 projects that will bring more than 2,000 apartments to the City, including over 1,800 units of affordable housing.
- Our Department distributed **over \$89 million in grants** to provide 15,000 low-income residents with essentials, including meals, showers, clean clothes, child care, and short-term shelter.
- Our housing inspectors managed **40 construction projects** at five interim housing locations to ensure program participants are living in healthy, safe and secure communities where they can stabilize their lives and move forward.
- We launched an **Eviction Prevention Clinic** inside the Santa Clara County Superior Courthouse to help tenants and landlords work through challenges to keep more people in their homes.



\$19M in rental aid

\$89M in grants

2,600 housing placements

40 construction projects

Long-Term Initiatives

In addition to these amazing accomplishments, the Housing Department continued to make important progress on long-term initiatives. These include:

- A **Community Opportunity to Purchase Act (COPA)** program to reduce displacement
- The **Housing Element Update** that will guide the production of affordable housing in San José over the next eight years
- The countywide **Community Plan to End Homelessness**
- An expansion of the City's **Housing and Community Development Commission** to give an official voice to people who are, or have been, homeless

FY 2021-22 was not an easy year for the Housing Department, but it was a critical year in which our team of dedicated professionals made extraordinary progress in helping residents move forward in the wake of the pandemic. I extend my gratitude to the mayor, City Council, City Manager's Office, and the many community partners who worked alongside the Housing Department to lift up the people of San José.

I am honored to call our team members my colleagues and friends, and I know they will do even greater things for the people of this wonderful city in the upcoming year.

Jacky Morales-Ferrand,
Director of Housing



HOMELESSNESS RESPONSE TEAM

Helping Our Most Vulnerable Neighbors

FY 2021-22 was a year of transition for the Homelessness Response Team. With many pandemic-related programs and services winding down, the team's focus shifted back to its core mission of helping the City's homeless residents find housing opportunities.

Providing Stable Housing Solutions

Through the efforts of multiple partners, a remarkable 2,599 individuals experiencing homelessness were placed in housing in San José during the year. 1,857 moved into permanent housing, and 742 moved into interim housing while they continued searching for permanent housing. In addition, 189 families with young children were placed in hotels and motels while they looked for stable housing.

The Homelessness Prevention System kept 2,466 San Jose residents from becoming homeless in FY 2021-2022 by helping low-income households pay rent. The program has a 95% success rate in preventing homelessness.

Helping Individuals and Families Move Forward

While placing people in housing is the ultimate goal for the Homelessness Response Team, their work also encompasses many critical services that are intended to help individuals and families experiencing homelessness get back on their feet and move forward.

- 940 individuals in 16 large homeless encampments were served through the Services, Outreach, Assistance and Resources (SOAR) program, which provides homeless people with essentials such as blankets, water, food, and hygiene kits. SOAR also provides waste management, portable restrooms and handwashing stations in the targeted encampments.

- 242 individuals experiencing homelessness participated in the City's Overnight Warming Location (OWL) program, which used a City library and community center to provide warm places to sleep from December through April.
- The team partnered with Dignity on Wheels, a mobile service that provided 9,804 showers and 2,953 loads of laundry for 1,040 homeless individuals.

These programs also provide opportunities for the Homelessness Response Team to connect participants with supportive services, including medical care and mental health counseling.



2,599

Helped **2,599** unhoused individuals find housing



9,804

Provided **9,804** mobile showers and **2,953** loads of laundry



103,407

Helped field **103,407** calls to Here4You shelter hotline



Listening and Responding

The team continued to be extremely responsive to both community concerns and people in need who reached out for assistance. The City's Homeless Concerns Hotline received 5,685 calls, and the countywide Here4You centralized shelter hotline received an incredible 103,407 calls, most of which came from homeless individuals in San José.

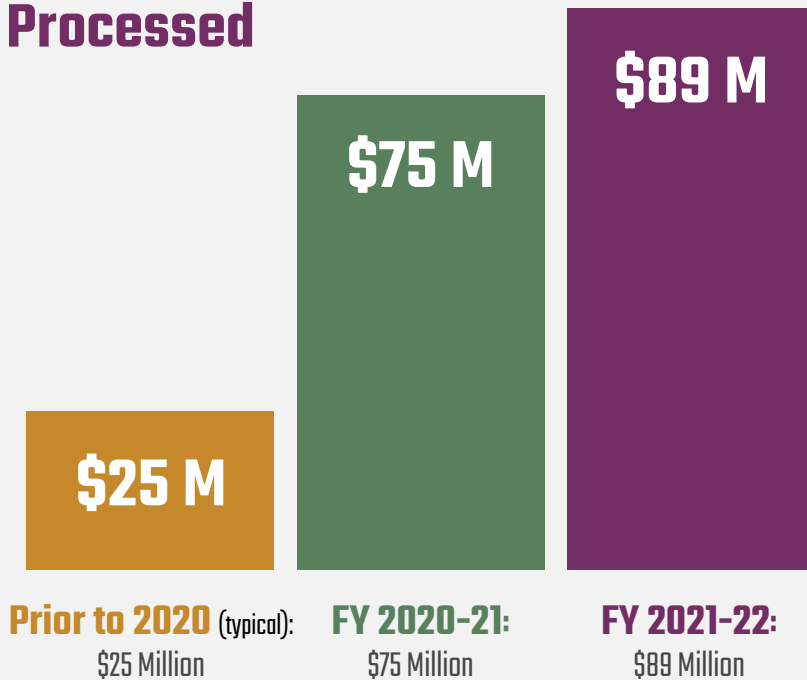


GRANTS TEAM

Providing Funding for Critical Programs

The pandemic changed the scale and scope of the Grants Team’s work. In years past, the team would process \$20-\$25 million in grants. In FY 2020-21, that amount tripled to over \$75 million. And during FY 2021-22, the total topped \$89 million as the City continued disbursing funds from more than a dozen sources, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the American Recovery Act, and the Homeless Housing, Assistance, and Prevention (HHAP) Program.

Grant Funding Processed



Our tremendous staff turned one of the most difficult years any of us have experienced into one of the most productive and impactful years in the three-decade history of this Department.



Jacky Morales-Ferrand,
Director of Housing



Touching Lives in Ways Big and Small

Funding from these grant programs touched the lives of approximately 15,000 residents. Among the critical services funded by the grants were:

- Financial assistance to households on the brink of homelessness
- Child care and meals for low-income families and individuals
- Shelters and warming locations for people living outside
- Mobile showers and laundry service for homeless residents
- Eviction prevention programs
- Motel vouchers and subsidized housing opportunities to help homeless individuals move into safe, dignified housing

Grant money has also become an essential funding source for the construction and operation of interim housing (sometimes called tiny homes) as well as hotels the City purchases and converts into housing or non-congregate shelters.

In total, the Grants Team supports more than 50 programs and services delivered by 26 organizations. These programs are playing a key role in helping move the entire community move forward, including thousands of our most vulnerable residents.



15,000

IMPACTED RESIDENTS



50+

SUPPORTED PROGRAMS



RESIDENTIAL DEVELOPMENT DIVISION

Building for Today and Tomorrow

One of the fundamental elements of the Housing Department’s work is funding the construction of permanent affordable housing, typically in the form of apartment buildings with rent restrictions that make them affordable to low-income tenants. The Residential Development Division (RDD) is responsible for this work, which is extremely difficult in a City like San José where land, materials and labor are very expensive.



Affordable apartments for **61,000** people—
enough to fill the San José Sharks’ SAP
Center more than three times!



PROJECT HOMEKEY AWARDS



Investing in Affordable Housing

The RDD has invested hundreds of millions of dollars in the development of affordable housing over the past 30 years, and has an existing loan portfolio of \$616 million.

By the end of FY 2021-22, the City had 19,690 affordable housing units, with more than 61,000 people living in these apartments.

During FY 2021-22, the RDD committed \$53 million in new funding for affordable housing. The team also completed a Notice of Funding Availability, which identified 11 future residential projects that qualify for City funding. Once built, these 11 future projects will provide 1,288 affordable apartments, including 450 units of supportive housing – i.e., housing that includes services for individuals who are not self-sufficient.

In addition, the Housing Department conducted a request for proposals (RFP) for affordable housing developers who are interested in developing City-owned sites. Four proposals were selected that will eventually create 769 new apartments, including 554 affordable apartments.

Introducing Project Homekey

A new aspect of the RDD's work is Project Homekey. This statewide program provides funding to help cities purchase hotels and other properties, and then quickly convert them into housing.

During FY 2021-22, the City won three Project Homekey awards totaling more than \$91 million. These three properties will yield 335 affordable housing units.



RENT STABILIZATION PROGRAM

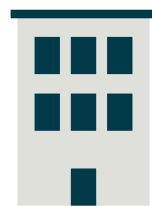
Protecting Tenant and Landlord Rights

Throughout the past year, the Rent Stabilization Program (RSP) gradually shifted its focus to post-pandemic work. As the local and state eviction moratoriums were phased out, and a temporary ban on residential rent increases came to an end, the RSP team was able to spend more time overseeing the City's housing ordinances and Rent Registry, protecting tenant and landlord rights, and managing the housing mediation program that helps tenants and landlords resolve issues without going to court.

Working through Conflicts

During FY 2021-2022, the RSP team arranged 89 mediations to help tenants work out conflicts with their landlords and remain housed. The team also received and helped resolve 98 petitions, which tenants or landlords can file with the City when they believe housing issues arise that need to be addressed through intervention by the RSP team.

The RSP team also made 1,895 referrals for free legal service during the year. Low-income tenants are often eligible for free legal services related to housing issues from nonprofits like the Law Foundation of Silicon Valley. Likewise, landlords may be eligible to receive free legal information when they are unsure how to handle certain situations.



38,421

38,421 rent-stabilized apartments



\$19M

\$19 million in emergency rental assistance



Expanding Eviction-Related Services

The Rent Stabilization Program also expanded its services during the pandemic. It now staffs both the Eviction Help Center and the Eviction Prevention Clinic. The Eviction Help Center (EHC) was created to assist tenants who were struggling to pay rent during the pandemic by helping them apply for rental assistance from the State. The EHC helped 1,590 households apply for assistance, resulting in the distribution of over \$19 million in emergency rental assistance to San Jose residents. EHC staff fielded 7,304 calls from residents wanting to learn more about the emergency rental assistance program.

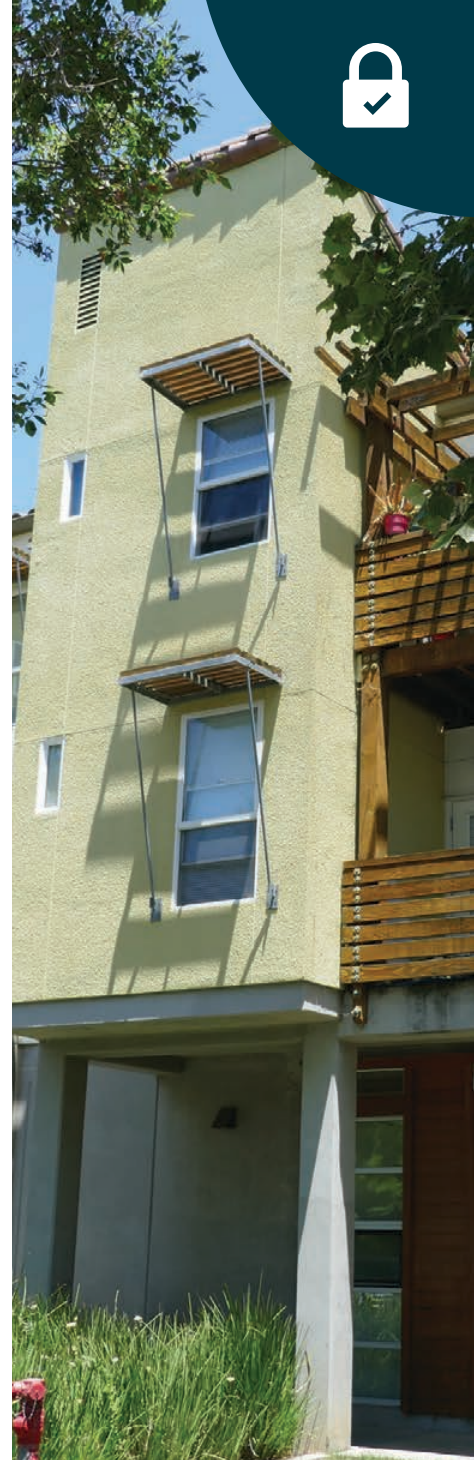


1,590

Helping **1,590** households apply for assistance

The Eviction Prevention Clinic is situated inside the Santa Clara County Superior Courthouse. The purpose of the Clinic is to keep people housed by connecting eligible tenants who are facing the likelihood of court-ordered evictions with rental assistance. The Clinic served more than 150 households during FY 2021-2022, preventing many evictions.

Despite these efforts, there are situations when tenants are legally evicted. In these instances, the RSP team oversees the Tenant Protection Ordinance (TPO), making sure the eviction process is carried out according to the law. Landlords must provide a written notice to tenants that identifies an allowable “just cause” for the eviction and, in specific situations, provide financial compensation to tenants when they exit their apartments. During FY 2021-2022, the RSP team received and reviewed 13,145 notices of termination pursuant to the TPO.



Maintaining the Rent Registry

The Rent Registry is another important aspect of the RSP team’s work. Staff uses the Rent Registry to understand the state of the market for rent-stabilized apartments, and to ensure rent increases for these apartments comply with the City’s Apartment Rent Ordinance (ARO). Annual rent increases for apartments covered by the ARO may not exceed 5 percent. There are 38,421 rent-stabilized apartments in the City, providing housing for more than 100,000 residents. During the past year, landlords and property managers for 31,181 of these apartments provided essential information about their units, including current rents, tenancy changes, vacancies, and rent increases.



ADMINISTRATION AND OPERATIONS TEAM

Keeping Everyone Moving Together

As it has done since the beginning of the pandemic, the Administrative and Operations (A&O) Team shouldered an extraordinary burden during the past year to keep the Department functioning efficiently and moving forward. The team's impact was felt in many ways.

Managing Increased Spending

The A&O team managed the expenditure and commitment of more than \$240 million. This represented a spending increase of 19 percent over the previous year. These funds came from many sources, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the American Recovery Act, the State of California's Project Homekey program, Homeless Housing Assistance and Prevention grants, Permanent Local Housing Allocation grants, and the City's General Fund.

The team managed 81 agreements with service providers, grantees, and contractors to build and maintain interim housing, provide meal programs and essential services, and oversee critical housing ordinances such as the Apartment Rent Ordinance and Tenant Protection Ordinance.



Working On-Site and From Home

The A&O team also implements and oversees City policies regarding remote work at the Department level, ensuring that employees have equipment to work from home and that all workplace health and safety protocols are followed.

Our administrative professionals selflessly take on the responsibility of on-site staffing to keep answering inquiries from the public, supporting the Department’s leadership team, and handling critical day-to-day tasks.

The Department’s IT staff was another key contributor to this effort. In addition to assisting employees with day-to-day technology challenges, the IT staff successfully implemented a new Housing Loan Management System, and made critical updates to the Rent Registry.



Recruiting New Team Members

Perhaps most importantly, the A&O team supported the recruitment of 35 full-time positions as well as 32 contract and temporary employees, far exceeding the hiring pace of pre-pandemic years. This was necessary to ensure the Department could provide all the emergency services needed during the pandemic while continuing to perform its regular duties.

81

AGREEMENTS

81 agreements with service providers, grantees, and contractors



+



Recruited **35** full-time + **32** contract/temporary employees



HOUSING INSPECTION AND REHABILITATION TEAM

Maintaining Health, Safety and Security

The Housing Inspection and Rehabilitation Team brings a specific, invaluable expertise to the Housing Department by helping to ensure sites funded or operated by the Housing Department are healthy, safe, secure and up to code.

The team assists with property management, supervises property renovations, and works with the Residential Development Division to make sure properties in the Department's loan portfolio are being maintained properly.

40 CONSTRUCTION
CONTRACTS

Completed **40** construction contracts at **5** interim housing sites

\$1M IN
RENOVATIONS

\$1 million in renovations at SureStay Hotel





Focusing on Interim Housing

During FY 2021-22, the Inspection Team focused much of its attention on the City's five interim housing sites. The team oversaw the completion of 40 construction contracts at these sites, including fire damage repair, fencing work, and replacement of safety and operational equipment.

The team also did extensive work on the SureStay Hotel, which was the City's first acquisition through Project Homekey. Converting the property from hotel usage to a non-congregate shelter required more than \$1 million in renovations, all of which the Inspection team bid out and managed.



POLICY TEAM

Developing Data-Informed Policies for Long-Term Impact

The Housing Department's Policy Team provides data-informed policy analysis and development. The time horizon for much of its work is a year or longer, and policies it develops often remain in place for many years, making its work extremely impactful. The City Council relies on the team's work as it considers matters such as affordable housing, displacement, fair housing, and land use.

Collaborating on COPA

During FY 2021-22, the Policy Team continued to work with dozens of organizations and hundreds of stakeholders to develop a Community Opportunity to Purchase Act (COPA) program. COPA would help fight displacement of renters, increase the amount of rent-restricted affordable housing in San José, and foster greater tenant awareness and engagement in building sales. Under COPA, nonprofit affordable housing developers would have the right to make first offers to purchase certain apartment buildings if those owners choose to sell.

Staff hosted 10 advisory committee meetings related to COPA, held seven community meetings, and collaborated with its community partner, SOMOS Mayfair, to gather community feedback. COPA is expected to be considered by the City Council in 2023.

In addition to all these accomplishments, the Policy Team assisted in updating the City's Measure E spending priorities, amending the Commercial Linkage Fee, and completing an Assessment of Fair Housing plan.





Guiding Housing Growth through 2031

The Policy Team’s other major focus during FY 2021-22 was creating a draft 2023-2031 Housing Element Update in collaboration with the City’s Planning Department. This work involved data analysis, public outreach, focus groups, working group meetings, and public surveys to develop ideas for housing and community development.

Staff enabled over 2,900 people to participate in this work last year. The Housing Element Update will guide the City’s housing growth and community investments through 2031 in a manner that increases housing choice for San José residents.

Protecting Low-Income Renters

Other important work by the Policy Team during FY 2021-22 included co-sponsoring Senate Bill 649. This bill recognizes low-income renters at risk of displacement so that cities can establish tenant preferences for them, which would give them a priority when applying for affordable apartments. The bill passed the State Legislature and went to the Governor for consideration.

The Policy Team also contributed to the effort to add a seat for a commissioner with lived experience in homelessness to the City’s Housing and Community Development Commission.



2,900

Over **2,900** people engaged in drafting the 2023-2031 Housing Element Update and Assessment of Fair Housing



SB 649

Co-Sponsored **SB 649** on Local Tenant Preference



COMMUNICATIONS TEAM

Keeping the Conversation Going

Pandemic-related housing policies at the state and local levels evolved continually throughout the year, creating uncertainty at times and making it more important than ever for the Department to communicate frequently with tenants and property owners.

Helping Landlords and Tenants

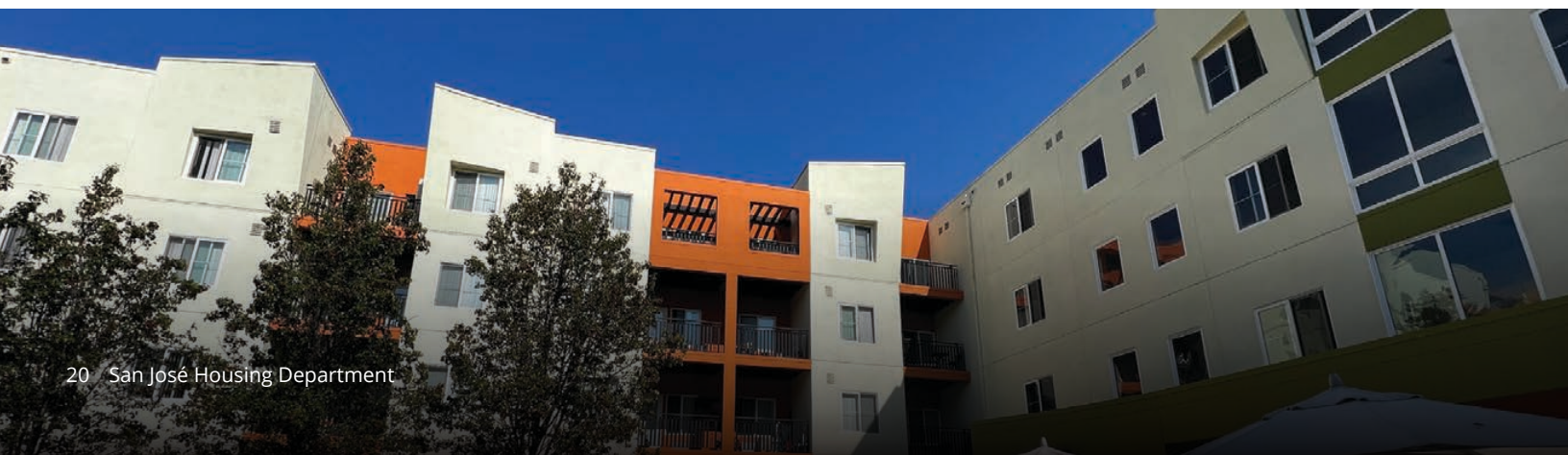
The team produced social media content, including videos, in three languages to distribute critical information about the statewide eviction moratorium and emergency rental assistance that was available to tenants and landlords impacted by the pandemic.

The team also maintained a web-based Eviction Prevention Help Center and produced numerous multilingual flyers and signs to communicate with residents who do not have Internet access.

Encouraging Discussion on Critical Issues

Project Homekey was another high-profile, pandemic-related issue that required extensive communication and public engagement. The Communications Team helped promote and host a series of six public meetings in collaboration with City Council offices and the County Office of Supportive Housing, helping the community understand the Project Homekey program and how it could bring new affordable housing to San José.

The City's largest homeless encampment, located on airport-owned property known as Guadalupe Gardens, was cleared during FY 2021-22 at the direction of the Federal Aviation Administration. The Housing Department Communications Team played a lead role in the City's media outreach, message development, and community engagement related to the high-profile abatement.





Increasing Outreach and Transparency

Additional work by the team in FY 2021-22 included:



Dwellings Podcast

Producing Season 2 of the *Dwellings* podcast, which has thousands of regular listeners



Housing Element Update

Assisting with message development and public outreach for the Housing Element Update in collaboration with the Planning Department



Annual Report

Releasing the Housing Department's first comprehensive annual report to increase the transparency and accessibility of the Department's work



Housing

San José Housing Department

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