



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Christopher Burton
Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: June 4, 2023

Approved

Date: 6/4/2023

**SUBJECT: DEVELOPMENT SERVICES – ADMINISTRATIVE SUPPORT AND
HOUSING ELEMENT WORK ITEMS**

BACKGROUND

The Mayor's March Budget Message for Fiscal Year 2023-2024, as approved by the City Council, directed the Administration to prepare a Manager's Budget Addendum (MBA) evaluating the need for administrative support for Planning, Building and Code Enforcement (PBCE), including grant managers, potentially with General Fund support. Direction was further given to, at a high level, attempt to quantify the time planners spend doing administrative work that could otherwise be spent on key policy objectives, including completing the Housing Element or other General Plan and land use planning. Finally, the MBA should discuss the costs necessary to implement the highest priority policies and programs in the Housing Element.

ANALYSIS

Administrative Support

Staff evaluated the need for administrative support for Planners, particularly as it relates to grant management. The Planners' work managing the grants that fund their assignments was determined to be a necessary part of their effective project management and should not be reassigned to Administrative or other staff. However, there has been resource shortages within the Administrative Division of PBCE to assist with consultant service orders and requests for proposals. To address this issue the 2022-2023 Adopted Operating Budget added an Analyst II position, funded by the Development Fee Program at an ongoing cost of approximately (\$157,000) that would, in part, take on these duties. The Department was not successful in filling this position but anticipates that will be able to fill this position in 2023-2024. Once this position is filled, staff anticipates that PBCE needs in these areas will be satisfied.

One area where the Department is still missing expertise is a staff person with a deep familiarity with Federal procurement requirements and processes. In the past, PBCE shared a position with

Public Works that had expertise in this area who managed procurement processes that were required to be compliant with Federal procurement requirements. This individual, however, left the City prior to the pandemic. Finding an employee with this skill set has proven challenging and the Department may need to grow an existing administrative staff person into this role. It is important to note that, in the next couple of fiscal years, staff does not anticipate applying for Federal grants, or local or State grants that are required to be compliant with federal procurement laws. This is therefore not an immediate need. Should conditions change, however, and a Federal funding source becomes available, staff would look to engage consultant services and seek input from the Finance Department, as appropriate, to help ensure all Federal requirements would be met.

Determining High Priority Housing Element Work Items

Determining high priority work items for the Sixth Cycle Housing Element (2023-2031) that is approved by the City Council continues to progress at this time. Staff will need to adhere to the timelines and milestones identified in the Housing Element, per the State’s direction. Staff from three departments (Office of Economic Development and Cultural Affairs, Housing Department, and Planning, Building, and Code Enforcement) are in the process of creating a draft Housing Catalyst Work Plan. The Housing Catalyst Work Plan will build on the Housing Crisis Work Plans from 2017 to 2022 and will include near-term Housing Element work plan items, as well as other referrals. Work items will be prioritized in a manner similar to the method used for the Housing Crisis Work Plan, promoting greater focus on current impactful work so that staff can focus its limited resources most effectively.

Costs to Implement High Priority Housing Element Work Items

Although staff has not yet completed prioritization, there are dozens of work items in the Housing Element that are expected to start and/or make progress over the next two to three years. Some of these work items are ones that departments had already planned to perform. Most are expected to be accomplished by using existing staff capacity and several are anticipated to be funded or supplemented with future grant funding and potential fee adjustments.

Below are five selected near-term special project work items where additional resources would accelerate their completion.

Strategy Name	N-4 Preservation and Community Development Capacity Building
Strategy draft description	Establish programs to provide capacity building and technical assistance to community-based nonprofit organizations to engage in grassroots community preservation and development activities partnered with nonprofit developers in order to stabilize neighborhoods. Preservation activities include acquisition and rehabilitation of existing low-cost housing, alternative community ownership models, community stakeholder engagement, and prevention of displacement of community small businesses.

Additional resources needed	Consultant to identify nonprofits’ needs to engage in this work, coordinate with other public and private funders, structure Notice of Funding Availability. Funds to award to nonprofits
Estimated cost in 2023-2024	\$50,000 for consultant in 2023-2024 \$500,000 for capacity building to award in 2024-2025

Strategy Name	S-1 Tenant Resource Centers and violations reporting
Strategy draft description	<ul style="list-style-type: none"> • Incorporate Code Enforcement and Apartment Rent Ordinance violation reporting procedures as part of expanded tenant resource centers, including allowing for tenant associations to report such violations on behalf of tenants. • Assist residents to learn how to file Code complaints and look up their status online in fixed or mobile centers to help make the process more transparent. • Improve coordination between Rent Stabilization Program and Code Enforcement staff and meet regularly. • Identify additional funding and potentially additional staff to support Tenant Resource Centers.
Additional resources needed	1.0 Analyst I position to the Housing Department: \$118,000 1.0 Community Coordinator position to PBCE: \$118,000 Tenant Resource Center space rent/utilities: \$5,000 in privately-owned commercial space (will also explore availability at City community centers or libraries)
Estimated cost in 2023-2024	\$241,000 for two staff and rental of commercial space

Strategy Name	P-4 Affordable housing tools for North San José
Strategy draft description	<ul style="list-style-type: none"> • Produce an analysis of new programs and tools to help ensure 20% of all North San José homes are restricted affordable for lower- income residents. • Conduct a feasibility study to examine the affordability levels that would be feasible for developers to construct affordable homes on-site, both standalone and combined with a proposed North San José Density Bonus program. • Create a North San José Affordable Housing Implementation Plan that identifies strategies and projects affordable units created through these tools and City subsidy.
Additional resources needed	Consultant to examine feasibility and Density Bonus and create Implementation Plan

Strategy Name	S-1 Tenant Resource Centers and violations reporting
Estimated cost in 2023-2024	\$100,000 for consultant services for the Housing Department

Strategy Name	S-26 Increased support for nonprofits to do tenant and landlord outreach and education
Strategy draft description	<ul style="list-style-type: none"> • Identify ongoing funding to increase nonprofit organizations' support of San José tenants' rights. • Increase funding of nonprofits to do broad tenant outreach, education, and legal representation on housing issues, including fair housing issues, to all tenants in the City. • Support a nonprofit-run hotline for information and referrals on general tenant/landlord issues (not legal advice) for all tenants and landlords, regardless of income or type of home.
Additional resources needed	Funding for nonprofit contract to manage hotline Funding (non-CDBG) for nonprofit contract to do broad outreach, education, and legal representation
Estimated cost in 2023-2024	\$200,000 for hotline <u>\$250,000 for outreach and legal representation</u> \$450,000 total

Strategy Name	H-12 Neighborhood outreach and education on homeless housing and other housing topics
Strategy draft description	<ul style="list-style-type: none"> • Work with partners countywide on a community-based outreach campaign to promote dialogue and greater understanding of these issues. Outreach would focus on: <ul style="list-style-type: none"> ○ the root causes of homelessness and different housing approaches for people experiencing homelessness; ○ controversial housing topics related to equity and protected classes. • Focus community outreach in areas experiencing growth. • Pursue ongoing funding to compensate community-based organizations and advocates to conduct outreach. • Create content and outreach materials and establish regular cycles of issuing low-barrier Requests for Qualifications, identifying outreach partners, conducting regular trainings, and holding feedback and support sessions with outreach partners.
Additional resources needed	Funding for nonprofit outreach partners
Estimated cost in 2023-2024	\$300,000 total for four organization contracts at \$75,000 each

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COORDINATION

This memorandum was coordinated with the City Attorney's Office and City Manager's Budget Office.

/s/

JACKY MORALES-FERRAND

Director of Housing

/s/

CHRISTOPHER BURTON

Director of Planning, Building and Code
Enforcement