



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Joseph Horwedel
Leslye Krutko

SUBJECT: SEE BELOW

DATE: February 23, 2009

Approved

Date

3/5/09

COUNCIL DISTRICT: City-Wide
SNI AREA: All

SUBJECT: ACCEPTANCE OF THE ANNUAL PROGRESS REPORT ON THE IMPLEMENTATION OF THE SAN JOSÉ 2020 GENERAL PLAN HOUSING ELEMENT

RECOMMENDATION

Accept the Annual Progress Report on the Implementation of the San José 2020 General Plan Housing Element covering the period from January 2008 through December 2008.

OUTCOME

The Council's acceptance of the Annual Progress Report is required prior to the submittal of the report to the California Department of Housing and Community Development (HCD) and the Governor's Office of Planning and Research (OPR). In addition, the Annual Progress Report will be submitted as part of the City's application for funding from HCD for the Proposition 1C Program as well as other potential funding programs.

BACKGROUND

State law requires most jurisdictions to prepare an annual progress report on the implementation of their General Plans and to submit it to OPR and HCD. Charter cities are not required to submit the report. San José in the past has provided the Council and State agencies progress reports on the implementation of the Housing Element to provide useful information for review and evaluation. The City of San José is planning on applying for Proposition 1C funds from HCD. The Proposition 1C program requires jurisdictions to be in compliance with the Housing Element requirements. A component of the compliance may include the submission of the Annual Housing Element Progress Report to HCD by April 1, 2009.

This report (attached) covers a 12-month period from January 2008 to December 2008. It describes the City's accomplishments towards achieving its share of the regional housing need, together with a status report on implementation of the City's Housing programs and efforts to remove constraints to the production of affordable housing. Note that the attached progress report is in a new reporting format suggested by HCD.

ANALYSIS

The Association of Bay Area Governments (ABAG) is responsible for allocating regional housing needs (RHNA) to the 101 jurisdictions in the nine-county Bay Area. ABAG has determined that San José's fair share of the regional need for the current planning period from January 2007 through June 2014 is 34,721 housing units, which is equivalent to an annual production rate of 4,630 units. The latest RHNA represents a 33 percent increase from the prior RHNA cycle and accounts for 58 percent of the total housing allocation for Santa Clara County (up from 45 percent in the last cycle). Consistent with other Bay Area cities, much of San Jose's increase is concentrated in the Extremely Low-Income, Very Low-, and Low-Income categories in order to serve those with the greatest housing need.

In terms of planned housing capacity in the San Jose 2020 General Plan, San Jose is able to accommodate approximately 67,500 additional units without a need to amend the General Plan. As of December 31, 2008, approximately 26,600 units have already received entitlements through the zoning or development permit stage. Housing production in the first two years of the current RHNA cycle has resulted in the development of 4,817 units.

In calendar year 2008, the City has issued permits and began construction or provided assistance to a total of 2,316 affordable and market-rate units. This represents 50% of the annual RHNA goal of 4,630 units. In the affordable housing categories, the City has assisted in the development of 68 Extremely Low-, 247 Very Low-, and 193 Low-Income units. The City also helped 37 Moderate-Income homebuyers purchase a new home. The affordable units represent 21% of the annual RHNA goal for affordable units. The City issued 1,769 permits for market-rate units and this represents 86% of the annual RHNA goal for market-rate units.

Developers are finding it difficult to secure construction loans in this market, and it is unclear how many units in the planned housing capacity will actually be built due to the current lack of consumer demand and financing. The Housing Department has also seen an impact in its lending capacity coupled with less funding available at both the State and Federal level to adequately leverage more affordable units.

EVALUATION AND FOLLOW-UP

In addition to the comprehensive General Plan Update process, staff is currently in the process of finalizing a new Housing Element that will cover the RHNA planning period from 2007-2014. The City Council is expected to consider the adoption of the Housing Element in June 2009 during the Spring General Plan hearings. Due to State established deadlines, the Housing Element Update for 2007-2014 will be completed in advance of the General Plan Update.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, this report will be posted on the City's website. The individual City programs and projects described in the attachment have had appropriate public outreach per City Council policy.

COORDINATION

This memo was coordinated with the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

The Annual Progress Report is consistent with applicable City goals and policies as discussed below and in the attached report.

Consistency with General Plan Major Strategies

Implementation of the Housing Element should further City goals and policies in support of the San José 2020 General Plan. In particular, this past calendar year, progress in implementing the Housing Element reinforced the Growth Management, Housing, and Sustainable City Major Strategies in the General Plan.

The Growth Management Major Strategy addresses population growth by balancing it with economic development, and directing the growth to infill areas of the City that are centrally located with established infrastructure, so that the City can provide services and jobs to residents cost-effectively. Housing units approved or built in the City in 2008 were generally located on infill sites, and the City adopted new policies and process improvements to facilitate mixed residential and commercial development near transit and existing City services and infrastructure.

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Subject: Acceptance of Annual Progress Report on Housing Element

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The Housing Major Strategy supports a variety of housing opportunities in the City to meet residential needs at all economic levels. Housing is intended to be located in neighborhoods that are stable with adequate urban services. As discussed in the attached Annual Progress Report, the City continues to facilitate all types of housing through ongoing programs and policy improvements.

The Housing Element Update to the General Plan will identify how the City plans to address the City's share of the RHNA during the 2007-2014 implementation period to continue to implement this Major Strategy.

The Sustainable City Major Strategy promotes the development of the City as an environmentally and economically sustainable city through conservation and renewal of its natural resources and built environment, and through economic development of clean technology businesses. To further the intent of the Sustainable City, in October 2008, the City Council adopted the Private Sector Green Building Policy for new construction of commercial, industrial, residential high-rise, and other residential development consisting of at least 10 units. The principles included in the Private Sector Green Building Policy support energy and water efficiency, healthy living environments, and reduced operational costs over the life cycle of all types of buildings including residences.

COST SUMMARY/IMPLICATIONS

Not applicable.

BUDGET REFERENCE

Not applicable.

CEQA

Not applicable.



JOSEPH HORWEDEL
Director of Planning, Building
and Code Enforcement



LESLYE KRUTKO
Director of Housing

For questions please contact Susan Walton, Principal Planner at (408) 535-7847.

Attachment: Annual Housing Element Progress Report – January 2008 through December 2008

Department of Housing and Community Development

ANNUAL HOUSING ELEMENT PROGRESS REPORT

City or County Name: City of San Jose

Mailing Address: 200 E. Santa Clara Street Tower 3rd Floor
San Jose, CA 95113

Contact Person: Laurel Prevetti, Assistant Director

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Reporting Period: January 1, 2008 through December 31, 2008

**Progress Report on the Implementation
of the San José 2020 General Plan Housing Element -
Calendar Year 2008**

February 23, 2009

A. BACKGROUND

California State law provides that most jurisdictions prepare an annual status report on the implementation of the General Plan. In this format, the City of San José has submitted progress reports on the implementation of the Housing Element to provide useful information for review and evaluation. In addition, by providing this information, the City qualifies for some State funding.

The Housing Element is one of the mandatory elements of a General Plan, as required by State Law. The existing General Plan Housing Element for the 1999-2006 planning period was certified by HCD in June 2003. California State Law requires a periodic update of the General Plan Housing Element. The deadline to submit an updated General Plan Housing Element to HCD for the 2007-2014 planning period is June 30, 2009. The City is currently in the process of preparing the Housing Element Update and completing the associated public outreach. The update will address how the City proposes to meet its regional fair share housing allocation, review the effectiveness of San José's housing policies and programs, and include minor modifications to several sections of the General Plan text to describe San José's current housing programs and efforts to encourage and facilitate housing development.

This report focuses on meeting the Regional Housing Needs Allocation (RHNA) and other goals and objectives as set forth in the Housing Element of the San José 2020 General Plan and covers the 2008 calendar year. Upon City Council acceptance of the report, it will be forwarded to the California Housing and Community Development (HCD) Department and the Governor's Office of Planning and Research.

**B. ANNUAL BUILDING ACTIVITY SUMMARY FOR VERY LOW-, LOW-,
AND MODERATE-INCOME UNITS AND MIXED INCOME
MULTIFAMILY PROJECTS (TABLE A)**

In calendar year 2008, the City issued permits and began construction or provided assistance to a total of 2,316 affordable and market-rate units. This represents 50% of the annual RHNA goal of 4,630 units.

In the affordable housing category, the Housing Department sponsored four housing projects that resulted in 508 newly created affordable units in the Extremely Low-Income (ELI - 68 units), Very Low- (VLI - 247 units) and Low-Income (LI - 193 units)

categories. In addition, the City also helped 37 moderate-income homebuyers purchase a home through the Second Mortgage Assistance Programs. The total of 545 affordable housing units represents about 21% of the annual RHNA allocation goal of 2,570 units for affordable housing. Within each affordable housing category, the City was able to achieve 13% of its annual ELI RHNA goal, 48% of its VLI goal, 27% of its LI goal and 4.5% of its Moderate-Income goal. Affordable housing consists of those dwelling units for which construction or rehabilitation was either: (a) financed all or in part, with loans or tax-exempt bonds approved by the City Council and Redevelopment Agency Board, or (b) provided by developers in order to meet State-mandated inclusionary housing requirements in Redevelopment Project Areas.

C. ANNUAL BUILDING ACTIVITY SUMMARY FOR ABOVE MODERATE-INCOME UNITS (TABLE A2)

During calendar year 2008, 1,769 above moderate-income units were produced. This includes 254 single family detached units, 1,497 multifamily units and 18 units approved under the City's Secondary Unit Ordinance (See Table A2). This represents 86% of the annual RHNA goal for above moderate-income housing.

D. REGIONAL HOUSING NEEDS ALLOCATION PROGRESS (TABLE B)

The Association of Bay Area Governments (ABAG) is responsible for allocating the regional housing needs among each jurisdiction in the nine-county Bay Area. ABAG has determined that San José's fair share of the regional need for the planning period between January 1, 2007 through June 30, 2014 is 34,721 units. San José's allocation accounts for 58% of the total housing allocation for Santa Clara County (up from 45% under the previous cycle) and 16% of the nine county Bay Area region (up from 11% under the previous cycle). These units are distributed among the economic segments of the community, as depicted in Table B. In order to achieve the RHNA goal of 34,721 units by the end of June 2014, San Jose must see an annual housing production rate of 4,630 units. This is much higher than the annual average of 3,000 units produced in San Jose in the past thirty years.

While the City of San José surpassed the 1999-2006 RHNA goal, the ability to achieve the current RHNA goal is severely impacted by the current downturn in the economy. During calendar year 2008, 2,316 dwelling units were produced or had affordability restrictions applied. Over the last two years, 4,817 units have begun construction or had affordability restrictions applied. A remainder of 29,904 units is needed to achieve the RHNA goal of 34,721 units by June 2014. In terms of the seven-and-a-half year RHNA goal, the City has achieved 14% of its RHNA goal in the first two-year period of the RHNA cycle. This represents 24% of its 7 1/2 year above moderate-income housing goal and 6% of its 7 1/2 year affordable housing goal.

Developers are finding it difficult in this market to secure construction loans, and it is unclear how many units in the planned housing capacity will actually be built due to the

current lack of consumer demand and financing. The Housing Department has also seen an impact in its lending capacity coupled with less funding available at both the State and Federal level to adequately leverage more affordable units.

Despite the challenges of the economy and the dire housing market, the City has been active in removing barriers to housing affordability through its many programs. To date, the City has assisted 641 teachers purchase homes and has assisted 110 homebuyers purchase homes. Another 161 homebuyers are to be funded shortly through the Second Mortgage and BEGIN programs. A more detailed description of these programs and other City housing assistance programs is provided in Table C.

The City has been proactive in planning for additional housing. San Jose has capacity for an additional 67,500 units in its 2020 General Plan. Approximately 26,600 units have already received entitlements through the zoning or development permit stage. Buildout of this residential capacity will largely depend on market forces, but the City's efforts in facilitating development of housing through the implementation of housing programs and process improvements will provide critical support.

E. PROGRAM IMPLEMENTATION STATUS (TABLE C)

Presently, the City is exploring different strategies to increase the development of affordable housing. San Jose is now considering implementing its own citywide inclusionary housing ordinance, in order to provide additional opportunities for affordable housing in the City. If adopted, the ordinance will bring the City in line with the policies of its surrounding cities, many of whom already have inclusionary housing ordinances in place. The City is also preparing an update to the General Plan Housing Element for the period from 2007-2014 that will include strategies to increase housing supply at all income levels.

The City offers a number of programs to assist low-income renters and homebuyers. These programs are discussed in Table C.

Attachment: Annual Housing Element Progress Report – Housing Element
Implementation Tables A – C.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction
Reporting Period

City of San José
1/1/2008 - 12/31/08

Table A

Annual Building Activity Report
Very Low-, Low-, and Moderate-Income Units and Mixed-Income Multifamily Projects

Housing Development Information									Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions
1	2	3	4					5	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes					Total Units per Project	Assistance Programs for Each Development	Deed Restricted Units	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Extremely Low -Income	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income		See Instructions	See Instructions	
PDA03-006-01 Corde Terra / Fairgrounds Senior Apts	5+	R	68	131			2	201	RDA 20% Funds, TCAC	HA	
David Avenue	5+	R		7	58			65	MHRB	AR	
Almaden 1930	5+	R		16	135			151	MHRB	AR	
Charter Court Apartments	5+	R		93				93	MHRB	AR	
Mortgage Assistance Programs	5+	O				37		37	THP, MA	MA	
(9) Total of Above Moderate from Table A2							1,769	1,769			
(10) Total by income units (Field 5) Table A			68	247	193	37	1,771	2,316			

HA - Housing Department assisted; use of 20% funds require units to be affordable

AR - Newly affordable Acquisition/Rehabilitation units (Conversions)

MHRB - Multi-family Housing Revenue Bonds

MA - Mortgage Assistance programs

Table A2

Annual building Activity Report Summary for Above Moderate-Income Units
(not including those units reported on Table A)

	Single Family	2 - 4 Units	5+ Units	Second Unit	Mobile Homes	Total
No. of Units Permitted for Above Moderate	254		1,497	18		1,769

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Jurisdiction

City of San José

Reporting Period

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Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2007	2008	2009	2010	2011	2012	2013	2014	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8		
Extremely Low	Deed Restricted	3,876	67	68						135	3,741
	Non-deed restricted										
Very Low	Deed Restricted	3,875	121	247						368	3,507
	Non-deed restricted										
Low	Deed Restricted	5,322	288	193						481	4,841
	Non-deed restricted										
Moderate	Deed Restricted	6,198	100	37						137	6,061
	Non-deed restricted										
Above Moderate		15,450	1,925	1,771						3,696	11,754
Total RHNA by COG. Enter allocation number:		34,721								4,817	29,904
Total Units ▶ ▶ ▶			2,501	2,316							
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶											

Note: The City of San Jose is not able to track the affordability of non-deed restricted units. Based on economic conditions and the variety of dwelling units in the City, there are likely to be some dwelling units that are not deed-restricted that are affordable to Moderate or Low-Income households.

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Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including progress in removing regulatory barriers as identified in Housing Element .		
Name of Program	Objective	Deadline in H.E.	Status of Program Implementation
HOMEOWNER PROGRAMS:			
<p>Housing Rehabilitation Program – Single-Family Home Loan Program: Homeowners earning up 80% of the County median income level may apply for loans up to \$100,000 to rehabilitate their homes. Owners living within the City's Strong Neighborhoods Initiative (SNI) Areas qualify for a 0% interest loan. All other City Areas receive 3% loans. A maximum \$15,000 zero percent loan is available to low-income owner-occupants on a City-wide basis. Qualifying rehabilitation work includes achieving compliance with the health and safety standards of the City's Housing Code, repairing or replacing structural deficiencies, and energy conservation measures. Payments on most HPP loans may be deferred until transfer or change of title.</p>	<p>As a goal, 75% of HPP are to be spent in Strong Neighborhood Initiative (SNI) areas of the City which are characterized by higher concentrations of lower-income households and older housing stock in the greatest need of rehabilitation. Annual goal is to complete between 30 and 40 single-family loan projects per year. Additional emphasis is now being given to energy conservation, water conservation, and the use of recycled and Green materials in the HPP loan program. Increase the number of rehabilitation loans - the goal is for the loans to exceed 50% of total rehabilitation dollars approved each year.</p>	<p>Ongoing Program</p>	<p>Continue to implement program.</p>
<p>Housing Rehabilitation Program – Single-Family Homeowner Grant Program: Homeowners earning up 80% of the County median income level may apply for one-time repair grants of up to \$15,000. This program is administered on a "Needs Basis" and primarily serves single-family owner occupied homes. The grant is offered to owners with eligible repairs that are minor in nature providing all health and safety issues can be addressed with the grant. If more repairs are required to address health and safety needs, the applicant will be referred to the Housing Preservation Program.</p>	<p>Base the maximum grant amount on income level as follows: - low-income-\$5,000 maximum; very low-income-\$10,000 maximum; and extremely low-income-\$15,000 maximum grant amount.</p>	<p>Ongoing Program</p>	<p>Continue to implement program.</p>
<p>Mobilehome Repair Loan Program: Owner occupants of mobilehomes earning up to 80% of the County Area Median Income may apply for a 0% rehabilitation loan up to \$20,000. Very low-income and extremely low-income mobilehome owners may apply for a one-time grant of up to \$12,000. Qualifying rehabilitation work is limited to those measures necessary to achieve compliance with State health and safety standards and applicable park regulations.</p>	<p>Completion of approximately 170 mobilehome rehabilitations is expected annually.</p>	<p>Ongoing Program</p>	<p>To meet the demand from San Jose's most needy mobilehome owners, proposed modifications include increasing the grant amount up to \$15,000 and serving only the very low and extremely low-income clientele for grants.</p>

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HOMEBUYER PROGRAMS:			
<p>First-Time Homebuyers Mortgage Credit Certificates (MCC): In cooperation with the County, the City offers Mortgage Credit Certificates (MCC) to qualified buyers. An MCC enables qualified first-time buyers to reduce the amount of their federal income tax liability by a specified percentage of the interest rate they pay on their first mortgage loan. This amount is currently set at 15%.</p>	Assist first-time homebuyers	Ongoing Program	The City will continue its cooperation with the County on this program.
<p>Teacher Housing Program: This program provides a deferred equity-share loan of up to \$65,000 to low- and moderate-income San José public school teachers. The loan is offered at a zero-percent interest rate and is not due until transfer of the title to the home or in 45 years.</p>	Assist in the recruitment and retention of San Jose K-12 public school teachers.	Ongoing Program	To date, the City has assisted 641 teachers purchase homes for a total of \$25,456,850 in subsidy. As of November 2008, there were 20 active homebuyers (\$1,025,000 committed) funding in the next thirty days.
<p>Project-Based Second Mortgages: The City provides 45-year second mortgages in varied amounts for Low and Moderate-Income homebuyers in ownership housing projects for which the City has previously provided financial assistance for development. Moving forward, the City does not intend to provide predevelopment and construction financing for for-sale projects. Instead, the City may commit to offer second mortgages to qualified homebuyers at project completion.</p>	Assist Low- and Moderate-Income homebuyers	Ongoing Program	To date, the City has assisted 13 homebuyers purchase homes for a total of \$780,000 in subsidy. As of November 2008, there were 15 active homebuyers (\$875,000 committed), funding in the next thirty days .
<p>The Home Venture Fund (Formerly Vernal Fund): Private lenders entered into an agreement with NHSSV, a nonprofit organization, to provide down payment assistance loans to both low- and moderate-income homebuyers. Loan amounts range from \$10,000 to \$60,000 per household with an average loan amount of \$40,000. Interest derived from grants is used to make interest payments on behalf of the borrower during the five-year loan deferral period. At year five, the loans are sold to NHSA and the proceeds invested into new second mortgages.</p>	Assist Low- and Moderate-Income homebuyers	Ongoing Program	Currently, the Home Venture award is \$1,396,500 to NHSSV and is currently under review to be increased to \$2,000,000. To date, the program has assisted 24 homebuyers purchase homes for a total of \$1,156,500 in subsidy. As of November 2008, there are four active homebuyers (\$160,000 committed), funding in the next thirty days.
<p>Building Equity and Growth in Neighborhoods (BEGIN): Grant funds made available through Proposition 46 and Proposition 1C are used to provide second mortgage assistance in loan amounts up to \$30,000, for Low- and Moderate-income first-time homebuyers in specific new for-sale developments that have received regulatory relief from the City.</p>	Assist Low- and Moderate-Income first-time homebuyers	Ongoing Program	To date, the City has been awarded \$7.5 million in grant funds made available through Proposition 46 and Proposition 1C. To date, the City has assisted 97 homebuyers purchase homes for a total of \$2,910,000. As of November 2008, there were 36 active homebuyers (\$1,080,000 committed), funding in the next thirty days.
<p>American Dream Down-Payment Initiative: As part of the Federal Home Investment Partnership (HOME) sub-program, the City of San José has received over \$600,000 since 2002 to be used for down-payment assistance for low-income first time homebuyers.</p>	Assist Low-Income first-time homebuyers	Program based on funding availability	Currently, there is no funding available for this program.

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<p>Redevelopment Area Inclusionary Housing Program: Through the City's Redevelopment Area Inclusionary Housing Program, housing developers in City redevelopment areas are required to provide a second mortgage to low-and/or moderate-income homebuyers to make units affordable.</p>	<p>Assist Low- and Moderate-Income homebuyers</p>	<p>Ongoing Program</p>	<p>The City may expand the Inclusionary program beyond redevelopment areas. To date, the City has assisted 163 homebuyers purchase homes for a total of \$21,686,950 in subsidy.</p>
<p>The San José State University (SJSU) Faculty and Staff Homebuyer Program: In 2006, the City entered into an agreement with San José State University to jointly-fund and administer a homeownership program for University faculty. The program was later broadened to include all SJSU full-time permanent employees. The program offers up to \$60,000 to income eligible employees in the form of a deferred repayment loan.</p>	<p>Assist in the recruitment and retention of university employees.</p>	<p>Ongoing Program</p>	<p>To date, the City has assisted 13 university employees purchase homes in San José (8-Staff, 5-Faculty). As of November 2008, there were five active homebuyers (\$300,000 committed), funding in the next thirty days.</p>
<p>WelcomeHOME Program: In August 2008, the City implemented a program that provides 30-year second mortgages of up to \$25,000 for lower-income homebuyers in the form of a deferred repayment loan. This loan may be layered with other forms of downpayment assistance to help homebuyers purchase a home within San Jose's municipal boundaries.</p>	<p>Assist lower-income homebuyers</p>	<p>Ongoing Program</p>	<p>To date, the City has assisted 9 homebuyers purchase homes for a total of \$225,000 in subsidy. As of November 2008, there were 24 active homebuyers (\$600,000 committed) funding in the next thirty days.</p>
<p>HOMELESS SERVICES PROGRAMS:</p>			
<p>Emergency Shelter Grant Program (ESG): ESG is a federally funded program designed to be the "first step" in the prevention of homelessness. The program strives to address the immediate needs of persons residing on the street and needing emergency shelter and transitional housing, as well as assistance in their move to independent living.</p>	<p>Assist homeless and at-risk residents with meeting their immediate emergency needs</p>	<p>Ongoing Program</p>	<p>Continue to implement program.</p>
<p>Housing Opportunities for People with AIDS or HIV (HOPWA): HOPWA is a federally funded program designed to assist nonprofit agencies in providing housing assistance and supportive services to low-income individuals and families living with HIV/AIDS. Eligible uses of funds include tenant-based rental assistance, project-based rental assistance, housing information and supportive services.</p>	<p>Assist homeless and at-risk residents with HIV/AIDS to become permanently housed and remain healthy.</p>	<p>Ongoing Program</p>	<p>Continue to implement program.</p>
<p>Housing Trust Fund: In June 2003, the Mayor and City Council established a Housing Trust Fund which absorbed the Housing and Homeless Fund. These funds can be used for a variety of activities, including assisting nonprofit homeless service providers with emergency needs.</p>	<p>Identify additional funding sources for this fund.</p>	<p>Ongoing Program</p>	<p>Continue to use funds to assist homeless programs, as specified under program guidelines.</p>

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<p>Project Hope: Project Hope is a two-year (FY 2008-2010) vocation training and employment program for homeless and at-risk residents. This program will provide participants with job readiness assessments, basic skills classes, and job training</p>	<p>70 clients will be enrolled in the two-year program.</p>	<p>Two-year Program</p>	<p>Continue to implement program as established.</p>
<p>Housing Services Partnership (HSP): Since 2005, the City has contracted with local homeless services providers to administer the HSP program. This program provides homeless and at-risk residents with homeless prevention counseling, financial assistance, case management, and permanent housing placement</p>	<p>The HSP program will provide approximately 5,000 persons with assistance annually.</p>	<p>Ongoing Program</p>	<p>Continue to contract with local homeless service providers to administer the HSP program.</p>
<p>NEIGHBORHOOD IMPROVEMENT PROJECTS:</p>			
<p>Stong Neighborhood Initiative (SNI): The City furthered its interdepartmental neighborhood improvement efforts through the Strong Neighborhoods Initiative (SNI). An expansion of the successful Neighborhood Revitalization Strategy, SNI involves several City departments, including the Planning and Housing Departments. SNI, launched in spring of 2000, combines the efforts of several City Departments and the Redevelopment Agency to identify improvements and services needed to revitalize declining neighborhoods throughout the City. Nineteen target areas have been designated as improvement areas. Neighborhood Improvement Plans are being initiated for each target area and the first phase will be completed by summer of 2001. Physical improvements are expected to be funded through redevelopment funds, existing City programs (including Housing rehabilitation programs), and Community Development Block Grants.</p>	<p>Continue to focus resources within the 19 SNI areas. Strive towards goal of spending 75% of single-family rehabilitation funds in SNI areas.</p>	<p>Ongoing Program</p>	<p>Continue program as designed and implemented. Upon approval of any program changes, get word out to public through the Neighborhood Advisory Committees and SNI and PRNS staff.</p>
<p>Strong Neighborhoods Initiative (SNI) Project Alliance – (formerly known as Multi-Family Demonstration Projects): Project Alliance is a subset of the City's Strong Neighborhood Initiative program directed toward the revitalization of specific multi-family neighborhoods.</p>	<p>The goals of Project Alliance include working collaboratively with property owners, tenants, various City Departments, and other entities to achieve the effective delivery of City Services, build leadership, and create an attractive, livable and sustainable community while preserving the existing affordable housing stock within that community.</p>	<p>Ongoing Program</p>	<p>Three new neighborhoods have been selected for improvement through Project Alliance. These neighborhoods are Jeanne/Forestdale (Five Wounds / Brookwood Terrace), Virginia/King (Mayfair and Gateway East) and Roundtable Drive Apartments (Edenvale/Great Oaks). Work on these projects commenced in early 2008.</p>

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City of San José

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1/1/2008 - 12/31/08

HOUSING DEVELOPERS / INVESTMENT PROPERTY OWNERS			
<p>Predevelopment Loan Program: The Predevelopment Loan Program is designed to assist housing developers with funds necessary to explore the feasibility of a proposed housing project. Under this program, developers may apply for option fees and preliminary environmental or design studies. Interest rate to be charged will reflect the City's actual cost of funds as well as what rate is necessary to promote project feasibility. Principal and interest repayment is due at the close of escrow on construction loans or within two years.</p>	<p>As resources allow, fund at least \$500,000 per year for predevelopment expenses to potential projects.</p>	<p>Ongoing Program</p>	<p>Fund \$500,000 to \$1.5 million per year for predevelopment loans as more unrestricted funds become available.</p>
<p>Project Development Loans for Acquisition, Construction, Permanent, and Acquisition/Rehabilitation: Below-market rate gap loans and grants for acquisition, construction and permanent financing are made to both for-profit and nonprofit developers. These loans, typically subordinated to the primary lender's loan, provide funding for apartments for single-room occupancy living unit facilities (SROs), families and seniors, transitional housing, and housing for special needs populations including the homeless. Loans are made for land acquisition, construction, and permanent needs. Permanent loans are repaid out of net cash proceeds during the projects operations. Funding for the Acquisition and Rehabilitation of Existing Apartment Projects focuses on blighted properties where rehabilitation would have significant revitalizing impact on the surrounding neighborhood, on those projects with expiring Housing and Urban Development (HUD) loans and rent restrictions ("preservation" projects), on those projects involving extraordinarily low subsidy levels, and on those projects incorporating at least 10% ELI units with reasonable costs to the City. Funding for Preservation or Conservation of existing projects is considered on a case-by-case basis, seeking to maximize leveraging of non-City sources of funds and to meet the City's policy objectives of supporting ELI units.</p>	<p>Focus 80% of available project funds on new construction of units, 10% on acquisition/rehabilitation projects, and the remaining 10% on workouts or Year 15 renegotiations to preserve existing affordable units. Funding commitments will follow the Department's Income Allocation Policy, under which at least 30% of funds will support ELI units, 30% of funds will support VLI units, 25% of funds will support LI units, and 15% of funds will support Moderate Income units.</p>	<p>Ongoing Program</p>	<p>Continue program as designed and implemented.</p>
<p>City as "Developer": State law stipulates that affordable housing (along with parks and public education) have priority for surplus property owned by any public agency created under State auspices. The Housing Department aggressively seeks to purchase such properties owned by the City of San Jose, the Valley Transportation Authority (VTA), CalTrans, the 19 school districts in San Jose, the Santa Clara Valley Water District and other public agencies for housing development. Properties so acquired are subsequently transferred to nonprofit and for-profit developers for the construction of affordable housing projects.</p>	<p>Continue to seek opportunity sites for affordable housing with a focus on rental special needs units</p>	<p>Ongoing Program</p>	<p>Continue program as designed and implemented.</p>

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PROCESS IMPROVEMENTS			
<p>Adoption of Secondary Unit Ordinance:</p> <p>In 2008 the City Council permanently adopted the Secondary Unit Ordinance. The Secondary Unit Ordinance began as a pilot program on January 2, 2006 and was previously scheduled to end on October 30, 2007. This program represents a major change in the City's policies towards second units, coming after a 20-year prohibition. The pilot program served as a means of collecting data on second unit production and location, and as a way to determine whether second units have adverse impacts on surrounding neighborhoods. The program allows property owners with existing unpermitted units the ability to legalize their second unit, provided that the unit can meet the second unit ordinance criteria.</p>	<p>Continue to facilitate second unit production.</p>	<p>Ongoing Program</p>	<p>Continue program as designed and implemented.</p>
<p>2007 California Standards Code Outreach and Training</p> <p>In response to the introduction of the new 2007 edition of the California Standards Code and the City's anticipated adoption of the new code, City staff provided extensive outreach to the public and the development community about important code updates. These Codes establish the statewide codes for building construction and fire safety, and the City Council adopted the new state codes with local amendments that came into effect on January 1, 2008. The public outreach included a series of trainings for both City staff and the public on various topics in the new code.</p>	<p>Such trainings were intended to facilitate a smooth the transition to the use of new code standards.</p>	<p>As needed basis</p>	<p>Outreach and training on the 2007 edition of the California Standards Code was completed in 2008. Separate outreach and training will be provided on an as-needed basis for future amendments.</p>
<p>Enhanced High-Rise Design Review Process</p> <p>In order to support the intensification of the Downtown and transit corridors, the City began in 2007 to administer the Enhanced High-Rise Design Review Process as part of the development review process for projects involving buildings 100 feet or greater in height. The Enhanced High-Rise Design Review Process is a public process that allows staff and decision makers to (1) apply relevant sections of the Downtown Design Guidelines developed for downtown high-rise housing to high-rise development throughout the City, (2) be advised by the City's Architectural Review Committee (ARC) regarding consistency with relevant sections of the applicable Design Guidelines, and (3) receive community input on proposed high-rise development during both the preliminary review and entitlement phases.</p>	<p>The process primarily serves as a forum where developers, design professionals, community members and City staff can work together to ensure that new developments contribute positively to the community and issues identified can be addressed effectively.</p>	<p>Ongoing</p>	<p>Continue to administer the design review process as needed.</p>
<p>Transit-Oriented Development/Mid-Rise and High-Rise Residential Design Guidelines</p> <p>To assist in streamlining the development review process, the City adopted design guidelines for transit-oriented development and mid-rise and high-rise residential projects in September 2007. The design guidelines provide specific parameters to promote compact, urban development along major transit corridors and key employment areas. These guidelines seek to provide a common understanding of the minimum design standards in order to ensure that the review process can be conducted in as efficient a manner as possible.</p>	<p>Facilitate quality design in residential projects and streamlining of the development review process.</p>	<p>Ongoing</p>	<p>Continue to implement and revise the design guidelines as necessary.</p>
<p>City Council Public Outreach Policy</p> <p>In 2005, the City Council adopted a public outreach policy to establish formal procedures in coordinating public outreach on development projects. Generally, developers are required to erect public notification signage on the project site while a development proposal is pending. In addition, for larger development proposals, a community meeting is required to gather public comments early in the development review process. The public outreach policy has been effective in helping developers and City staff engage the community early in the development review processes.</p>	<p>Provides opportunities for all parties to achieve general consensus and resolve concerns as part of the development process.</p>	<p>Ongoing</p>	<p>Continue to implement the public outreach policy as intended.</p>

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<p>Zoning Ordinance Streamlining Amendments The City periodically reviews the Zoning Ordinance to identify outdated measures and to determine where process and other requirements can be streamlined without diminishing the City's ability to achieve its land use goals.</p>	<p>Improve user-friendliness of the Zoning Ordinance and streamline the ability to add bedrooms to existing homes to accommodate a larger living area.</p>	<p>Ongoing</p>	<p>In November 2008, the City approved several amendments to the Zoning Ordinance that simplified the process for permitting small additions to existing two-family dwellings. Currently, any sized addition or enlargement of two-family dwellings requires issuance of a Site Development Permit. The new provisions allow minor additions (up to 200 square feet or 10% of the existing building area, whichever is less) to two-family dwellings within the issuance of an over-the-counter Permit Adjustment.</p>
<p>Option to Use Discretionary Alternate Use Policies through a Use Permit In 2007, the City Council approved a General Plan text amendment that added the ability to apply Discretionary Alternate Use Policies as through a use permit. Prior to approval of this streamlining measure, the use of DAU policies often required a Planned Development rezoning.</p>	<p>Facilitate streamlining of the entitlement process.</p>	<p>Completed 2007</p>	<p>The City Council approved the General Plan text amendment in 2007.</p>
<p>Elimination of the Planned Development Zoning process requirement for certain Mixed-Use Development Projects In 2008, the City Council approved a General Plan text amendment that streamlines the development review process for some housing and mixed-use proposals by eliminating the requirement for a Planned Development Zoning. In many situations, the City's Zoning Ordinance already allows for mixed-use development with a development permit or use permit in a conventional zoning district. The General Plan text amendment updates the San José 2020 General Plan to allow development proposals to utilize more of the permit process options available in the Zoning Ordinance instead of requiring projects to undergo an extensive Planned Development Zoning process.</p>	<p>Facilitate streamlining of the entitlement process for mixed-use development.</p>	<p>Completed 2008</p>	<p>The City Council approved the General Plan text amendment in 2008.</p>
<p>Height Limit Increase to Facilitate Use of Renewable Energy Resources This General Plan text amendment is intended to encourage utilization of renewable energy resources in the physical development of the City by making the incorporation of these resources into development more feasible to developers and property owners. By amending the text of the General Plan to allow additional height for certain structures, such as solar panels, other energy-saving devices, and roof landscaping, the text amendment better aligns the General Plan policy for building heights with the existing language of the Zoning Ordinance and streamlines efforts to implement green building measures in proposed development projects.</p>	<p>Facilitate streamlining of the entitlement process to encourage energy efficiency in residential development.</p>	<p>Completed 2008</p>	<p>The City Council approved the General Plan text amendment in 2008.</p>

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<p>Transit Corridor Commercial Land Use Designation Created</p> <p>The Transit Corridor Commercial land use designation is intended to expand the potential for commercial development and mixed commercial-residential development with convenient access to major job centers and to create new consumer markets in appropriate areas of the City. This category requires commercial uses in a viable configuration on the street-level floor of any development. Vertical mixed commercial and residential uses may be allowed on sites that are of adequate size and configuration to accommodate such a mix of uses provided that the street-level floor consists of wholly commercial uses with the exception of residential support facilities of limited size, such as parking areas, entry lobbies, mail rooms, and concierge facilities, the total area of which constitutes a minor portion of the site area. Transit Corridor Commercial is intended for sites located in the Downtown Core and Frame Areas or located in designated Transit Corridors or BART Station Area Nodes, or located within a reasonable walking distance of major public transit in other intensely developed areas of the City.</p>	<p>Facilitate streamlining of the entitlement process for residential development above commercial uses, providing opportunities for residential uses to be located above neighborhood services with access to transit.</p>	<p>Completed 2008</p>	<p>The City Council approved the General Plan text amendment in 2008.</p>
<p>Private Sector Green Building Policy for New Construction</p> <p>Council adoption of the Private Sector Green Building Policy for new construction established mandatory green building standards for private sector development that will advance the City's Green Vision Goal No.4 of building or retrofitting 50 million square feet of green buildings within the next 15 years, as well as Green Vision Goal No. 2: reducing per capita energy use by 50%, Goal No. 3: receiving 100% of electrical energy from clean renewable sources, Goal No. 5: diverting 100% of waste from landfills and converting waste to energy and Goal No. 6: Recycling or beneficially reusing 100% of waste water. The policy includes two rating systems: United States Green Building Council's Leadership in Energy and Environmental Design and Build It Green's GreenPoint Rated system. The policy requires a green building checklist for all new construction. In addition, the policy mandates specific certification and point levels in three categories: commercial and industrial (25,000 square feet and more), residential high-rise, and other residential (10 units and more).</p>	<p>Facilitate energy efficiency in residential development. Green buildings have proven to enhance economic competitiveness by reducing lifecycle costs, improving worker productivity, increasing property values, attracting higher rents, and helping with the attraction and retention of talent.</p>	<p>Completed 2008</p>	<p>The City Council adopted the Private Sector Green Building Policy for New Construction in 2008.</p>