



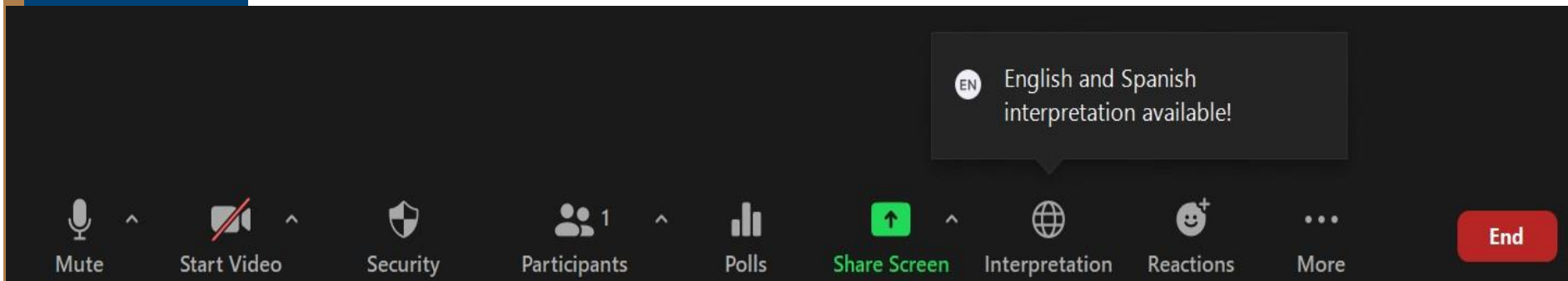
*Housing*

# Welcome

**Anti-Displacement  
Stakeholder Advisory Committee  
(SAC) Meeting #2**

**May 20, 2021**

# Interpretation available in **Spanish** and **Vietnamese**



# Agenda Overview

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- 🏠 Welcome
- 🏠 Introductions
- 🏠 Recap and Outlook
- 🏠 Program design principles and goals
- 🏠 Understanding COPA Process
- 🏠 Discussion on COPA process
- 🏠 Wrap up/next steps



# Introductions

In chat

Name and  
Organization/Affiliation



# Ground Rules

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- Be curious
- Keep an open mind
- Speak from your perspective
- Challenges accompanied by solutions
- Make proposals



# Recap and Outlook

- 🏠 Recap of SAC Meeting #1 on April 22
  - COPA Overview
- 🏠 TAC met on May 15
  - Process
- 🏠 Tonight
  - Process and Applicability
- 🏠 Future meetings
  - Offers, qualified non-profits, affordability, financing, ownership and tenant engagement



# What is your connection to San José?

Poll



# Guiding Principles— Program Design

- Balance the interest of all parties – tenants, property owners, brokers, housing advocates, and developers
- Develop a program that is realistic for the City to administer
- Maximize the program goals (see next slide)





# Poll - What are the most important goals of COPA?

1. Protect tenants from displacement, especially low income and long-time residents
2. Improve housing quality and stability for residents
3. Increase amount of affordable housing and give residents more disposable income to spend in our market
4. Increase number of qualified buyers for certain sizes of properties
5. Allow residents to build assets
6. Support tenant organizing and empowerment
7. Fund improvements to property condition
8. Provide an exit strategy for COVID-impacted property owners
9. Provide a fair purchase price for properties
10. Provide a way to get an offer on a property within a given period of time

**Select your top 5**





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# Understanding COPA Process and Applicability

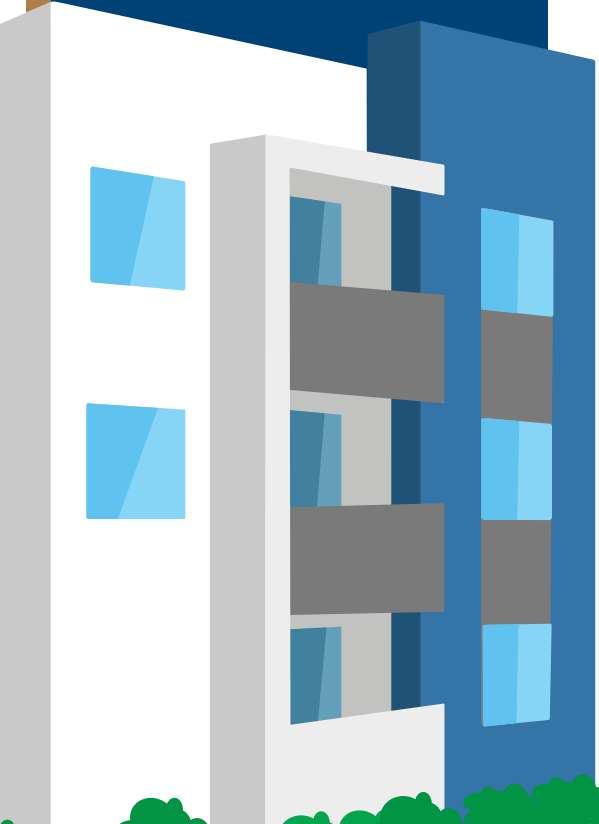
Background and Context for COPA Process and Applicability

Anti-Displacement  
Stakeholder  
Advisory Committee  
Meeting #2

May 20, 2021

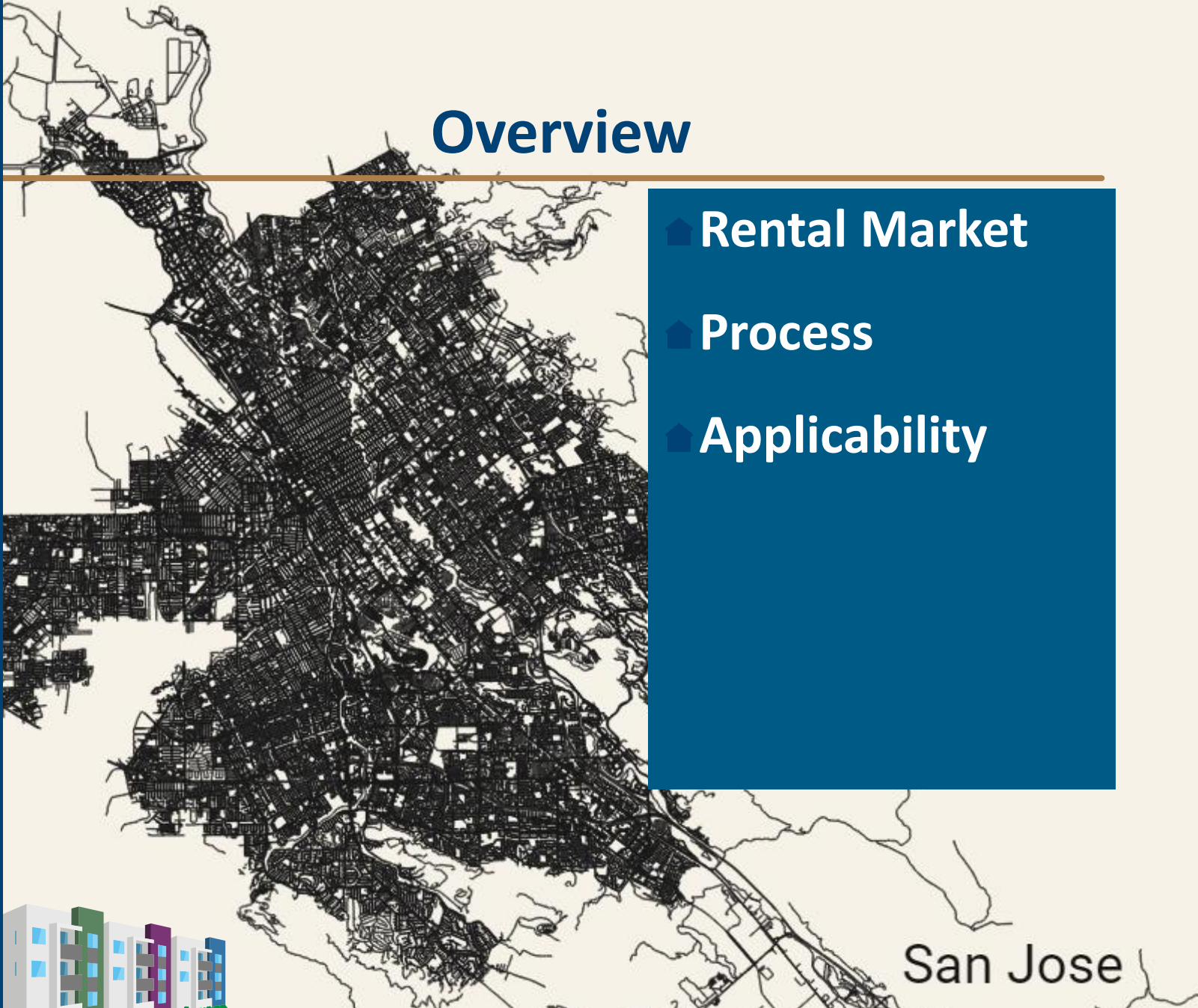
**Asn Ndiaye**

*Partnership for the Bay's  
Future Fellow, Housing  
Department*



# Overview

- 🏠 Rental Market
- 🏠 Process
- 🏠 Applicability



# Why involve nonprofits?

- State of tenant movement & organizing in San José
- Background— Anti Displacement Policy Network
- Tenant engagement within COPA
- Asset building over time



# San José Rental Market Summary



# Property Sales - Timing & Price per Size

Building Size	Number of Sales	Average Days from Listing to Close	Average Price per Building sf	Average Price per Unit	Average # of Units per Property
5-9 Units	59	114	\$418	\$297K	7
10-14 Units	18	108	\$477	\$329K	12
15-24 Units	19	170	\$465	\$307K	18
24-49 Units	11	210	\$416	\$302K	37
50+ Units	6	351	\$403	\$241K	70
<b>TOTAL</b>	<b>113</b>	<b>137</b>	<b>\$431</b>	<b>\$291K</b>	<b>16</b>



Source: CoStar.com

# Racial Breakdown of Occupants

Type of Housing	Native American	AAPI	Black or African American	Hispanic/Latinx	Other or Multiple Races	White, Non-Hispanic	Grand Total
Single Family	64%	69%	40%	59%	57%	72%	67%
Duplex	2%	1%	2%	3%	3%	1%	2%
Triplex or Fourplex	8%	4%	10%	8%	8%	3%	5%
5-9 Units	6%	4%	6%	7%	8%	4%	5%
10-19 Units	11%	4%	10%	7%	7%	4%	5%
20-49 Units	1%	4%	9%	6%	6%	4%	4%
50+ Units	5%	14%	23%	10%	11%	12%	12%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



Source: 2019 PUMS Data

# Who Could be Affected by COPA?

- 🏠 Non-White San Joseans are more likely to live in multifamily housing
- 🏠 Latinx families are twice as likely to live in "small multifamily" than White families
- 🏠 Black San Joseans are least likely to live in single family housing

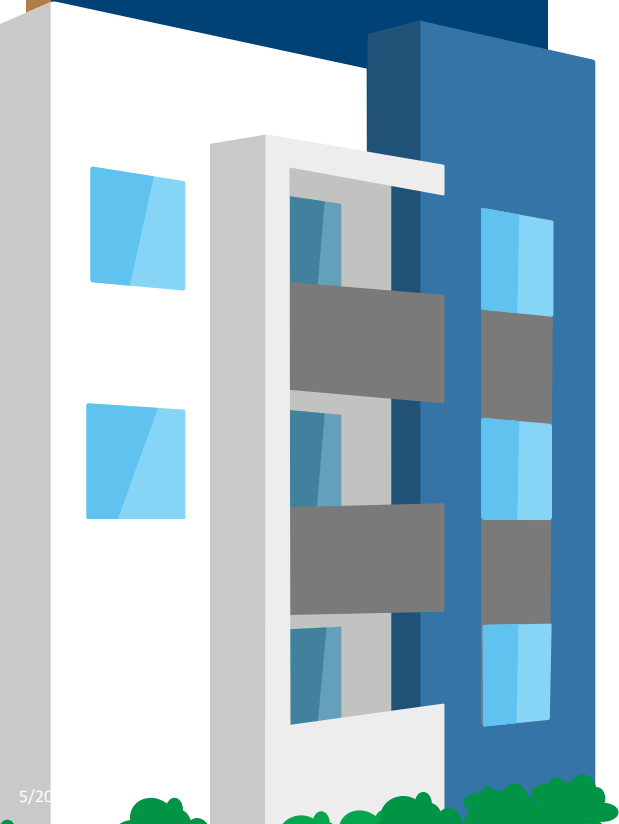






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# Questions



# COPA Process



# COPA Process in Other Jurisdictions

## 🏠 San Francisco

- Streamlined process for qualified non-profits
- Total maximum process of 90 days
- Deals funded by SF Accelerator Fund, significant subsidy

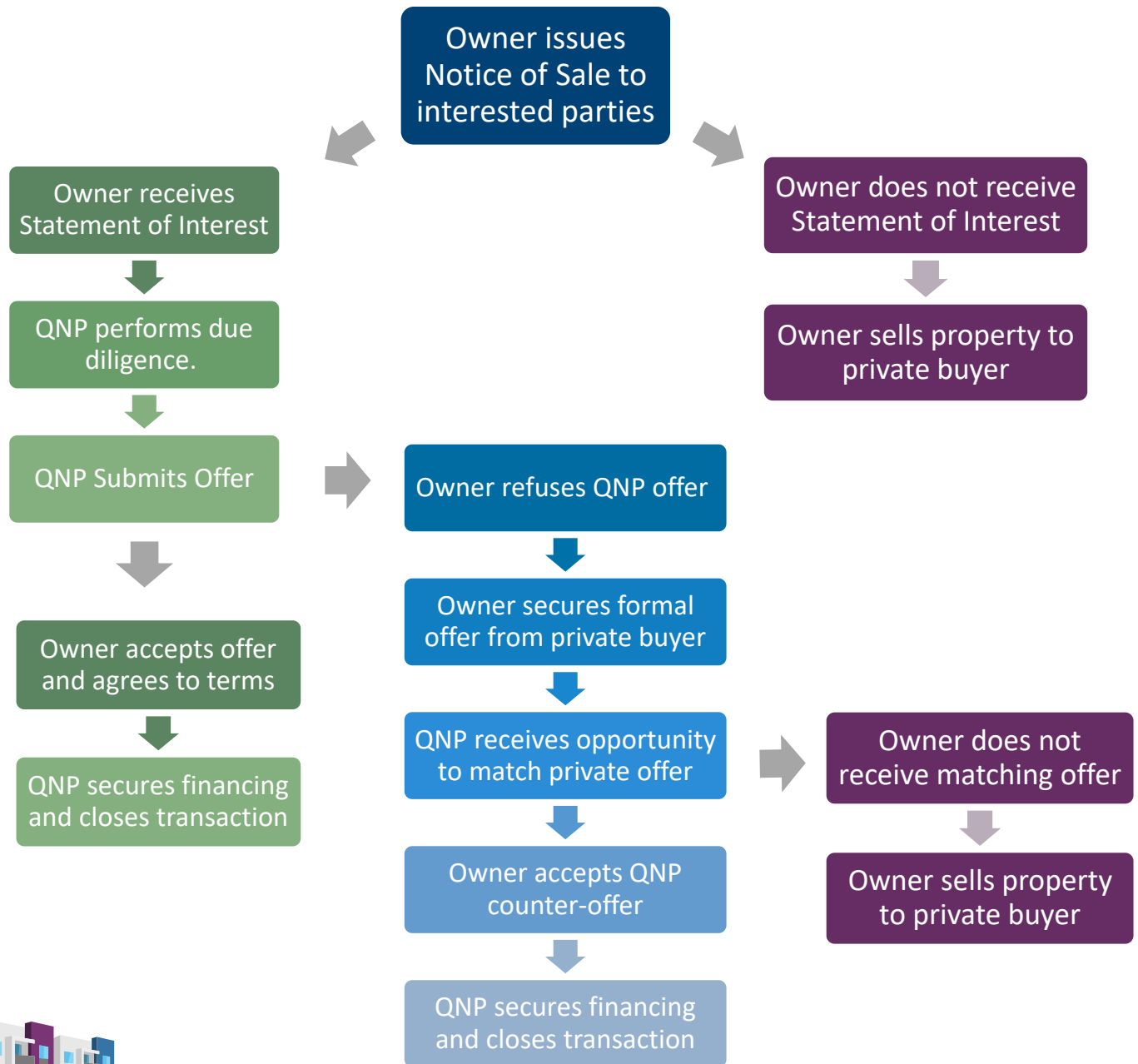
## 🏠 District of Columbia

- Formation of a tenant association required
- Total maximum time of 360 days, standard timeline 240 days
- Significant funding attached to program to support deals

## 🏠 Berkeley (proposed)

- Shorter timelines for smaller buildings, longer for larger
- Extended timelines to allow partnerships between tenants and Qualified Non-profits





# Process Review

- ▲ Offer is accepted, buyer and owner move to financing and closing
  
- ▲ Offer is rejected
  - Owner can offer property to open market
  - Once owner secures offer from open market, owner must give non-profit the opportunity to match the offer



# First Steps Timing: Things to Consider

## 🏠 Owner/City

- Notify qualified nonprofits

## 🏠 Qualified Nonprofits

- Initial research
- Engage tenants
- Estimate rehab costs
- Find information on rents and operating costs
- Look into likely available financing
- Secure Board approval
- Put together offer



# Developer Timing

- Walk us through the steps and the timing for
  - Expressing interest
  - Making an offer
- What could make it faster?
- Tell us about your experience/the ability of nonprofits to compete on the open market.



# Who's in the Room?

Poll





# Breakout Session

Breakout room 1: Vietnamese, in Main Room

Breakout Room 2

Breakout Room 3

Breakout Room 4

Breakout Room 5: Spanish



# COPA Applicability

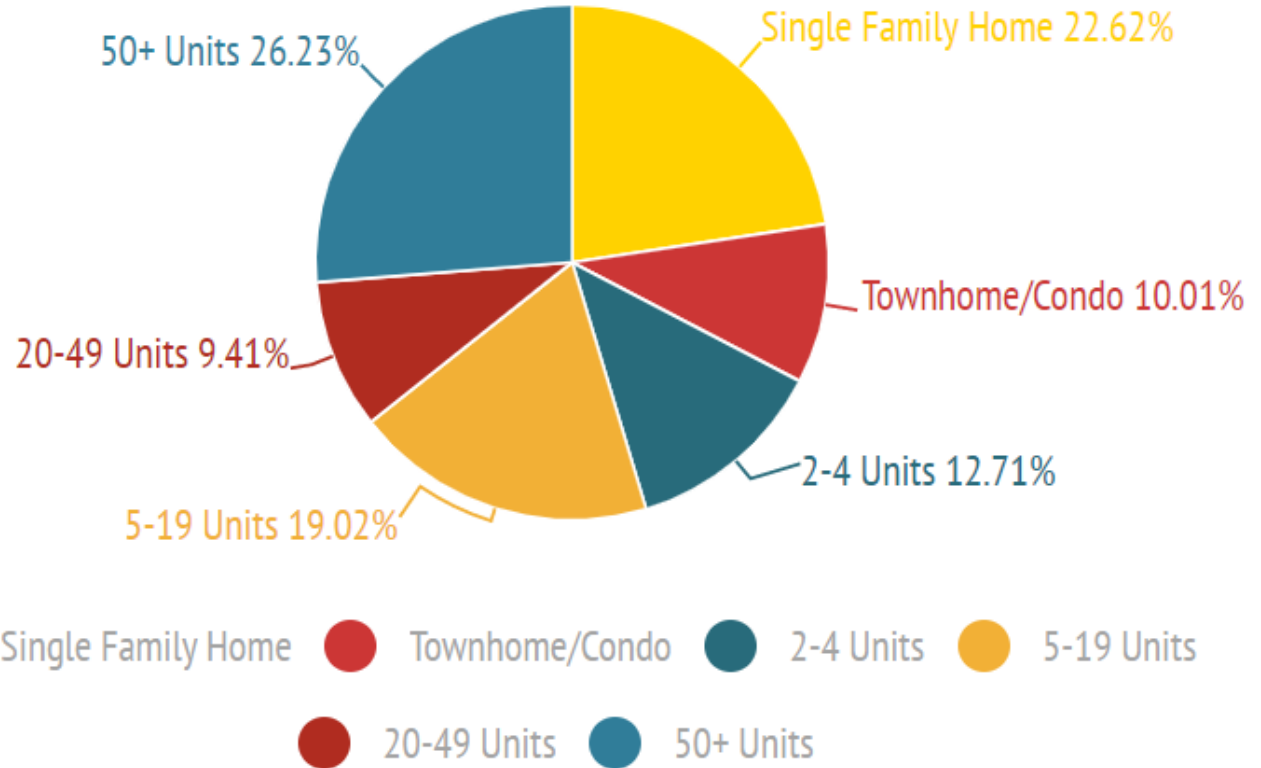


# Applicability in Other Jurisdictions

Jurisdiction	Floor	Exemptions/ Requirements
San Francisco (COPA)	3+	Qualified Non-Profits are given the initial notice.
District of Columbia (TOPA)	5+	The City requires tenant associations for 5 or more units
	2-4	
	1 (SFH)	
Berkeley (TOPA)	3+	Owner-occupied exempted
	2	
	1 (SFH)	



# Overview of Units in San José



# Pros and Cons of Minimum Number of Units

Type of Housing	Pros	Cons
Single Family Homes	<ul style="list-style-type: none"> <li>• Is largest segment of rental housing</li> <li>• Includes larger households and bedroom counts</li> </ul>	<ul style="list-style-type: none"> <li>• High cost per unit</li> <li>• Harder to manage as program (many more units and owners to inform/deal with)</li> </ul>
Small Properties (2-4)	<ul style="list-style-type: none"> <li>• Could be opportunity for ownership</li> <li>• More racially equitable based on current occupancy.</li> </ul>	<ul style="list-style-type: none"> <li>• Management is more difficult for QNP</li> <li>• More small landlords and more transactions</li> </ul>
5+	<ul style="list-style-type: none"> <li>• Lower cost per unit</li> <li>• Easier properties to manage</li> </ul>	<ul style="list-style-type: none"> <li>• Leaves out over 50% of rental housing in San Jose</li> <li>• Less equitable than targeting smaller properties</li> </ul>



# Pros and Cons of Maximum Number of Units

## Pros

- Less paperwork for larger property owners
- Focuses program on most likely properties
- Higher overall cost

## Cons

- Can miss out on larger preservation opportunities (esp: LIHTC)
- More efficient to manage
- Lower costs per unit



# Wrap Up & Next Steps

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- TAC Report out volunteer
- SAC Meeting #3: 6/17, 6 – 7:30 pm
- TAC Meeting #3: 5/27, 1 - 2:30 pm
- Feedback survey



# Thank you!

