

**DRAFT Analysis of Impediments
to Fair Housing Choice, 2010-2015
City of San José**

2010

Santa Clara County Entitlement Jurisdictions

City of Cupertino

City of Gilroy

City of Mountain View

City of Palo Alto

City of Sunnyvale

City of San José

City of Santa Clara

The Urban County of Santa Clara

The Urban County is composed of unincorporated Santa Clara County, as well as the cities of Campbell, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, and Saratoga

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1 Executive Summary

The Federal government requires entitlement jurisdictions to develop an Analysis of Impediments to Fair Housing Choice (AI) report which describes their community's fair housing needs and provides strategies to address those needs. In order to develop a regional approach to identifying and addressing barriers to fair housing choice, the City of San José partnered with the other Santa Clara County entitlement jurisdictions to develop this AI. Some of the key recommendations from this report include:

- **Access to Affordable Housing** - A variety of factors may cause unequal access to housing. For example, due to the requirements associated with various affordable housing funding sources, certain households may encounter difficulties in accessing subsidized housing. Applications can involve a large amount of paperwork or have short application time frames and extensive submittal requirements. These requirements present obstacles for homeless or disabled individuals who lack the resources and skills to complete the necessary documentation. Moreover, affordable housing providers often have difficulty filling accessible units with disabled individuals. In contrast, service providers indicate a great need for affordable accessible housing. Additionally, persons who lack English proficiency may experience barriers to housing even when options do exist. Finally, and in large part due to the economic downturn, many qualified potential homebuyers have a difficult time accessing credit and financing.
- **Fair Housing Services**- The AI finds that fair housing is an ongoing concern in Santa Clara County. In particular, interviews with local service providers indicate that many homeseekers and landlords are unaware of federal and State fair housing laws. They also remain unfamiliar with protections offered to seniors, disabled, and other special needs populations, as well as families and other protected classes.
- **Local Zoning** - Local jurisdictions' zoning requirements must comply with State law, the federal Fair Housing Act of 1968, and the Fair Housing Amendments Act of 1988. The AI identifies cases where local zoning requirements conflict with State and federal requirements, and documents how the subject jurisdictions are rectifying these issues.
- **Housing Authority** - Local Housing Authorities are well-versed in fair housing requirements, and aim to apply these consistently in their outreach, property management, waitlist maintenance, and tenant recruitment efforts. However, local jurisdictions need to assist local housing authorities in this regard.

- **Complete Communities** - Impediments to fair housing choice can occur when poor linkages exist between the locations of major employers, amenities, transportation, and affordable housing. Under these conditions, persons who depend on public transportation, such as lower-income households, seniors, and disabled persons, are more limited in their housing options. Santa Clara County's inventory of subsidized housing, public housing, and community care facilities are relatively well-connected to public transportation. However, much of the region is still dependent on automobile travel. When auto costs are combined with housing costs, total living costs in the region are some of the highest in the Bay Area. Entitlement Jurisdictions should continue efforts to support transit-oriented development and further improve connections between new housing, amenities, and employment centers.

2 Introduction

2.1 Purpose of the Analysis of Impediments to Fair Housing Choice

This Analysis of Impediments to Fair Housing Choice (AI) examines policies and practices that may limit residents' ability to choose housing in an environment free from discrimination. The AI assembles fair housing information, identifies any existing barriers that limit housing choice, and proposes actions to overcome those barriers. The U.S. Department of Housing and Urban Development (HUD) defines impediments to fair housing choice as:

- Any actions, omissions or decisions taken because of race, color, religion, sex, disability, familial status or national origin which restrict housing choices or the availability of housing choices; or
- Any actions, omissions or decisions that have the effect of restricting housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

HUD requires entitlement jurisdictions to develop and update an Analysis of Impediments as needed. In Santa Clara County, a number of entitlement jurisdictions are collaborating to prepare their 2010-2015 AI. This group of jurisdictions, referred to by this document as the "Santa Clara County Entitlement Jurisdictions" or simply "Entitlement Jurisdictions," includes:

- City of Cupertino
- City of Gilroy
- City of Mountain View
- City of Palo Alto
- City of Sunnyvale
- City of San José
- City of Santa Clara
- Santa Clara Urban County

The Urban County is composed of unincorporated Santa Clara County, as well as cities with fewer than 50,000 residents, namely the jurisdictions of Campbell, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, and Saratoga. The City of Milpitas, an entitlement jurisdiction, did not participate in the collaborative process.

This coordinated effort allows the jurisdictions to evaluate and plan for fair housing needs on a more regional basis. It recognizes that while different parts of the County may have unique concerns, many of these issues span jurisdictional borders and should be addressed holistically. The document also serves as a resource for local practitioners and service providers looking to understand

community development needs throughout Santa Clara County. Finally, this collaborative approach allows the entitlement jurisdictions to use their resources for preparing an AI more cost-effectively.

2.2 Methodology and Community Participation

In order to identify factors that could indicate barriers to fair housing choice, data was analyzed on variables such as population and household trends, age, household income, concentration of minority populations, housing affordability indicators, overcrowding, and the geographic distribution of affordable housing and employment centers. The AI incorporates numerous sources including the U.S. Census, the State of California Department of Finance, the Association of Bay Area Governments, and Claritas, Inc., a private demographic data provider.

Complaints about fair housing are another indicator of the presence of impediments to fair housing choice. Data on fair housing complaints and cases from 2004 to 2009 from the HUD Office of Fair Housing and Equal Opportunity (FHEO) was obtained and analyzed. In addition, BAE spoke to city staff and local fair housing service providers about fair housing issues in Santa Clara County.

In addition to analyzing quantitative data, city planning documents, housing elements, policies, and ordinances were analyzed to determine any direct or indirect impact on fair housing.

The Entitlement Jurisdictions hosted four Workshops throughout September 2009 to engage the public and local stakeholders in the planning process. The Workshops were held in Sunnyvale (September 23), San José (September 9), and Morgan Hill (September 16) in order to encompass northern, central, and southern Santa Clara County. The City of San José hosted an additional, smaller workshop for its Strong Neighborhood Initiative (SNI) Neighborhood Advisory Committee (NAC) representatives (September 3). Workshops were scheduled for both after-work hours (6pm to 7:30pm) and during the workday (3pm to 4:30pm), allowing more flexibility for participants to attend. With the exception of the North County Workshop, which took place in the Sunnyvale City Hall, all of the sessions were held in neighborhood community centers or libraries.

The workshops were well attended, thanks to the Entitlement Jurisdictions' efforts to publicize the events through multiple channels, including emails to service providers, advertisements in the local newspapers, and communication with local stakeholders, neighborhood groups, and public officials. The notices for the workshops in San Jose were published in the San Jose Mercury News, La Oferta (Spanish), Thoi Bao (Vietnamese) and China Press (Chinese) on August 27, 2009, to provide information to and encourage participation by non-English speaking residents. Notices were also mailed out to over 450 public service agencies, organizations and interested citizens.

A total of 105 individuals participated in the four Workshops. Appendix A documents the attendees

at each session.

At the workshops, staff outlined the purpose of the Consolidated Plan and AI documents. Participants then dispersed into smaller break-out groups to discuss needs associated with community development issues, including fair housing concerns. While responses generally centered on the specific sub-area of the County where the meeting was held (i.e., North, Central, South, and San José), countywide issues also arose during the discussions.

In addition to the four Consolidated Plan Workshops, the following schedule of hearings on the Consolidated Plan was published in the San José Mercury News and in four ethnic newspapers - La Oferta (Spanish newspaper), Thoi Bao (Vietnamese newspaper), and China Press on March 19, 2010. As indicated in the public announcements, in the course of three months, the City held 4 public hearings to obtain input on the Consolidated Plan and held a public review period, as mandated by HUD, from March 22, 2010 through April 26, 2010. Although there were no separate workshops specifically for the AI, it is considered part of the Consolidated Plan and consequently the public had an opportunity to comment on the documents at any of the meetings described below:

What?	Who?	Where?	When?
Draft Five Year Consolidated Plan 2010-2015 and Annual Action Plan 2010-2011 available to the public and opening of the public comment period	Contact the Housing Department to receive a copy. (408) 975-4417 or (408) 294-9337 (TTY)	City of San Jose – Housing Department 200 E. Santa Clara St.-12 th Floor, San Jose, CA 95113	March 22, 2010
Public Hearing of the Draft Five Year Consolidated Plan 2010-2015 and Annual Action Plan 2010-2011	San Jose City Council	San Jose City Hall 200 E. Santa Clara Street City Council Chambers	March 30, 2010 1:30 p.m.
Public hearing and approval of the Draft Five Year Consolidated Plan 2010-2015 and Annual Action Plan 2010-2011	Housing and Community Development Advisory Commission	San Jose City Hall 200 E. Santa Clara St. Room W – 118, 119 (Wing)	April 8, 2010 5:45 p.m.
Public Hearing on the Draft Consolidated Plan and end of public comment period	Community and Economic Development Committee	San Jose City Hall 200 E. Santa Clara St. Room W – 118, 119 (Wing)	April 26, 2010
Final approval of the Draft Five Year Consolidated Plan 2010-2015 and Annual Action Plan 2010-2011	San Jose City Council	San Jose City Hall 200 E. Santa Clara Street City Council Chambers	May 4, 2010 1:30 p.m.

2.3 Organization of the AI

The Analysis of Impediments to Fair Housing is divided into six chapters. Following this Introduction, the AI contains:

- **Chapter 3: Background Data.** This chapter describes the demographic profile, housing stock, and housing market of the County and Entitlement Jurisdictions.
- **Chapter 4: Evaluation of Current Fair Housing Legal Status.** This chapter provides data on fair housing complaints between 2004 and 2009 in Entitlement Jurisdictions.
- **Chapter 5: Identification of Impediments to Fair Housing Choice.** Various public and private impediments to fair housing choice are reviewed.
- **Chapter 6: Assessment of Current Fair Housing Programs and Activities.** Chapter 5 outlines the current fair housing programs and activities in the Entitlement Jurisdictions.
- **Chapter 7: Conclusions and Recommendations.** The final chapter of the AI summarizes the findings, and provides conclusions and recommendations for the Entitlement Jurisdictions, based on information presented in the preceding chapters.

3 Background Data

This Background Data Section incorporates quantitative data from a variety of sources and qualitative information from various organizations and community stakeholders. Quantitative data sources include the United States Census; the Association of Bay Area Governments; the State of California, Department of Finance; and Claritas, Inc., a private demographic data vendor. A complete explanation of data sources used in this Needs Assessment is provided in Appendix B. Whenever possible, the AI presents the most recent data reflecting current market and economic conditions. For example, data from Claritas, Inc. which estimates current demographic trends based on the 2000 Census, is often used to provide 2009 data.¹ However, in some cases, the 2000 U.S. Census provides the most reliable data when more up-to-date information is unavailable.² An attempt was made to utilize the Public Use Microdata Samples, which incorporates yearly American Community Survey data; however, a significant limitation of the data was that it could not provide information on the city-level.

3.1 Demographic Profile

Population and Household Trends

As of 2009, the Entitlement Jurisdictions contained 1.8 million residents, making up over 96 percent of Santa Clara County's total population.³ San José alone had over 1 million residents, comprising 54 percent of the County total. The cities of Santa Clara and Sunnyvale also had larger shares of the County population, with 117,200 and 138,800 residents, respectively. As shown in Table 3.1, Santa Clara County's population increased by 10 percent between 2000 and 2009.

Population changes experienced by individual jurisdictions varied significantly. Among entitlement jurisdictions, Mountain View and Palo Alto experienced more modest growth, with population increases of less than six percent between 2000 and 2009. In contrast, Gilroy and Santa Clara experienced the largest growth, increasing by 24 percent and 15 percent, respectively, over the same period. San Jose experienced a growth rate of 12.5%. Higher housing costs, as well as the limited supply of developable land in many hillside jurisdictions, resulted in a large share of the new population growth in the lower-cost jurisdictions of Gilroy, San José, and Santa Clara. However, as the region plans to meet the housing needs of a growing population, jurisdictions will need to explore

¹ Claritas is used instead of the American Community Survey (ACS) because the ACS does not allow an analysis of block groups or smaller geographic areas.

² In reviewing this Needs Assessment, it is important to consider that the 2000 Census marked a peak in the County's economy, with low unemployment and a severe housing shortage. In contrast, today's economy is characterized by high unemployment and more affordable housing. Data from 2000 may therefore be less applicable today. Notwithstanding this issue, current economic conditions also lead to affordability concerns, specifically because of job losses.

³ As stated earlier, the Entitlement Jurisdictions addressed in this AI exclude the City of Milpitas

new development opportunities such as on underutilized parcels and in infill areas to make better and more efficient use of land. The City of San Jose has been annexing county pockets with an estimated increase of 3,070 households and 9,130 persons.

Within the Urban County, Morgan Hill experienced the largest increase in population, with 19 percent growth between 2000 and 2009.⁴ Over this period, Los Altos Hills also saw more rapid expansion, growing by 13 percent. However, the small population of Los Altos Hills (fewer than 9,000 residents) makes it relatively easier to achieve high percentage growth rates. Otherwise, growth remained under seven percent in all other Urban County jurisdictions.

Household growth in Santa Clara County and the Entitlement Jurisdictions paralleled population trends, though at a slower rate. There are an estimated 612,500 households in Santa Clara County in 2009, an increase of over eight percent since 2000. San José experienced a 11% household growth during this period.

Table 3.1: Population and Household Growth, Santa Clara County, 2000-2009

	Population		2000-2009	Households		2000-2009
	2000	2009 Est. (a)	% Change	2000	2009 Est. (a)	% Change
Cupertino	50,546	55,840	10.5%	18,204	19,752	8.5%
Gilroy	41,464	51,508	24.2%	11,869	14,529	22.4%
Mountain View	70,708	74,762	5.7%	31,242	32,444	3.8%
Palo Alto	58,598	64,484	10.0%	25,216	27,387	8.6%
San Jose	894,943	1,006,892	12.5%	276,598	305,660	10.5%
Santa Clara	102,361	117,242	14.5%	38,526	43,483	12.9%
Sunnyvale	131,760	138,826	5.4%	52,539	54,375	3.5%
Urban County						
Campbell	38,138	40,420	6.0%	15,920	16,577	4.1%
Los Altos	27,693	28,458	2.8%	10,462	10,561	0.9%
Los Altos Hills	7,902	8,889	12.5%	2,740	3,043	11.1%
Los Gatos	28,592	30,497	6.7%	11,988	12,576	4.9%
Monte Sereno	3,483	3,619	3.9%	1,211	1,236	2.1%
Morgan Hill	33,556	39,814	18.6%	10,846	12,665	16.8%
Saratoga	29,843	31,679	6.2%	10,450	10,886	4.2%
Unincorporated County	100,300	93,874	-6.4%	30,920	28,172	-8.9%
Urban County	269,507	277,250	2.9%	94,537	95,716	1.2%
Entitlement Jurisdictions	1,619,887	1,786,804	10.3%	548,731	593,346	8.1%
Santa Clara County	1,682,585	1,857,621	10.4%	565,863	612,463	8.2%

Note:

(a) 2009 population and household estimates provided by California Department of Finance.

Sources: 1990 U.S. Census; Claritas, 2000; California Department of Finance, 2009; BAE, 2009.

⁴ A small portion of Morgan Hill's population increase results from the annexation of 75 housing units during this time period.

Household Composition and Size

Table 3.2 provides a distribution of households across various types in 2009. As shown, family households, defined as two or more individuals who are related by birth, marriage, or adoption, represent the majority (70 percent) of households in Santa Clara County. Single-person households comprise 21 percent of households, while the remaining nine percent are non-family households.

Among entitlement jurisdictions, Gilroy had the highest percentage of families, at 81 percent. Nearly 86 percent of Los Altos households were families, the highest percentage among Urban County jurisdictions. Mountain View had the highest rates of single-person households among the Entitlement Jurisdictions, at 35 percent, followed by Palo Alto (33 percent), Campbell (30 percent), and Los Gatos (30 percent).

Similar to the trends reflected in the County, family households represented a majority of households in San Jose (74%). Single-person households were 18% of the total with non-family households rounding out the remaining 8% of total households.

The average household size in Santa Clara County in 2009 was 2.98 persons per household. This is higher than the Entitlement Jurisdictions' average household size of 2.96 persons per household, and corresponds with the Entitlement Jurisdictions' slightly lower rate of family households. Consistent with data on household type distribution, Gilroy had the largest household size among Entitlement Jurisdictions at 3.52 persons per household, while Mountain View had the smallest household size at 2.29 persons per household. San Jose's average household size of 3.26 persons per household was the second largest household size in the County.

Table 3.2: Household Composition and Size, Santa Clara County, 2009

	Household Type				Average Household Size (a)
	Single Person	2 or more persons			
		Married Couple	Other Family	Non-Family	
Cupertino	19.2%	64.0%	10.9%	5.9%	2.80
Gilroy	13.7%	61.5%	19.7%	5.1%	3.52
Mountain View	35.1%	40.1%	10.9%	13.8%	2.29
Palo Alto	32.7%	48.1%	9.3%	9.8%	2.33
San Jose	18.5%	55.7%	17.6%	8.2%	3.26
Santa Clara	25.7%	48.2%	14.1%	12.0%	2.63
Sunnyvale	26.8%	49.9%	12.2%	11.1%	2.54
Urban County					
Campbell	30.1%	42.6%	14.7%	12.6%	2.42
Los Altos Hills	19.0%	69.4%	7.3%	4.3%	2.66
Los Altos	10.9%	79.3%	6.3%	3.5%	2.90
Los Gatos	29.9%	51.0%	10.1%	9.1%	2.37
Morgan Hill	12.6%	78.1%	6.5%	2.8%	2.93
Monte Sereno	15.3%	62.8%	16.7%	5.2%	3.10
Saratoga	14.0%	75.1%	7.3%	3.6%	2.88
Unincorporated County	17.8%	58.2%	13.4%	10.6%	3.06
Urban County	20.5%	59.2%	12.0%	8.3%	2.79
Entitlement Jurisdictions	21.6%	54.5%	15.0%	9.0%	2.96
Santa Clara County Total	21.2%	54.8%	15.1%	8.9%	2.98

Note:

(a) Average household size is based on 2009 California Department of Finance population and household estimates.

Sources: Claritas, 2009; California Department of Finance, 2009; BAE, 2009.

Age Distribution

The countywide median age in 2009 was 37.2 years old. As shown in Table 3.3, just 24 percent of the County's population was under 18 years old while 11 percent was 65 years old or over. The County's proportion of elderly is consistent with state levels and lower than the national average; 11 percent of California residents and 13 percent of people across the country were 65 years old or older in 2009.⁵ The age distribution of jurisdictions parallels data on household type and size discussed earlier. Generally, cities with larger household sizes and greater proportions of family households have a higher percentage of residents under 18 years old.

Among the Entitlement Jurisdictions, persons 65 years old and over represented 11 percent of the population. This percentage, however, varied greatly among jurisdictions. Los Altos Hills, Los Altos, Saratoga, and Los Gatos had among the highest proportions of persons aged 65 years old and over, ranging from 18 to 21 percent. Gilroy had the smallest proportion of elderly residents, with

⁵ Estimates based on data provided by Claritas, Inc., 2009.

less than eight percent of the population over 65 years old.

In San José, youth under the age of 18 made up one-fourth of the population, while senior citizens over 65 years of age comprised 10% of the population.

Overall, Gilroy, San José, and Monte Sereno had the youngest populations, with median ages of 32.6 and 36.1, and 36.1 years old, respectively. Los Altos and Los Altos Hills had the oldest populations, with median ages of 50.3 and 47.6 years old, respectively.

Table 3.3: Age Distribution, Santa Clara County, 2009

	Age Cohort					Median Age (a)
	Under 18	18 - 24	25 - 44	45 - 64	65 & Older	
Cupertino	23.7%	8.7%	24.2%	30.5%	12.9%	40.8
Gilroy	30.5%	10.1%	29.0%	22.5%	7.9%	32.6
Mountain View	19.4%	5.8%	37.1%	26.2%	11.5%	38.6
Palo Alto	19.4%	6.9%	25.6%	31.3%	16.8%	43.8
San Jose	25.4%	9.2%	30.7%	24.7%	9.9%	36.1
Santa Clara	21.2%	8.8%	34.4%	24.3%	11.4%	37.2
Sunnyvale	22.3%	6.1%	34.7%	25.0%	11.8%	37.8
Urban County						
Campbell	21.7%	6.8%	33.0%	27.5%	11.0%	39.0
Los Altos Hills	22.5%	7.8%	15.3%	33.6%	20.8%	47.6
Los Altos	19.9%	8.6%	14.6%	37.9%	19.1%	50.3
Los Gatos	18.9%	7.3%	23.2%	33.0%	17.6%	45.4
Morgan Hill	25.0%	8.8%	14.0%	36.0%	16.2%	46.3
Monte Sereno	28.5%	9.4%	25.2%	27.6%	9.3%	36.1
Saratoga	22.2%	9.0%	15.3%	35.3%	18.3%	46.9
Unincorporated County	22.1%	14.6%	25.7%	26.4%	11.2%	NA
Urban County	22.6%	10.5%	23.7%	29.6%	13.6%	NA
Entitlement Jurisdictions	24.1%	8.9%	30.0%	25.9%	11.1%	NA
Santa Clara County Total	24.1%	8.9%	30.1%	25.9%	11.0%	37.2

Note:

(a) Median age data is not available for Unincorporated County, Urban County, or CDBG Jurisdictions

Sources: Claritas, 2009; BAE, 2009.

Race/Ethnicity

Santa Clara County had a diverse population with no one race comprising a majority in 2009. As shown in Table 3.4, Non-Hispanic White persons accounted for 37 percent of the population while Asians represented 31 percent countywide. Hispanic/Latino residents comprised 26 percent of the County's population overall. Among the Entitlement Jurisdictions, Non-Hispanic White and Asian residents made up 38 percent and 31 percent of the population, respectively, while Hispanic/Latino residents represented almost 26 percent of the population. These figures are nearly identical for the Entitlement Jurisdictions as a whole.

In terms of race/ethnicity, San José had 30% Non-Hispanic White persons, 31% Asian persons and 32% Hispanic/Latino residents. No single race held a majority percentage, though as described below, there are a few pockets of minority concentrations (mainly Asian and Hispanic/Latino) in the City.

Table 3.4: Race and Ethnicity, Santa Clara County, 2009

Non-Hispanic Population by Race								
	White	Black/ African American	Native American	Asian	Native Hawaiian / Pacific Islander	Other	Two or More Races	Total Non- Hispanic/Latino
Cupertino	36.0%	0.6%	0.1%	56.6%	0.1%	0.3%	2.9%	96.6%
Gilroy	31.9%	2.0%	0.5%	4.9%	0.2%	0.1%	2.2%	41.7%
Mountain View	49.2%	1.8%	0.2%	25.6%	0.2%	0.3%	3.1%	80.4%
Palo Alto	66.6%	1.8%	0.1%	23.2%	0.1%	0.3%	3.1%	95.2%
San Jose	29.6%	3.0%	0.3%	31.3%	0.4%	0.2%	3.1%	67.9%
Santa Clara	39.1%	2.1%	0.2%	37.4%	0.4%	0.3%	3.9%	83.5%
Sunnyvale	35.7%	1.7%	0.2%	41.7%	0.3%	0.2%	3.2%	83.1%
Urban County								
Campbell	58.5%	3.0%	0.3%	18.2%	0.2%	0.2%	4.0%	84.3%
Los Altos Hills	72.8%	0.5%	0.1%	20.0%	0.2%	0.2%	2.8%	96.8%
Los Altos	67.9%	0.5%	0.0%	26.1%	0.1%	0.3%	3.1%	98.1%
Los Gatos	79.9%	0.9%	0.1%	9.9%	0.1%	0.2%	3.2%	94.4%
Morgan Hill	78.4%	0.1%	0.0%	14.9%	0.0%	0.3%	2.6%	96.3%
Monte Sereno	56.9%	1.9%	0.5%	7.1%	0.1%	0.2%	3.2%	69.9%
Saratoga	53.7%	0.4%	0.1%	40.1%	0.1%	0.1%	2.3%	96.8%
Unincorporated County	49.3%	1.9%	0.4%	13.6%	0.2%	0.2%	3.2%	68.9%
Urban County	58.6%	1.6%	0.3%	16.9%	0.2%	0.2%	3.2%	80.9%
Entitlement Jurisdictions	37.8%	2.4%	0.2%	29.7%	0.3%	0.2%	3.1%	73.8%
Santa Clara County Total	37.0%	2.4%	0.2%	30.8%	0.3%	0.2%	3.1%	74.1%
Hispanic Population by Race								
	White	Black/ African American	Native American	Asian	Native Hawaiian / Pacific Islander	Other	Two or More Races	Total Hispanic/ Latino
Cupertino	1.9%	0.1%	0.0%	0.1%	0.0%	0.8%	0.5%	3.4%
Gilroy	25.4%	0.4%	1.3%	0.4%	0.1%	27.0%	3.7%	58.3%
Mountain View	10.0%	0.2%	0.2%	0.1%	0.0%	7.9%	1.3%	19.6%
Palo Alto	3.1%	0.0%	0.1%	0.1%	0.0%	1.0%	0.5%	4.8%
San Jose	12.2%	0.2%	0.5%	0.2%	0.1%	16.8%	2.2%	32.1%
Santa Clara	6.8%	0.1%	0.3%	0.2%	0.0%	7.7%	1.5%	16.5%
Sunnyvale	7.5%	0.1%	0.2%	0.2%	0.0%	7.6%	1.3%	16.9%
Urban County								
Campbell	8.8%	0.1%	0.3%	0.2%	0.0%	4.8%	1.6%	15.7%
Los Altos Hills	2.2%	0.0%	0.0%	0.1%	0.0%	0.5%	0.3%	3.2%
Los Altos	1.4%	0.1%	0.0%	0.1%	0.0%	0.1%	0.2%	1.9%
Los Gatos	3.6%	0.1%	0.1%	0.1%	0.0%	1.0%	0.7%	5.6%
Morgan Hill	2.7%	0.0%	0.0%	0.1%	0.0%	0.6%	0.4%	3.7%
Monte Sereno	10.6%	0.1%	0.6%	0.2%	0.1%	15.8%	2.6%	30.1%
Saratoga	2.3%	0.0%	0.1%	0.1%	0.0%	0.4%	0.4%	3.2%
Unincorporated County	12.7%	0.1%	0.6%	0.3%	0.0%	15.2%	2.2%	31.1%
Urban County	8.3%	0.1%	0.4%	0.2%	0.0%	8.6%	1.5%	19.1%
Entitlement Jurisdictions	10.5%	0.2%	0.4%	0.2%	0.0%	13.1%	1.8%	26.2%
Santa Clara County	10.4%	0.2%	0.4%	0.2%	0.0%	12.9%	1.8%	25.9%

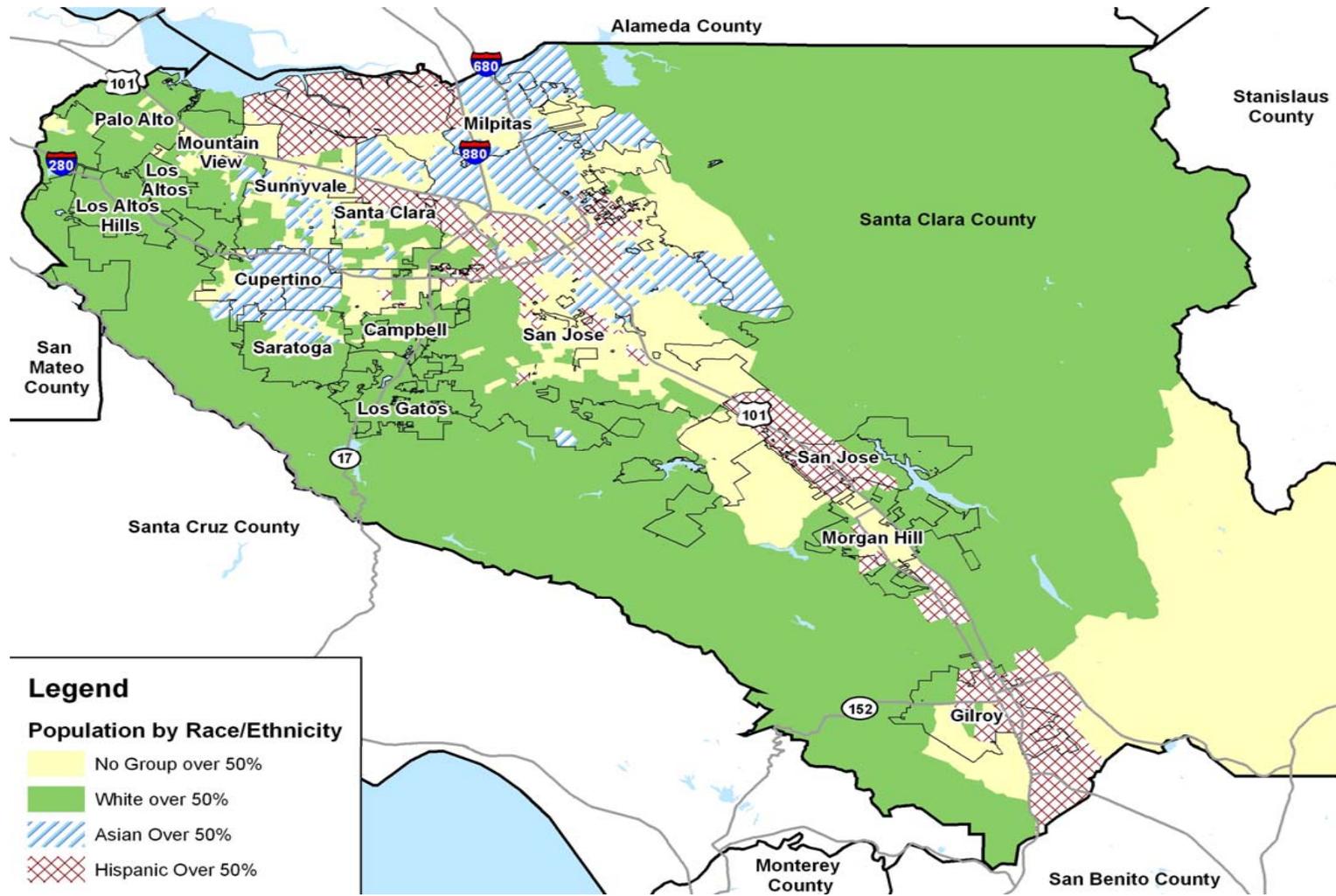
Sources: Claritas, 2009; BAE, 2009.

Although no one race constitutes a majority in the County, racial and ethnic groups were not equally distributed throughout the County. Areas of racial/ethnic minority concentration are neighborhoods with a disproportionately high number of minority (i.e., non-White) households.

According to HUD, “areas of minority concentration” are defined as Census block groups where 50 percent of the population is comprised of a single ethnic or racial group other than Whites. As shown in Figure 3.1, White persons comprised the majority of the population in the eastern and western portions of the County. Areas of Cupertino, Santa Clara, Sunnyvale, San José, and Sunnyvale had a majority Asian population under this definition. In addition, portions of Gilroy and surrounding areas, as well as areas of San José, Sunnyvale, and Santa Clara had majority Hispanic/Latino populations.

Appendix C provides more detailed maps of minority concentration, as well as separate maps illustrating the percentage of Asian residents and Hispanic residents in the County.

Figure 3.1: Concentrations of Population by Race/Ethnicity, Santa Clara County, 2009



Source: Claritas, 2009; BAE, 2009.

Another way employed by HUD to define minority concentration is where the percentage of minorities in an area is at least 20 percent greater than the countywide share of minorities. In 2009, the non-White population comprised approximately 63 percent of the County's population. Therefore, under this definition, Census block groups where non-Whites represent over 83 percent of the population are considered areas of minority concentration. Figure 3.2 shows that areas of minority concentration occur in portions of San José, Sunnyvale, Santa Clara, and Gilroy.

A third measure commonly employed by demographers and sociologists to analyze patterns of racial/ethnic concentration is the "dissimilarity index." The index is a measure of the evenness with which two groups (generally a minority group and Whites) are distributed across the geographic areas that make up a larger area, such as Census tracts within a county. The index ranges from 0 to 100, with 0 meaning no segregation or spatial disparity, and 100 being complete segregation between the two groups. The index score can also be interpreted as the percentage of one of the two groups in the calculation that would have to move to a different geographic area in order to produce a completely even distribution.

The formula for calculating the dissimilarity index for Santa Clara County, by Census tract, is as follows: $D = 0.5 \sum |P_{ig}/P_g - P_{ih}/P_h|$

- P_{ig} is the population of group g in Census tract i
- P_{ih} is the population of group h in Census tract i
- P_g is the total population of group g in the County and
- P_h is the total population of group h in the County

Analyzing 2009 data for Santa Clara County by Census tract results in the following dissimilarity index scores for each minority group:

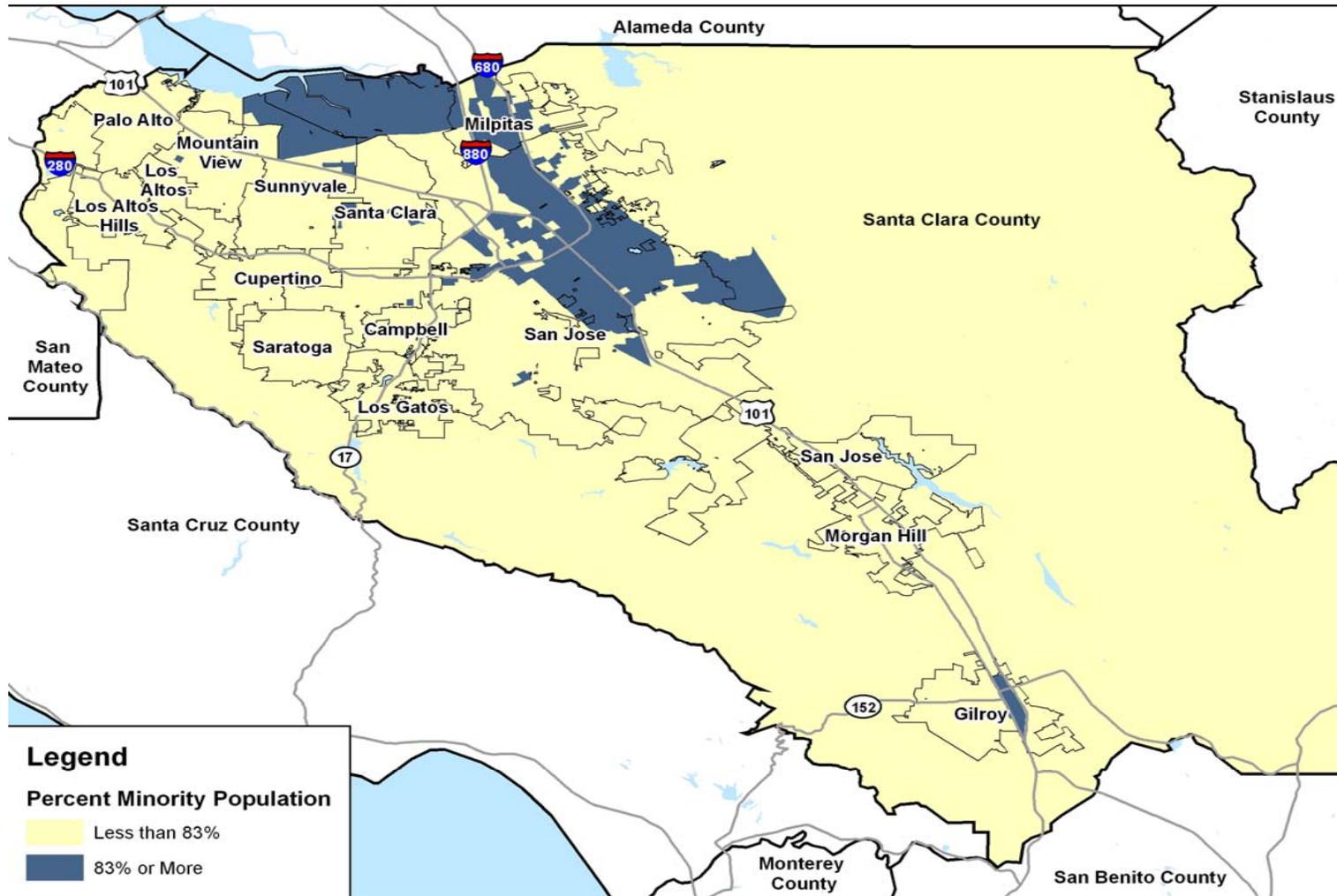
- Black/African Americans - 41
- Asians - 45
- Hispanic/Latino - 53

This analysis indicates that 41 percent of Black/African Americans, 45 percent of Asians, and 53 percent of Hispanic/Latinos would need to move to a different Census tract in order to achieve spatial integration with the White population.⁶ In general, an index score above 60 is considered high, 30 to 60 is considered moderate, and below 30 is considered low.⁷ As such, this analysis indicates that the County's Black, Hispanic/Latino, and Asian populations experience moderate segregation relative to Whites.

⁶ Assuming no movement in the White population.

⁷ Massey, D.S. and N.A. Denton. *American Apartheid: Segregation and the Making of the Underclass*. Cambridge: Harvard University Press. 1993.

Figure 3.2: Areas of Minority Concentration, Santa Clara County, 2009



Source: Claritas, 2009; BAE, 2009.

Household Income Distribution

According to Claritas estimates, Santa Clara County had a 2009 median household income of \$88,430. As shown in Table 3.5, 35 percent of households earned between \$75,000 and \$149,999 while another 26 percent earned between \$35,000 and \$74,999 annually. Household incomes varied greatly across Entitlement Jurisdictions. Los Altos was the most affluent entitlement jurisdiction with a median household income of \$194,500 in 2009. Gilroy had the lowest median household income among at \$73,600.

More than one-third of San Jose's population earned between \$75,000 and \$149,999 annually. Forty five percent of San Jose's population fell below this salary interval and 19% earned more than \$149,999. San Jose's median household income of \$83,106 was below the county median of \$88,430.

Table 3.5: Household Income, Santa Clara County, 2009

	Less than \$35,000	\$35,000 to \$74,999	\$75,000 to \$149,999	\$150,000 or More	Median HH Income (a)
Cupertino	11.2%	17.3%	36.2%	35.3%	\$119,009
Gilroy	19.8%	31.3%	37.3%	11.6%	\$73,564
Mountain View	17.6%	27.6%	34.0%	20.8%	\$83,359
Palo Alto	16.8%	20.3%	29.7%	33.3%	\$104,948
San Jose	17.8%	27.3%	36.4%	18.5%	\$83,106
Santa Clara	17.6%	26.9%	38.5%	17.1%	\$83,711
Sunnyvale	15.1%	26.0%	37.7%	21.2%	\$89,206
Urban County					
Campbell	16.7%	30.6%	36.3%	16.4%	\$79,403
Los Altos Hills	8.4%	16.1%	26.6%	48.9%	\$146,997
Los Altos	8.0%	10.5%	19.3%	62.2%	\$194,466
Los Gatos	12.5%	21.7%	30.5%	35.3%	\$111,609
Morgan Hill	8.2%	13.5%	20.3%	58.0%	\$177,793
Monte Sereno	15.3%	21.9%	37.1%	25.8%	\$96,703
Saratoga	9.4%	10.9%	23.3%	56.4%	\$173,831
Unincorporated County	19.5%	26.4%	30.2%	23.9%	NA
Urban County	14.9%	22.5%	30.5%	32.1%	NA
Entitlement Jurisdictions	16.8%	25.8%	35.3%	22.1%	NA
Santa Clara County Total	16.6%	25.7%	35.4%	22.2%	\$88,430

Note:

(a) Median household income data is not available for Unincorporated County, Urban County, or CDBG Jurisdictions

Sources: Claritas, 2009; BAE, 2009.

Household Income by Household Type

For planning purposes, households are categorized by HUD as extremely low-income, very low-income, or low-income, based on percentages of the County's Median Family Income (MFI). The

MFI is calculated annually by HUD for different household sizes.⁸ The HUD income categories are defined below:

- Extremely Low-Income: Up to 30 percent of County MFI
- Very Low-Income: 31 percent to 50 percent of County MFI
- Low-Income: 51 percent to 80 percent of County MFI

HUD publishes data on these income groups based on the 2000 Census in the Comprehensive Housing Affordability Strategy (CHAS). Table 3.6 shows the percentage of households that are very low- or low-income, that is those earning less than 80 percent of MFI, by household type. As shown, 31 percent of both County and Entitlement Jurisdiction households had very low- or low-income in 2000. Monte Sereno and Los Altos Hills had the lowest percentage of lower-income households in 2000.

With the exception of Monte Sereno and Los Altos Hills, elderly households had the highest percentage of very low- and low-income households when compared to all other household types. The majority of elderly households countywide and in the Entitlement Jurisdictions were lower-income in 2000. It should be noted that these income measures do not factor in assets and home equity, which is a relevant consideration for overall wealth, particularly for many elderly households.

As shown in Table 3.6, approximately 35 percent of large families with five or more members and 22 percent of small families in Santa Clara County's Entitlement Jurisdictions were lower-income in 2000. These findings suggest the need for affordable housing serving various household types, particularly seniors, in the Entitlement Jurisdictions.

San José had a slightly higher percentage of lower-income households than the County: 34% versus 31% county-wide. In San José, almost 60% of elderly residents and 37% of large families were categorized as lower-income.

⁸ MFI calculations are based on American Community Survey (ACS) median income data published by the U.S. Census Bureau and adjusted by a number of factors, including adjustment for high cost areas. As such, the MFI calculated by HUD is higher than the median household income estimated by Claritas for 2009, presented in Table 4.5. Higher MFI levels result in higher estimates of housing affordability than may actually be the case for County households.

Table 3.6: Percent Low- and Very Low-Income by Household Type, 2000 (a)

	Elderly	Small Family	Large Family	All Others	Total
Cupertino	40.2%	13.1%	15.2%	21.6%	19.6%
Gilroy	65.9%	30.8%	51.4%	32.5%	40.6%
Mountain View	57.4%	20.0%	44.3%	26.1%	30.0%
Palo Alto	41.9%	12.4%	13.3%	28.3%	24.4%
San Jose	58.9%	25.5%	36.6%	32.5%	33.7%
Santa Clara	62.7%	21.8%	32.9%	27.9%	31.8%
Sunnyvale	56.7%	19.2%	30.7%	22.7%	27.5%
Urban County					
Campbell	61.4%	22.2%	28.6%	26.7%	30.3%
Los Altos	29.2%	5.1%	7.2%	19.9%	14.6%
Los Altos Hills	11.7%	6.0%	7.3%	32.5%	10.1%
Los Gatos	37.9%	10.9%	15.1%	18.4%	19.6%
Monte Sereno	20.2%	6.6%	8.5%	27.5%	11.8%
Morgan Hill	59.1%	16.4%	32.3%	33.9%	28.1%
Saratoga	27.3%	6.5%	8.1%	18.7%	13.6%
Unincorporated County	50.1%	23.7%	36.5%	40.5%	34.0%
Urban County	42.0%	16.1%	27.3%	29.7%	25.5%
Entitlement Jurisdictions	53.4%	21.8%	34.7%	29.3%	30.6%
Santa Clara County	53.5%	21.8%	34.3%	29.1%	30.5%

Notes:

(a) Very low-income households defined as those earning less than 50% of median family income (MFI).

Low-income households defined as those earning between 51% and 80% of MFI

Definitions:

Elderly households - 1 or 2 person household, either person 62 years old or older

Small family - 2 to 4 related members

Large family - 5 or more related members

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy

(CHAS) special tabulations from Census 2000; BAE, 2009.

Areas of Concentrated Poverty

Over the past few years, the City has been advocating for changing the federal poverty level to a standard that recognizes high-cost areas and is more reflective of the costs needed to cover basic expenses such as food, housing, and transportation. The federal poverty level is based on 1964 cost data and the assumption that a family spends one-third of its household budget on food. Today, food expenses represent approximately one-seventh of a household budget, while expenses such as housing, healthcare, and taxes have risen exponentially when compared to 1964 levels. As such, the federal poverty level is not an accurate measure of the number of families struggling to pay for basic expenses in a region with a high cost of living, such as Santa Clara County.

A more accurate depiction of poverty is the California Family Economic Self-Sufficiency Standard

Index, which takes into account the income needed to cover expenses such as housing, child-care, and medical costs. According to this standard, a household with two adults, a preschooler, and a school-age child would need to earn \$68,430 a year to make ends meet in Santa Clara County. That is more than three times the federal poverty level of \$21,200 for the same-sized family.

In March 2010, the Obama Administration introduced a “Supplemental Poverty Measure,” which takes into consideration expenses such as housing, utilities, child care, and medical treatment. This new measure includes financial help from housing and food subsidies, in addition to money from employment and cash assistance programs. The new “Supplemental Poverty Measure,” will not replace the federal poverty level, but it will provide additional data on economic need in different parts of the country. In 2011, the Census Bureau will publish a report analyzing the poverty rate using both methods.

As another alternative to the federal poverty level, the *First Steps to Cutting Poverty in Half by 2020* report for Santa Clara County presents a Self-Sufficiency Standard that identifies the wage needed for a household to escape poverty. This includes enough money to pay for basics like rent, food, child care, health care, transportation, and taxes, and to save and build assets for the future. According to the report, a household with two adults, a preschooler, and a school-age child would need to earn \$68,430 a year to make ends meet in Santa Clara County. That is more than three times the federal poverty level of \$21,200 for the same-sized family.⁹ The Self-Sufficiency Standard is higher than the federal poverty level, in part, due to high housing costs in Santa Clara County. The *First Steps to Cutting Poverty* report also includes an Action Plan to reduce the number of households below the Self-Sufficiency Standard. This standard again illustrates that using federal poverty standards underestimates actual poverty rates in the Entitlement Jurisdictions and Santa Clara County.

While there are many flaws to the federal poverty measure, many government programs use it in their funding and eligibility requirements. Under the federal poverty level, it is estimated that countywide, approximately six percent of households had incomes below the federal poverty level in 2009. As shown in Table 3.7, the prevalence of poverty varies widely across Entitlement Jurisdictions. Consistent with household income data, the City of Gilroy has the highest proportion of households living below the poverty line at seven percent. San José follows a close second with 6.6 percent of households living below the poverty line. The Urban County jurisdictions of Los Altos and Los Altos Hills have the lowest poverty rate with just two percent of households living below the poverty line.

⁹ Step up Silicon Valley, *First Steps to Cutting Poverty in Half by 2020: Together We Can Help Families Step Up and Out of Poverty*, April 2009, Page 4-5.

Table 3.7: Poverty Status, 2009

	Households Below Poverty Line	Percent of Total
Cupertino	543	3.9%
Gilroy	869	7.4%
Mountain View	701	4.4%
Palo Alto	609	4.1%
San Jose	14,420	6.6%
Santa Clara	1,396	5.3%
Sunnyvale	1,430	4.4%
Urban County		
Campbell	346	3.8%
Los Altos	133	1.6%
Los Altos Hills	59	2.4%
Los Gatos	260	3.4%
Monte Sereno	45	4.3%
Morgan Hill	360	3.7%
Saratoga	231	2.7%
Unincorporated County	978	3.6%
Urban County	2,412	5.2%
Entitlement Jurisdictions	22,380	5.5%
Santa Clara County	23,000	5.7%

Sources: Claritas, 2009; BAE, 2009.

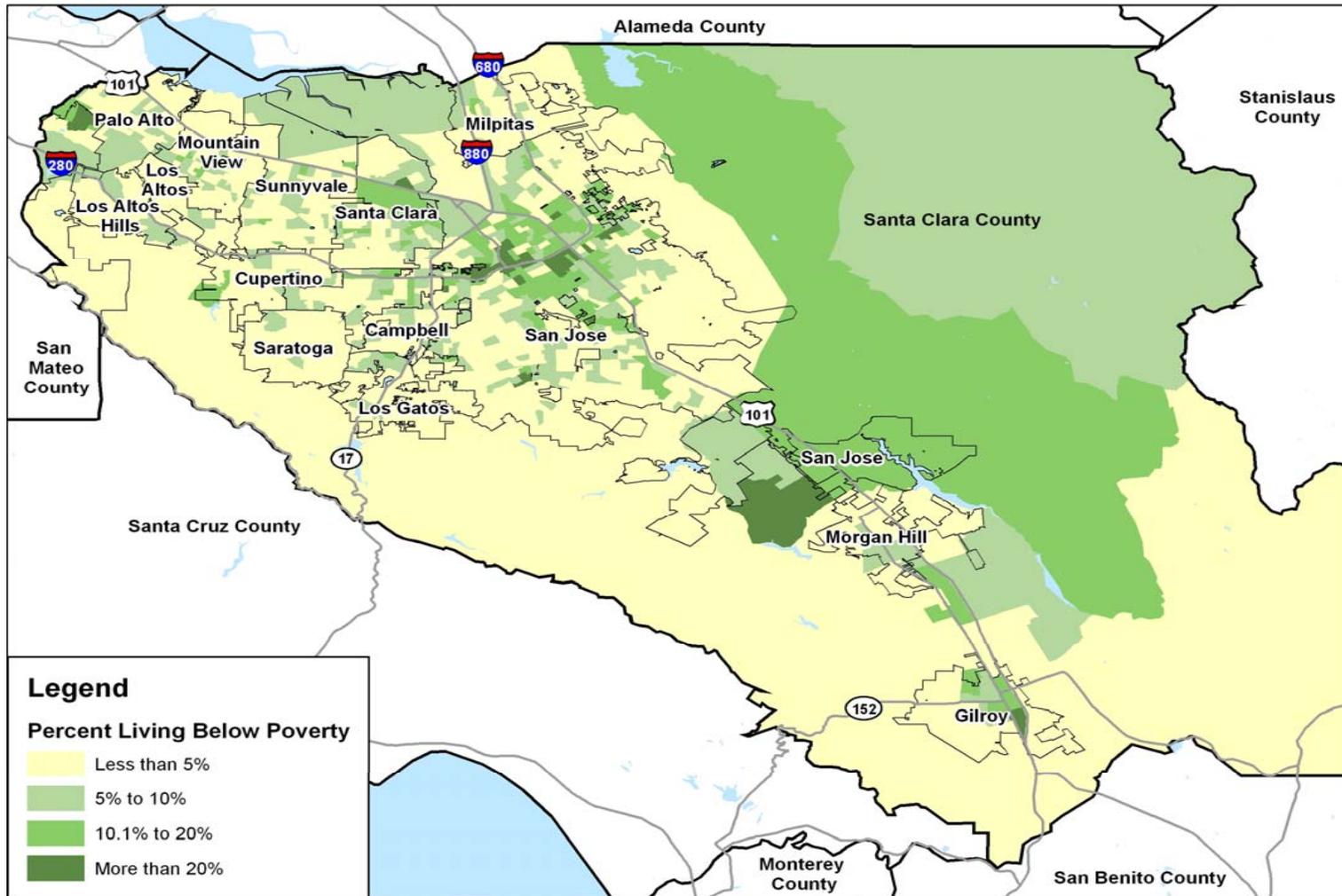
Figure 3.3 shows areas of concentrated poverty in the County. The U.S. Census Bureau uses three categories to discuss the incidence of poverty in an area – less than 20 percent, between 20 percent and 40 percent, and 40 percent or more.¹⁰ The traditional definition of concentrated poverty is where 40 percent or more of the population lives below the federal poverty threshold.¹¹ There are no block groups in the County that have more than 40 percent of the population below the poverty line. However, as shown, there are few block groups within the Entitlement Jurisdictions that have more than 20 percent of the population living in poverty. Specifically, portions of San José, Gilroy, and unincorporated Santa Clara County west of Palo Alto and west of Morgan Hill had the highest proportions of households living below the poverty line, with more than 20 percent of households falling in this category. It should be noted that the high poverty area west of Palo Alto is where Stanford University is located. The high concentration of students with little or no income contributes to a higher poverty rate in the area. Appendix C provides a map with a more detailed illustration of concentrated poverty in the County. Attached also is map from the Census 2000 which shows poverty status in San José by census tract. Overall, 8.8% of San Jose’s population was

¹⁰ U.S. Census Bureau, “Areas with Concentrated Poverty: 1999,” July 2005, <http://www.census.gov/prod/2005pubs/censr-16.pdf>

¹¹ Wolch, Jennifer and Nathan Sessoms, USC Department of Geography, “The Changing Face of Concentrated Poverty,” http://www.usc.edu/schools/sppd/lusk/research/pdf/wp_2005-1004.pdf

considered at or below the poverty level. Poverty was concentrated mainly in Central San José. Thirteen Census tracts in San José had poverty levels between 20 percent and 40 percent of the population.

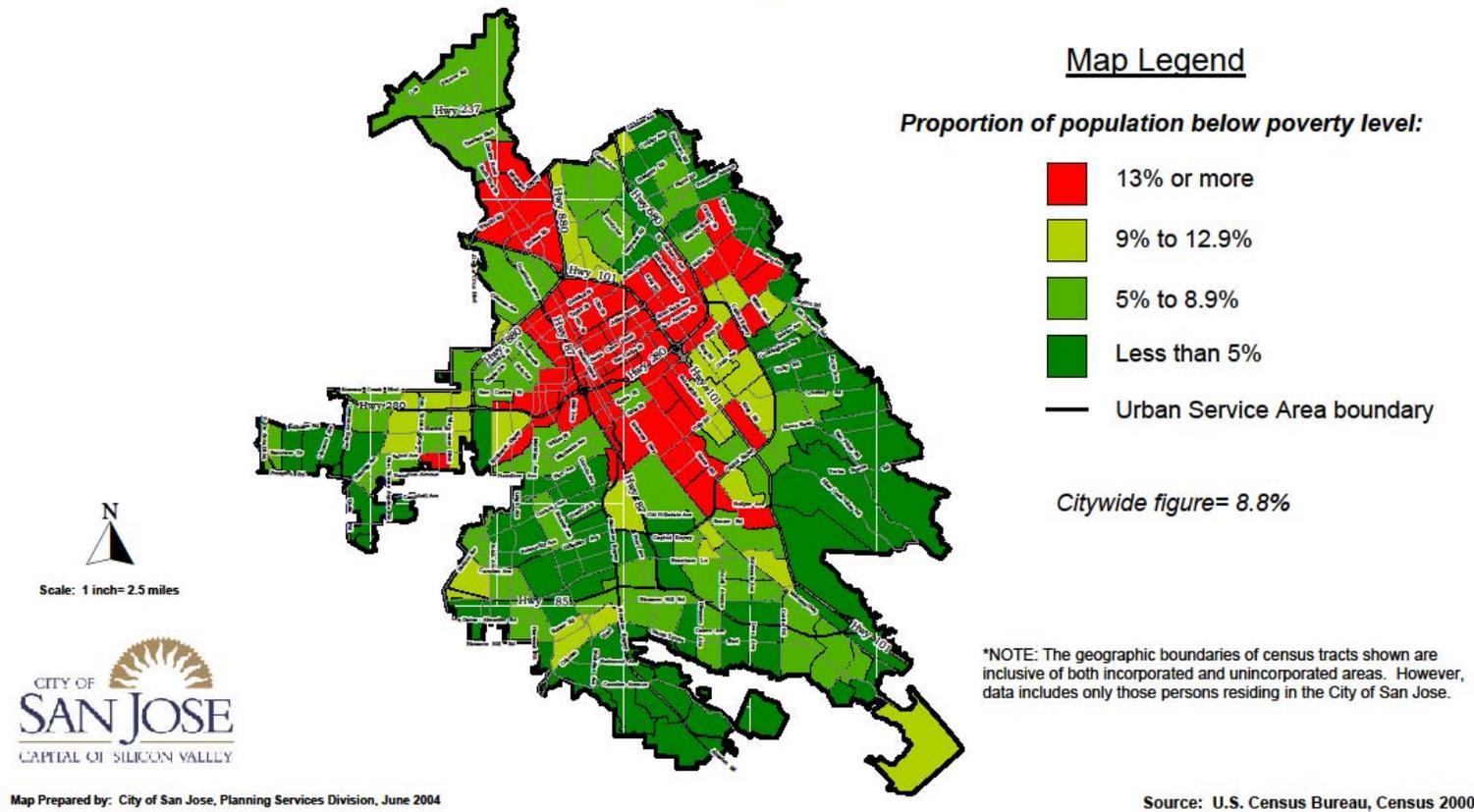
Figure 3.3: Areas of Concentrated Poverty, Santa Clara County, 2009



Source: Claritas, 2009; BAE, 2009.

Figure 3.4: City of San Jose Poverty Status by Census Tract

City of San Jose Poverty Status by Census Tract*



3.2 Employment Profile

Major Employers

The distance between jobs and housing, and the availability of transit affects people's ability to find and hold jobs. Table 3.8 provides a list of the largest private sector employers in Santa Clara County, while Figure 3.5 indicates their locations. Many of the County's largest employers are located in San José, Santa Clara, and Sunnyvale. Importantly, 21 of the County's 26 largest employers are within one-quarter mile of a transit station or bus stop, facilitating access to households who rely on public transit to get to work.¹²

Table 3.8: Major Private-Sector Employers, Santa Clara County, 2009

Employer Name	Location	Industry	Number of Employees (a)
Cisco Systems, Inc.	San Jose	Computer Peripherals Mfg.	10,000+
Applied Materials, Inc.	Santa Clara	Semiconductor Mfg Equipment Wholesale	5,000-9,999
Avago Technologies Ltd.	San Jose	Exporters (Wholesale)	5,000-9,999
Fujitsu IT Holdings Inc, International	Sunnyvale	Computers- Wholesale	5,000-9,999
Intel Corp.	Santa Clara	Semiconductor- Devices (Mfg.)	5,000-9,999
Valley Medical Center	San Jose	Hospitals	5,000-9,999
Flextronics International	Milpitas	Solar Energy Equipment- Mfg.	5,000-9,999
Google	Mountain View	Information	5,000-9,999
Advanced Micro Devices, Inc.	Sunnyvale	Semiconductors and Related Devices Mfg.	1,000 -4,999
Apple Inc.	Cupertino	Computers- Electronics Mfg.	1,000 -4,999
California's Great America	Santa Clara	Amusement and Theme Parks	1,000 -4,999
Christopher Ranch, LLC	Gilroy	Garlic (Mfg.)	1,000 -4,999
E4E	Santa Clara	Venture Capital Companies	1,000 -4,999
El Camino Hospital	Mountain View	Hospitals	1,000 -4,999
Fujitsu Ltd.	Sunnyvale	Venture Capital Companies	1,000 -4,999
Goldsmith Plants, Inc.	Gilroy	Florists- Retail	1,000 -4,999
Hewlett-Packard	Cupertino	Computer and Equipment Dealers	1,000 -4,999
Hewlett Packard Co.	Palo Alto	Venture Capital Companies	1,000 -4,999
HP Pavilion at San Jose	San Jose	Stadiums, Arenas, and Sports Fields	1,000 -4,999
Kaiser Permanente Medical Center	San Jose	Hospitals	1,000 -4,999
Microsoft Corp	Mountain View	Computer Software- Mfg.	1,000 -4,999
National Semiconductor Corp	Santa Clara	Semiconductors and Related Devices Mfg.	1,000 -4,999
Net App Inc.	Sunnyvale	Computer Storage Devices- Mfg.	1,000 -4,999
Nortel Networks	Santa Clara	Marketing Programs and Services	1,000 -4,999
Santa Teresa Community Hospital	San Jose	Hospitals	1,000 -4,999
VA Palo Alto Healthcare	Palo Alto	Hospitals	1,000 -4,999

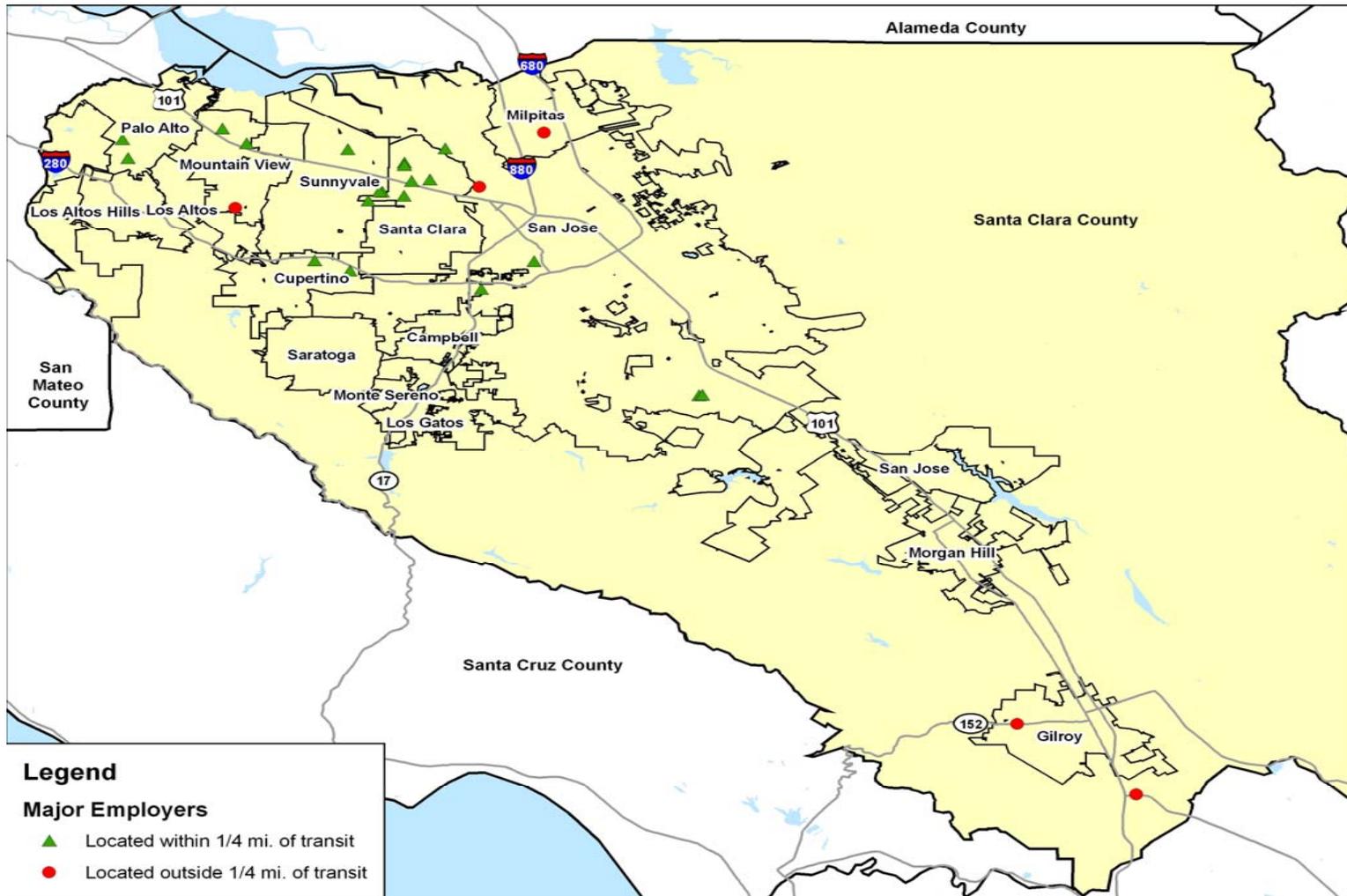
Note:

(a) These companies are ranked by employment size category; no exact employment figures were provided by California Employment Development Department.

Sources: California Employment Development Department, 2nd Edition 2009 ; BAE, 2009.

¹² Based on GIS analysis of employer locations and transit network.

Figure 3.5: Major Employers, Santa Clara County



Source: Claritas, 2009; BAE, 2009.

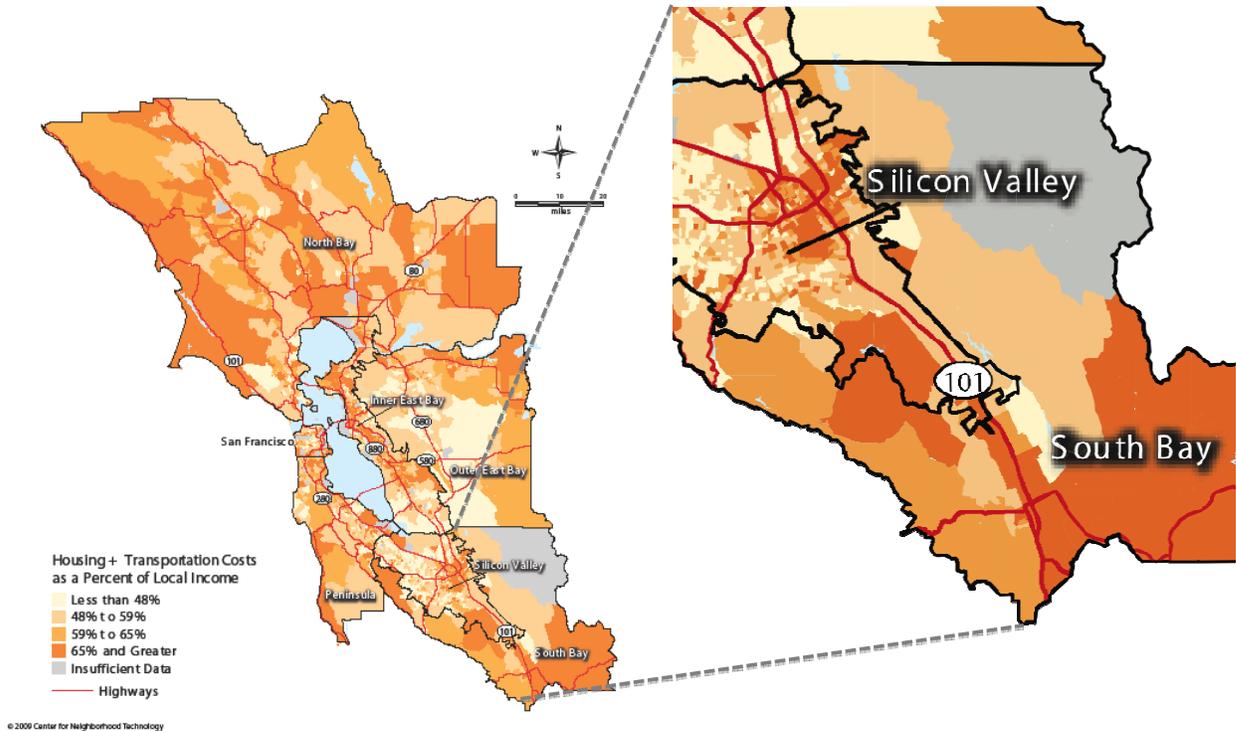
Locating residential units close to jobs is an important way to further fair access to housing opportunities. When housing is separated from jobs, employees are forced to commute longer distances to work and to spend more on transportation costs. Long commutes to work effectively make housing more expensive when both transportation and housing costs are considered. Bay Area households spend an average of more than \$28,000 annually on housing—about 39 percent of the area median income. In addition to the high cost of housing, Bay Area households spend nearly \$13,400 annually on transportation. Combined, this cost burden of \$41,420 per year represents 59 percent of the median household income in the Bay Area.

In a report recently published by the Urban Land Institute, the San Jose metropolitan region has one of the highest total housing costs in the Bay Area and the region once transportation costs are included. The high combined costs of housing and transportation leave many Bay Area households with insufficient income to comfortably meet their other basic needs. This underscores the importance of broadening our understanding of housing affordability to consider the combined costs of housing and transportation, as well as the impacts of longer commutes on the environment and quality of life.

Figure 3.6 shows the combined costs as a % median income for the Bay Area communities. San José is part of Silicon Valley which has a combined housing and transportation cost burden of 54% of its median income. This high cost burden is likely a result of the region's land use planning in which different land uses have historically been separated. As part of its Envision 2040 General Plan Update, San Jose is planning for connections between jobs, housing, and transportation in order reverse this historical trend. This planning will facilitate opportunities for San Jose residents to live and work in the same community, which is especially important for lower-income households who have less income to spend on both housing and transportation costs.

Figure 3.6: Housing + Transportation Costs as a Percent of Local Income

Housing and Transportation Costs Impact Housing Affordability



Source: 2009 Center for Neighborhood Technology

Major Job Centers

In 2005, the Association of Bay Area Governments (ABAG) estimated there were approximately 872,900 jobs in Santa Clara County. Consistent with information on the County’s largest employers, San José, Santa Clara, and Sunnyvale comprised the top three job centers in 2005. San José accounted for 40 percent of all employment countywide, while Santa Clara contained 12 percent of the County total.

In 2009, ABAG projected that employment in Santa Clara County would increase by 62 percent between 2005 and 2035, to 1.4 million jobs. As shown in Table 3.9, the Entitlement Jurisdictions were expected to experience more rapid job growth, with a projected increase of 64 percent during the same time period. San José, Santa Clara, and Sunnyvale were projected to remain major

employment centers. The number of jobs in San José was expected to increase by over 103 percent, while Santa Clara and Sunnyvale were expected to see job increases of 47 percent and 49 percent, respectively. Although ABAG released its projections data in the summer of 2009 and has since made some adjustments in light of the ongoing recession, job growth may still fall short of the projections for the near future due to the current economic climate. Additionally, there may be important shifts in the labor market as a result of structural changes in demographics. For example, demographic studies for the City of San Jose's Envision 2040 general plan update process project that the greatest population increases will occur in the 20-24 and 65+ age categories during this time. These demographic shifts will impact the City's job market characteristics.

Table 3.9: Job Projections, Santa Clara County, 2005-2035

	2005	2010	2015	2020	2025	2030	% Change	
							2035	'05-'35
Cupertino	31,060	31,780	32,550	33,340	34,260	35,880	37,620	21.1%
Gilroy	17,370	17,850	18,710	19,650	21,550	23,880	26,350	51.7%
Mountain View	51,130	51,990	52,510	53,650	58,890	65,310	72,470	41.7%
Palo Alto	75,610	76,480	76,740	77,010	78,550	80,320	82,160	8.7%
San Jose	348,960	369,500	425,100	493,060	562,350	633,700	708,980	103.2%
Santa Clara	104,920	106,750	111,560	118,100	127,080	140,050	153,940	46.7%
Sunnyvale	73,630	77,890	81,460	85,200	92,650	101,320	109,900	49.3%
Urban County								
Campbell	22,470	22,910	23,880	25,100	26,490	27,490	28,900	28.6%
Los Altos	10,440	10,540	10,820	11,130	11,430	11,730	11,950	14.5%
Los Altos Hills	1,890	1,900	1,910	1,920	1,940	1,950	1,970	4.2%
Los Gatos	18,650	18,900	19,020	19,510	20,250	20,990	21,800	16.9%
Monte Sereno	410	420	440	480	520	550	590	43.9%
Morgan Hill	13,120	13,520	15,450	17,390	19,810	22,220	24,640	87.8%
Saratoga	6,960	7,070	7,120	7,220	7,320	7,420	7,480	7.5%
Unincorporated County	48,660	50,400	53,590	56,670	59,690	62,620	64,710	33.0%
Urban County Total	122,600	125,660	132,230	139,420	147,450	154,970	162,040	32.2%
Entitlement Jurisdictions	825,280	857,900	930,860	1,019,430	1,122,780	1,235,430	1,353,460	64.0%
Santa Clara County Total	872,860	906,270	981,230	1,071,980	1,177,520	1,292,490	1,412,620	61.8%

Sources: ABAG Projections, 2009; BAE, 2009.

3.3 Housing Profile

Housing Units

According to the California Department of Finance, the majority of housing units in Santa Clara County and the Entitlement Jurisdictions were single-family (attached and detached) homes in 2009 (see Table 3.10). Single-family homes represented 63 percent of all housing units in the County and Entitlement Jurisdictions. While the distribution of the type of housing units varies across jurisdictions, single-family homes represented the majority of housing units in all Entitlement Jurisdictions except Mountain View and Sunnyvale. Among entitlement jurisdictions, Gilroy and Cupertino had the highest percentage of single-family homes at 74 percent and 71

percent, respectively. Single-family homes were even more dominant in the Urban County. With the exception of Campbell, single-family homes represented at least 70 percent of homes in all Urban County jurisdictions.

San Jose's housing units reflect the county-wide trends. Single-family homes accounted for about 64 percent of its housing units with multi-family (33%) and mobile homes (3%) comprising the remainder of its housing units.

Table 3.10: Housing Unit Type by Jurisdiction, 2009

	Housing Unit Type				
	Total Units	Single Family		Multifamily	Mobile Homes
		Detached	Attached		
Cupertino	20,269	60.5%	10.6%	28.9%	0.0%
Gilroy	14,874	67.3%	6.2%	23.6%	2.9%
Mountain View	33,680	27.9%	12.2%	56.2%	3.7%
Palo Alto	28,291	55.4%	3.5%	40.5%	0.6%
San Jose	311,452	54.4%	9.1%	33.0%	3.5%
Santa Clara	44,729	41.7%	8.5%	49.6%	0.2%
Sunnyvale	55,630	38.2%	9.6%	44.8%	7.4%
Urban County					
Campbell	16,955	43.4%	12.4%	42.7%	1.5%
Los Altos	10,829	85.2%	3.5%	11.2%	0.1%
Los Altos Hills	3,126	98.0%	1.0%	0.8%	0.2%
Los Gatos	12,973	55.5%	14.2%	29.4%	0.9%
Monte Sereno	1,262	91.5%	1.3%	7.2%	0.0%
Morgan Hill	12,952	62.4%	14.8%	15.8%	7.0%
Saratoga	11,093	87.7%	5.0%	7.2%	0.1%
Unincorporated County	29,168	79.9%	5.1%	12.6%	2.4%
Urban County	98,358	70.3%	8.5%	19.2%	2.0%
Entitlement Jurisdictions	607,283	53.4%	8.9%	34.3%	3.1%
Santa Clara County	626,659	53.8%	9.0%	34.1%	3.1%

Sources: CA Department of Finance, Table E-5, 2009; BAE, 2009

Tenure

Often, a jurisdiction's housing stock correlates with the tenure distribution of the occupied housing units. For example, cities with a higher proportion of single-family residences generally have a higher homeownership rate. As shown in Table 3.11, approximately 59 percent of Santa Clara County and Entitlement Jurisdiction households were homeowners. Consistent with the distribution of housing type, Gilroy and Cupertino had the highest homeownership rate among entitlement jurisdictions. The Urban County's homeownership rate was substantially higher than the County's as a whole, with 70 percent of households owning their own homes.

In San José, 61% of occupied units were owned and 39% were rented, which correlates with the higher proportion of single-family residences.

Table 3.11: Tenure Distribution by Jurisdiction, 2009

	Total Occupied Units	Owner	Renter
Cupertino	18,408	63.7%	36.3%
Gilroy	14,408	62.1%	37.9%
Mountain View	31,244	41.6%	58.4%
Palo Alto	25,525	55.8%	44.2%
San Jose	295,221	61.4%	38.6%
Santa Clara	42,034	45.0%	55.0%
Sunnyvale	52,585	46.8%	53.2%
Urban County			
Campbell	15,891	47.9%	52.1%
Los Altos	10,602	85.2%	14.8%
Los Altos Hills	2,834	93.9%	6.1%
Los Gatos	12,414	65.1%	34.9%
Monte Sereno	1,242	94.3%	5.7%
Morgan Hill	12,301	71.7%	28.3%
Saratoga	10,487	89.7%	10.3%
Unincorporated County	31,689	68.2%	31.8%
Urban County	97,460	70.2%	29.8%
Entitlement Jurisdictions	576,885	59.1%	40.9%
Santa Clara County	595,646	59.4%	40.6%

Sources: Claritas, 2009; BAE, 2009.

Housing Conditions

Age of Housing Stock. Unless carefully maintained, older housing stock can create health and safety problems for occupants. Housing policy analysts generally believe that even with normal maintenance, dwellings over 40 years of age can deteriorate, requiring significant rehabilitation. According to the 2000 Census, approximately 50 percent of housing units countywide were built before 1970.

As shown in Table 3.12, the age of housing stock varies across entitlement jurisdictions and within the Urban County. Among entitlement jurisdictions, Gilroy had the newest housing stock, with a median year built of 1978, while Palo Alto had the oldest housing stock, with a median year built of 1957. Within the Urban County, Morgan Hill had the newest housing stock while Saratoga had the oldest.

The median year built of San Jose's housing stock is 1972. More than 44% of its housing stock was built over 40 years ago, before 1970. Another 40% of the housing stock was 20 years or older.

Table 3.12: Age of Housing Stock by Jurisdiction, 2000

	1949 or earlier	1950 to 1969	1970 to 1989	1990 to March 2000	Median Year Built
Cupertino	4.3%	45.8%	36.1%	13.8%	1970
Gilroy	9.3%	20.4%	49.3%	21.0%	1978
Mountain View	9.0%	43.8%	38.4%	8.8%	1969
Palo Alto	29.5%	44.4%	20.1%	6.0%	1957
San Jose	9.0%	35.4%	43.2%	12.3%	1972
Santa Clara	9.3%	52.0%	30.6%	8.1%	1965
Sunnyvale	6.2%	45.3%	36.2%	12.4%	1969
Urban County					
Campbell	9.7%	44.1%	40.2%	6.0%	1968
Los Altos	16.0%	61.4%	17.4%	5.2%	1968
Los Altos Hills	9.0%	45.2%	36.6%	9.2%	1968
Los Gatos	17.2%	43.2%	33.1%	6.5%	1966
Monte Sereno	19.0%	40.5%	31.1%	9.4%	1966
Morgan Hill	4.0%	10.1%	56.3%	29.6%	1981
Saratoga	7.5%	57.1%	29.4%	6.0%	1965
Unincorporated County	25.2%	40.8%	26.0%	8.0%	n/a
Urban County	15.7%	42.3%	32.5%	9.5%	n/a
Entitlement Jurisdictions	10.7%	39.7%	38.3%	11.3%	n/a
Santa Clara County	10.5%	39.4%	38.6%	11.5%	1970

Sources: U.S. Census, SF3 H34 and H36, 2000; BAE, 2009.

Housing Conditions. Despite the age of housing units in some jurisdictions, much of the County's housing stock remains in relatively good condition. Data on the number of units that lack complete plumbing and kitchen facilities is often used to assess the condition of a jurisdiction's housing stock. As Table 3.13 illustrates, virtually all of the County and Entitlement Jurisdictions' housing units contain complete plumbing and kitchen facilities.

The 2000 Census, which provides the most recent data on housing conditions, found that less than one percent of the occupied housing units in the County and Entitlement Jurisdictions lacked complete plumbing. In addition, less than one percent of owner-occupied units in the County and Entitlement Jurisdiction lacked complete kitchen facilities. A slightly higher proportion of renter-occupied units lacked complete kitchens; approximately 1.2 percent of Entitlement Jurisdiction renter-occupied units did not have these facilities.

There are slight variations in the lack of plumbing and kitchen facilities across Entitlement Jurisdictions. For example, Los Altos, Los Altos Hills, and Los Gatos had higher proportions of renter-occupied units lacking complete kitchen facilities, with between three and five percent of rental units lacking these facilities. Nevertheless, overall housing conditions appear good among Entitlement Jurisdictions.

San José also had very few homes (less than one percent) lacking plumbing or kitchen facilities (with rental units having more problems than owner-occupied units). In comparison, 2008 American Community Survey data also shows less than one percent of homes lacking plumbing or kitchen facilities, meaning that the overall good housing conditions has been consistent.

Table 3.13: Housing Conditions by Jurisdiction, 2000

	Percent without Complete Plumbing Facilities			Percent without Complete Kitchen Facilities		
	Owners	Renters	Total	Owners	Renters	Total
Cupertino	0.2%	0.4%	0.2%	0.1%	0.4%	0.2%
Gilroy	0.4%	1.0%	0.6%	0.0%	1.5%	0.6%
Mountain View	0.1%	0.5%	0.3%	0.2%	0.4%	0.3%
Palo Alto	0.1%	0.3%	0.2%	0.1%	2.6%	1.2%
San Jose	0.4%	0.9%	0.6%	0.3%	1.0%	0.6%
Santa Clara	0.3%	0.6%	0.4%	0.3%	1.2%	0.7%
Sunnyvale	0.3%	0.6%	0.5%	0.1%	1.1%	0.7%
Urban County						
Campbell	0.3%	0.5%	0.5%	0.2%	0.8%	0.5%
Los Altos	0.1%	0.5%	0.2%	0.1%	5.4%	0.9%
Los Altos Hills	0.3%	0.0%	0.3%	0.3%	3.9%	0.5%
Los Gatos	0.0%	0.0%	0.0%	0.0%	2.9%	1.0%
Monte Sereno	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Morgan Hill	0.2%	1.3%	0.5%	0.0%	1.1%	0.3%
Saratoga	0.1%	0.7%	0.2%	0.1%	1.8%	0.2%
Unincorporated County	0.4%	1.8%	0.8%	0.3%	1.7%	0.7%
Urban County	0.2%	1.0%	0.4%	0.1%	1.8%	0.6%
Entitlement Jurisdictions	0.3%	0.8%	0.5%	0.2%	1.2%	0.6%
Santa Clara County	0.3%	0.8%	0.5%	0.2%	1.1%	0.6%

Sources: U.S. Census, SF3 H48, 2000; BAE, 2009.

New Residential Building Permits

Since 2000, the majority of new residential construction in Santa Clara County has been larger multifamily buildings with five units or more. Approximately 58 percent of the 48,558 residential building permits issued in the County between January 2000 and June 2009 have been for units in multifamily buildings. Single-family units represented 39 percent of all residential building permits issued. It should be noted that not all issued building permits are actually constructed. Due to the current downturn in the housing market, many projects that were issued building permits were not completed.

Table 3.14: Building Permits by Building Type, Santa Clara County, 2000-2009

Building Type	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-2009	% of Total
										YTD (a)	Total	
Single Family	2,827	1,622	2,096	2,468	2,534	2,291	2,076	1,905	975	206	19,000	39.1%
2 Units	28	38	22	62	82	28	10	44	50	16	380	0.8%
3 & 4 Units	183	78	147	88	126	202	90	40	49	3	1,006	2.1%
5 or More Units	3,573	4,179	2,196	4,388	2,242	3,050	3,899	2,148	2,433	64	28,172	58.0%
Total	6,611	5,917	4,461	7,006	4,984	5,571	6,075	4,137	3,507	289	48,558	100.0%

Notes:

(a) Includes building permits issued through June 2009.

Sources: U.S. Census Bureau, 2009; BAE, 2009.

As shown in Table 3.15, the City of San José issued the majority of residential building permits, accounting for 55 percent of permits issued countywide between 2000 and 2009. Among the Entitlement Jurisdictions, the City of Santa Clara accounted for the second largest proportion of building permits, issuing 10 percent of the County's total. Gilroy comprised the third largest share of building permits, with six percent of the County total. Together, the Urban County accounted for 11 percent of all residential building permits issued.

Table 3.15: Building Permits by Jurisdiction, 2000-2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 YTD (a)	2000-2009 Total	Percent of County Total
Cupertino	105	77	371	36	87	106	126	83	107	9	1,107	2.3%
Gilroy	307	448	353	247	355	669	238	204	12	5	2,838	5.8%
Mountain View	121	349	25	92	155	83	163	371	205	7	1,571	3.2%
Palo Alto	94	95	132	110	113	163	222	486	227	39	1,681	3.5%
San Jose	4,426	3,375	2,465	4,336	2,795	2,775	2,975	1,942	1,769	38	26,896	55.4%
Santa Clara	217	551	547	1,113	315	910	510	90	535	37	4,825	9.9%
Sunnyvale	189	179	18	270	415	171	264	317	356	54	2,233	4.6%
Urban County												
Campbell	64	39	33	62	28	24	35	22	52	2	361	0.7%
Los Altos	42	52	59	36	59	64	64	123	44	12	555	1.1%
Los Altos Hills	45	42	23	34	19	26	19	22	23	8	261	0.5%
Los Gatos	89	41	36	43	55	36	357	34	16	8	715	1.5%
Monte Sereno	12	7	12	5	11	15	9	14	13	5	103	0.2%
Morgan Hill	201	103	229	311	238	272	204	147	57	4	1,766	3.6%
Saratoga	64	56	44	213	24	42	27	25	23	12	530	1.1%
Unincorporated County	397	110	111	97	97	117	118	83	54	22	1,206	2.5%
Urban County	914	450	547	801	531	596	833	470	282	73	5,497	11.3%
Entitlement Jurisdictions	6,373	5,524	4,458	7,005	4,766	5,473	5,331	3,963	3,493	262	46,648	96.1%
Santa Clara County	6,611	5,917	4,461	7,006	4,984	5,571	6,075	4,137	3,507	289	48,558	100.0%

Note:

(a) Includes building permits issued through June 2009.

Sources: U.S. Census Bureau, 2009; BAE, 2009.

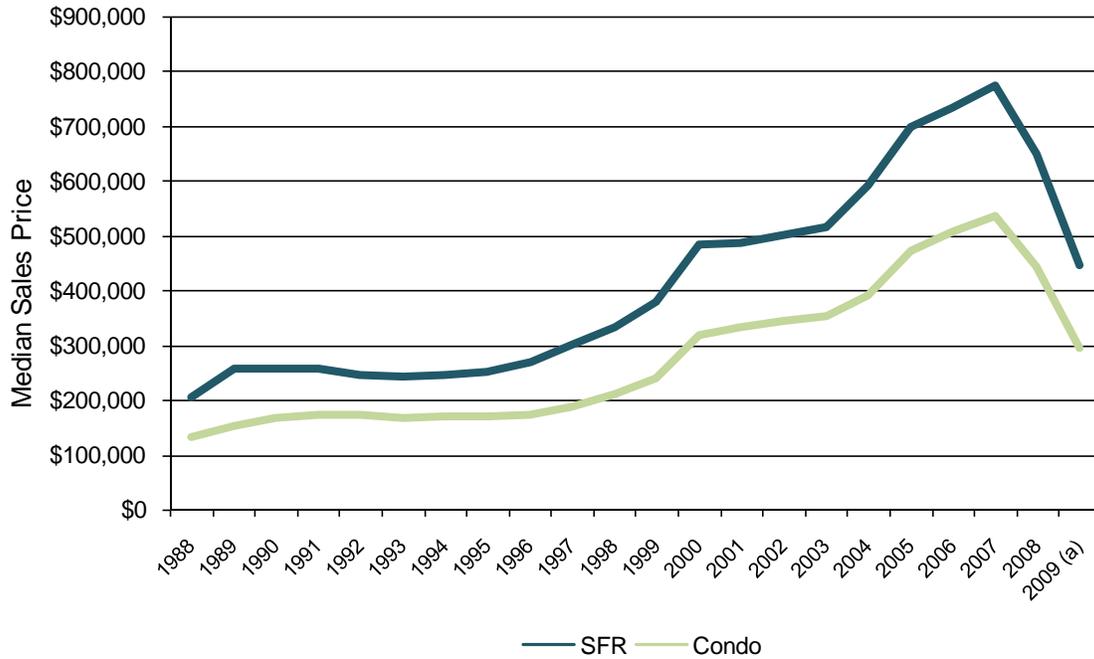
3.4 Housing Affordability

Home Sale Trends

As shown in Figure 3.7, the median sales price for single-family homes in Santa Clara County increased dramatically between 2000 and 2007 before falling during the current economic downturn. Countywide, the median sales price for single-family homes rose by 60 percent from \$483,000 to \$775,000 between 2000 and 2007. Since the 2007 peak, the median sales price has decreased by 42 percent, falling to levels below 2000 home values. During 2009 (January through May), the median home sales price for single-family homes was \$447,000.

Condominium sales prices show a similar trend. The median sales price for condominiums peaked at \$535,000 in 2007 after experiencing an increase of 69 percent since 2000. Between 2007 and 2009, the median sales price decreased by 45 percent to \$294,500.

Figure 3.7: Median Sales Price, Santa Clara County, 1988-2000



Notes:
 (a) 2009 data includes January to May 2009.
 Sources: DataQuick, 2009; BAE, 2009.

Figure 3.8 shows San Jose’s median sales price following the County’s trend by reaching its peak in 2007 and falling 44% from 2007 to 2009. However, the median price has picked up since then and is currently at \$510,000 as of the first quarter of 2010.

Figure 3.8: Median Sales Price in San Jose, 1988-2010

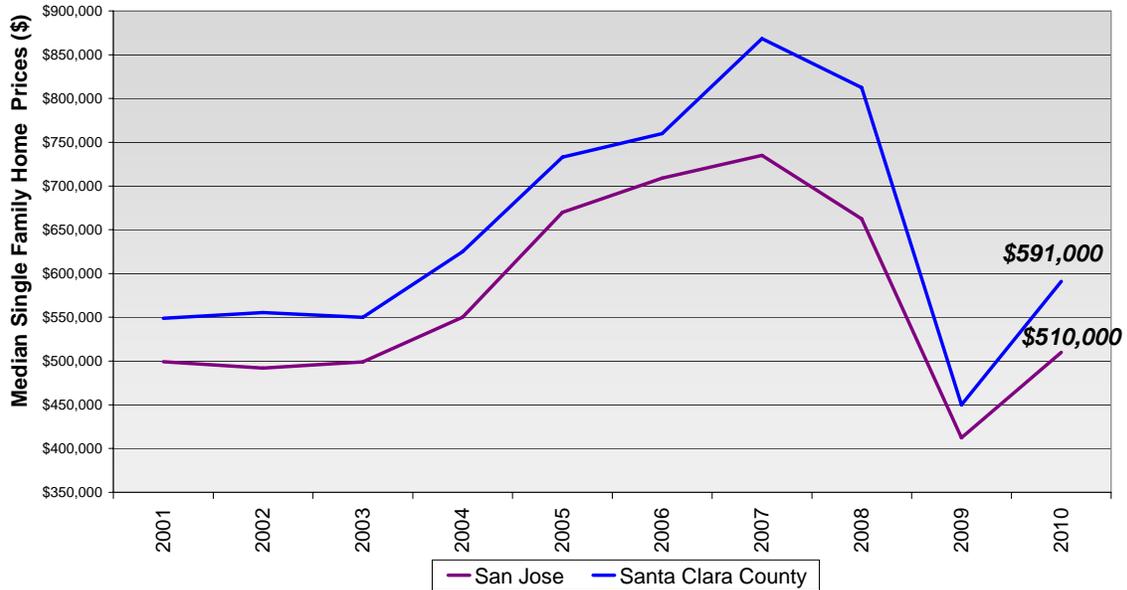
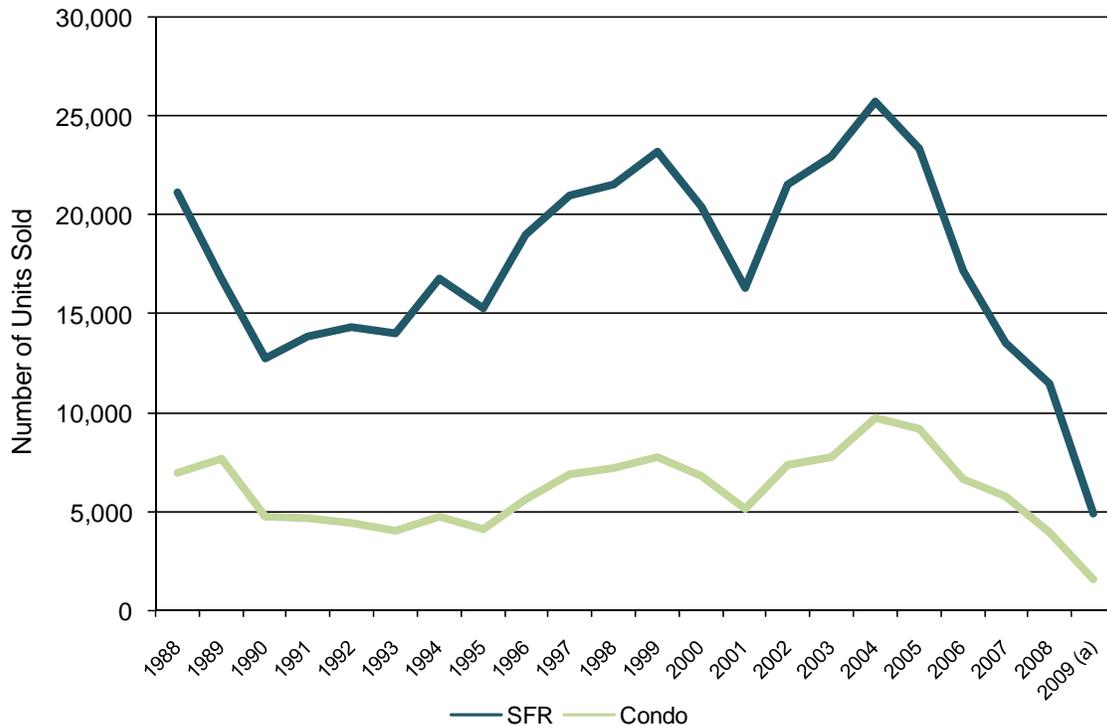


Figure 3.8 depicts the sales volume for single-family homes and condominiums in Santa Clara County since 1988. As shown, the sales volume for single-family homes has consistently been more than twice the volume for condominiums. Sales volume for both single-family homes and condominiums peaked in 2004, when 26,000 single-family residences and 10,000 condominiums were sold. Residential sales volume has steadily declined since 2004.

Figure 3.9: Sales Volume, Santa Clara County, 1988-2000



Notes:
 (a) 2009 data includes January to May 2009.
 Sources: DataQuick, 2009; BAE, 2009.

Looking at individual jurisdictions, median sales price and volume varies significantly across the County. Table 3.16 presents the median sales price for single-family homes and condominiums sold during the first five months of 2009.

Among Entitlement Jurisdictions, Cupertino had the highest median sales price for single-family homes and condominiums, at \$986,500 and \$642,500, respectively. San Jose’s median sales price is below the County average for both single-family homes (\$400,000) and condominiums (\$230,000). Gilroy had the most affordable single-family homes and condominium units, with median sales prices of \$355,000 and \$185,000, respectively. Sales volume was the highest in San José, which accounted for 63 percent of single-family homes and 62 percent of condominiums sold in the County between January and May 2009.

In the Urban County, three jurisdictions had median sales prices for single-family residences that exceeded \$1 million. Los Altos had the highest median sales price at \$1.6 million for single-family

homes. Morgan Hill was the most affordable jurisdiction in the Urban County with a median sales price of \$525,000 for single-family homes.

In general, the housing market downturn since 2007 has impacted all of the Entitlement Jurisdictions, with notable declines in median sales prices. Gilroy and San José experienced particularly sharp decreases of 48 percent and 44 percent, respectively, among single-family homes. However, Los Gatos has actually experienced an increase in prices over this period for single-family homes, while Palo Alto saw price gains among condominiums.

Table 3.16: Median Sales Price by Jurisdiction, 2009 (a)

	Single Family Residences			Condominiums		
	Median Sales Price	Units Sold	% Change Sales Price from 2007	Median Sales Price	Units Sold	% Change Sales Price from 2007
Cupertino	\$986,500	111	-16.0%	\$642,500	34	-1.5%
Gilroy	\$355,000	293	-48.4%	\$185,000	38	-54.9%
Mountain View	\$865,000	98	-8.9%	\$505,000	99	-21.1%
Palo Alto	\$900,000	256	-17.4%	\$635,000	44	9.0%
San Jose	\$400,000	3,091	-44.4%	\$230,000	1,017	-54.0%
Santa Clara	\$509,500	214	-30.5%	\$357,500	96	-29.3%
Sunnyvale	\$529,000	215	-39.9%	\$499,500	104	-24.4%
Urban County						
Campbell	\$664,000	99	-15.6%	\$399,500	37	-29.3%
Los Altos	\$1,555,000	103	-10.5%	\$765,000	8	-5.6%
Los Altos Hills	\$0	0	n/a	\$0	0	n/a
Los Gatos	\$987,000	124	29.3%	\$672,500	33	-5.0%
Monte Sereno	\$1,419,000	10	-25.3%	\$0	0	n/a
Morgan Hill	\$525,000	137	-37.9%	\$292,500	26	-40.6%
Saratoga	\$1,405,000	67	-12.1%	\$490,500	6	-23.4%
Unincorporated County	n/a	n/a	n/a	n/a	n/a	n/a
Urban County	n/a	n/a	n/a	n/a	n/a	n/a
Entitlement Jurisdictions	n/a	n/a	n/a	n/a	n/a	n/a
Santa Clara County	\$447,000	4,918	-42%	\$294,500	1,645	-45%

(a) 2009 data includes January to May 2009. Median sales price and sales volume based on full and verified sales in zip codes associated with each jurisdiction.

Source: DataQuick, 2009; BAE, 2009.

Rental Market Trends

A review of rental market conditions in the Entitlement Jurisdictions was conducted using data from RealFacts, a private data vendor that collects quarterly rental data from apartment complexes with 50 or more units. For the purposes of this analysis, the Entitlement Jurisdictions were divided into four sub-areas, described below.¹³

¹³ The four regions do not include the City of Milpitas.

- **North County:** Palo Alto, Mountain View, Los Altos, Los Altos Hills, Sunnyvale
- **Central County:** Cupertino, Santa Clara, San José, Campbell
- **Central West County:** Saratoga, Los Gatos, Monte Sereno
- **South County:** Morgan Hill, Gilroy

Table 3.17 shows rental market characteristics for these four geographies while Appendix D provides more detailed market conditions for each sub-area. During the second quarter of 2009, monthly rents were highest on an overall and per square foot basis in the Central West County while rental housing was most affordable in the South County. The average monthly rent in the Central West County was \$1,975, compared to \$1,409 in South County.

With the exception of North County, monthly rents have increased across the Entitlement Jurisdictions since 2007. Rent increases were the largest in the more affluent Central West County, rising by eight percent between 2007 and 2009. Central County and South County experienced more modest increases of approximately one percent during the same time period. These rent increases parallel regional trends in the residential rental market, as potential homebuyers have continued to rent until the for-sale housing market recovers, the larger economy rebounds, and/or credit markets loosen. However, as the recession continues, average asking rents may decrease in response to rising unemployment and reduced household spending. The North County already shows signs of this trend, with a sharp increase in vacancies (discussed below) and a corresponding decline in average rents. The City of San José also obtains quarterly rent information from Realfacts. The statistics show that the average rent is comparable with the Central County in which San Jose is included. A main difference is the percent change in monthly rent where the Central County showed a slight increase and San Jose showed a 6.4% decrease. This could be explained by the increase in San Jose's foreclosure rate, which is higher than other cities within the County as well as rising unemployment which may decrease average asking rates as mentioned earlier.

Table 3.17: Rental Market Characteristics, 2Q 2009

	North County (a)	Central County (a)	Central West (a)	South County (a)	San Jose
Average Rent	\$1,568	\$1,542	\$1,975	\$1,409	\$1,495
Average Unit Size	807	861	892	865	851
Average Rent/Sq Ft	\$1.94	\$1.79	\$2.21	\$1.63	\$1.76
% Change in Monthly Rent, 2007-2009	-3.0%	0.6%	7.7%	1.2%	-6.4%
Vacancy Rate					
2007	2.9%	3.4%	9.0%	10.0%	2.7%
2009	5.1%	5.6%	4.8%	5.1%	5%

Notes:

(a) The geographic regions are defined as follows:

North County: Palo Alto, Mountain View, Los Altos, Los Altos Hills, Sunnyvale

Central County: Cupertino, Santa Clara, San Jose, Campbell

Central West: Saratoga, Los Gatos, Monte Sereno

South County: Morgan Hill, Gilroy

Sources: RealFacts, 2009; BAE 2009.

Housing economists generally consider a rental vacancy of five percent as sufficient to provide adequate choice and mobility for residents, and sufficient income for landlords. Higher rates result in a depressed rental market, while lower rates begin to impinge on resident mobility and lead to housing concerns such as overcrowding and overpayment. During the second quarter of 2009, vacancy rates across the Entitlement Jurisdictions ranged from five to six percent, meeting the benchmark for a “healthy” rental market. Historically, vacancy rates have fluctuated; in 2007, North and Central County vacancy rates were approximately three percent while Central West and South County had higher rates of nine percent and 10 percent, respectively.

Housing Affordability for Various Income Groups

Affordability is generally discussed in the context of households with different income levels. As discussed earlier, households are categorized by HUD as extremely low-income, very low-income, or low-income based on household size and percentage of the area Median Family Income (MFI). These income limits are established annually by HUD. Federal, State, and local affordable housing programs generally target households earning up to 80 percent of MFI, though some programs also provide assistance to households earning up to 120 percent of MFI. The HUD-defined income categories are presented below:

- Extremely Low-Income: Up to 30 percent of County MFI
- Very Low-Income: 31 percent to 50 percent of County MFI
- Low-Income: 51 percent to 80 percent of County MFI

For-Sale Housing. Table 3.18 shows affordability scenarios for four-person households with extremely low-, very low-, and low-incomes. This analysis compares the maximum affordable sale price for each of these households to the market rate prices for three-bedroom units in the four sub-county regions described earlier for the time period April 28, 2009 and July 28, 2009.¹⁴

The maximum affordable sales price was calculated using household income limits published by HUD, conventional financing terms, and the assumption that households spend 30 percent of gross income on mortgage payments, taxes, and insurance. Appendix E shows the detailed calculations used to derive the maximum affordable sales price for single-family residences and condominiums.

Affordability of market rate housing varies across Santa Clara County. As shown in Table 3.18, the maximum affordable sales price for a low-income, four-person household seeking to purchase a single-family home is \$353,500. In North County and Central West County, approximately five percent of three-bedroom homes were sold on the market up to this price point. By comparison, single-family homes in Central County and South County were somewhat more affordable. Approximately 33 percent of Central County homes and 56 percent of South County homes sold for \$353,500 or less.

The maximum affordable sales price for condominiums is slightly lower than the price for single-family homes because monthly homeowners' association (HOA) fees are factored into the calculation, thereby reducing the amount available for mortgage payments. The maximum affordable condominium sales price for a four-person low-income household is \$286,900. Similar to the single-family residential market, a larger proportion of condominiums were affordable to low-income households in Central and South County; approximately 42 percent of three-bedroom condominiums in Central County and 50 percent of units in South County fell within the affordable price range. By comparison, just 11 percent of North County condominiums and none of the Central West condominiums sold on the market for less than \$286,900.

¹⁴ Due to the high sales volume in Central County, analysis for this geography is based on full and verified sales of three-bedroom units sold between June 28, 2009 and July 28, 2009.

Table 3.18: Affordability of Market Rate For-Sale Housing in Santa Clara County

Single-Family Residences				Percent of SFRs on Market within Price Range (c)			
Income Level	Income Limit (a)	Max. Affordable Sale Price (b)	North County (d)	Central County (d) (e)	Central West County (d)	South County (d)	
Extremely Low-Income (Up to 30% MFI)	\$31,850	\$132,600	1.4%	1.8%	0.0%	2.0%	
Very Low-Income (Up to 50% MFI)	\$53,050	\$220,900	1.8%	7.4%	0.0%	16.8%	
Low-Income (Up to 80% MFI)	\$84,900	\$353,500	5.0%	32.5%	4.5%	55.7%	
Median Sale Price			\$836,000	\$450,000	\$980,000	\$330,000	
Number of Units Sold			219	338	67	149	

Condominiums				Percent of Condos on Market within Price Range (c)			
Income Level	Income Limit (a)	Max. Affordable Sale Price (b)	North County (d)	Central County (d) (e)	Central West County (d)	South County (d)	
Extremely Low-Income (Up to 30% MFI)	\$31,850	\$66,000	0.0%	0.0%	0.0%	0.0%	
Very Low-Income (Up to 50% MFI)	\$53,050	\$154,300	1.6%	11.7%	0.0%	0.0%	
Low-Income (Up to 80% MFI)	\$84,900	\$286,900	11.1%	41.6%	0.0%	50.0%	
Median Sale Price			\$625,000	\$351,200	\$662,500	\$305,000	
Number of Units Sold			63	77	14	14	

Notes:

(a) Income limits published by U.S. Department of Housing and Urban Development for four-person household in Santa Clara County, 2009.

(b) Assumptions used to calculate affordable sales price:

Annual Interest Rate (Fixed)	6.53%	Freddie Mac historical monthly Primary Mortgage Market Survey data tables. Ten-year average.
Term of mortgage (Years)	30	
Percent of sale price as down payment	20%	
Initial property tax (annual)	1%	
Mortgage Insurance as percent of loan amount	0.00%	
Annual homeowner's insurance rate as percent of sale	0.12%	CA Dept. of Insurance website, based on average of all quotes, assuming \$150,000 of coverage and a 26-40 year old home.
Homeowners Association Fee (monthly)	\$400	
PITI = Principal, Interest, Taxes, and Insurance		
Percent of household income available for PITI	30%	

(c) Analysis based on all full and verified sales of three-bedroom units between April 28, 2009 and July 28, 2009.

(d) The geographic regions are defined as follows:

North County: Palo Alto, Mountain View, Los Altos, Los Altos Hills, Sunnyvale

Central County: Cupertino, Santa Clara, San Jose, Campbell

Central West: Saratoga, Los Gatos, Monte Sereno

South County: Morgan Hill, Gilroy

(e) Due to the high sales volume in Central County, analysis for this geography is based on full and verified sales of three-bedroom units sold between June 28, 2009 and July 28, 2009.

Sources: U.S. HUD, 2009; DataQuick, 2009; BAE, 2009.

This analysis indicates that current market prices remain an obstacle to homeownership for lower-income households in the North and Central West areas of the County, in particular. However, following the regional decline in home values, single-family homes in Central and South County have become more affordable.

It is important to note, however, that credit markets have tightened in tandem with the decline in home values. As such, although homes have become more affordable, lender requirements for a minimum down payment or credit score may present a greater obstacle for buyers today. More accessible home loan products are available, including Federal Housing Administration (FHA)

loans. FHA loans are insured by the federal government, and have traditionally allowed lower-income households to purchase a home that they could not otherwise afford. However, interviews with lenders suggest that many households are not aware of these programs. Moreover, many loan officers prefer to focus on conventional mortgages because of the added time and effort associated with processing and securing approval on a FHA loan.¹⁵

Rental Housing. Table 3.19 compares the maximum affordable monthly rent with the average market rents in the four sub-county areas for households of various sizes. Maximum affordable monthly rents assume that households pay 30 percent of their gross income on rent and utilities.

With a few exceptions, market rate rents are roughly comparable to the maximum affordable rents for low-income households across the Entitlement Jurisdictions. In most cases, the maximum affordable monthly rent for low-income households exceeded the average monthly rent during the second quarter of 2009. Exceptions include market rate rental units for small households in Central West County and for four-person households in North and Central County.

Across the Entitlement Jurisdictions, the average market rate rent far exceeds the maximum affordable rent for very low- and extremely low-income households. These households would need to spend substantially more than 30 percent of their gross income to afford market rate rental housing. For very low-income households the gap between the affordable monthly rent and the average market rent ranges from \$262 for a three-person household in South County to \$1,063 a month for a four-person household in North County.

¹⁵ Thompson, Samuel, Chase Bank, phone interview with BAE, July 8, 2009.

Table 3.19: Affordability of Market Rate Rental Housing in Santa Clara County

	Household Size (a)			
	1 person	2 person	3 person	4 person
Average Market Rate Rent (b)				
North County	\$1,396	\$1,396	\$1,547	\$2,213
Central County	\$1,353	\$1,353	\$1,496	\$2,159
Central West County	\$1,816	\$1,816	\$1,569	n/a
South County	\$1,231	\$1,231	\$1,327	\$1,583
Maximum Affordable Monthly Rent				
Extremely Low Income (30% AMI)				
Household Income (c)	\$22,300	\$25,500	\$28,650	\$31,850
Max. Affordable Monthly Rent (d)	\$445	\$525	\$587	\$620
Very Low Income (50% AMI)				
Household Income (c)	\$37,150	\$42,450	\$47,750	\$53,050
Max. Affordable Monthly Rent (d)	\$816	\$948	\$1,065	\$1,150
Low Income (80% AMI)				
Household Income (c)	\$59,400	\$67,900	\$76,400	\$84,900
Max. Affordable Monthly Rent (d)	\$1,372	\$1,585	\$1,781	\$1,947

Notes:

(a) The following unit sizes are assumed based on household size:

- 1 person - 1 bedroom/1 bathroom
- 2 person - 1 bedroom/1 bathroom
- 3 person - 2 bedroom/1 bathroom
- 4 person - 3 bedroom/2 bathrooms

(b) Reported by Real Facts for 2Q 2009.

(c) Household income published by the U.S. Department of Housing and Urban Development for Santa Clara County, 2009

(d) Assumes 30 percent of income spent on rent and utilities. Utility costs based on utility allowance for multifamily dwelling established by Housing Authority of the County of Santa Clara.

Sources: U.S. Dept. of Housing and Urban Development, 2009; RealFacts, 2009; Housing Authority of the County of Santa Clara, 2009; BAE, 2009.

Table 3.20 depicts the the average market rate rents in San Jose. Compared with the Central County in which San Jose is include in Table 3.19, San Jose's average market rate rents are consistent with the Central County.

Table 3.20: Average Market Rate Rents in San Jose by Household Size

	Household Size			
	<u>1 person</u>	<u>2 person</u>	<u>3 person</u>	<u>4 person</u>
San Jose	\$1,325	\$1,325	\$1,454	\$2,018

Notes: The following unit sizes are assumed based on household size:

- 1 person – 1 bedroom/1 bathroom
- 2 person – 1 bedroom/1 bathroom
- 3 person – 2 bedroom/1 bathroom
- 4 person – 3 bedroom/2 bathrooms

Source: RealFacts for 2Q 2009.

Overpayment

According to HUD standards, a household is considered “cost-burdened” (i.e., overpaying for housing) if it spends more than 30 percent of its gross income on housing-related costs.

Households are “severely cost burdened” if they pay more than 50 percent of their income on housing costs. Countywide, approximately 31 percent of households overpaid for housing in 2000. According to Table 3.21, the incidence of overpayment was higher for renters than owners, with 36 percent of renter households and 28 percent of owner households spending more than 30 percent of their income on housing costs.

The rate of overpayment varied slightly across jurisdictions. However, with the exception of Monte Sereno, renter households were uniformly more likely to be cost burdened than owner households throughout the Entitlement Jurisdictions. The incidence of overpayment among renter households was highest in San José and Los Altos Hills, where 39 percent and 42 percent of households were cost burdened, respectively. Gilroy and Monte Sereno had the highest rate of overpayment among homeowners, at 34 percent.

During the current economic downturn, the rate of overpayment may have increased due to rising unemployment. Unfortunately, more recent data on overpayment is unavailable.

Table 3.21: Overpayment by Jurisdiction, 2000

	Percent of Households Spending More than 30% of Income on Housing		
	Owners	Renters	All Households
Cupertino	26.2%	31.1%	28.0%
Gilroy	34.1%	34.7%	34.3%
Mountain View	28.6%	31.9%	30.5%
Palo Alto	21.7%	37.0%	28.3%
San Jose	29.0%	39.4%	33.0%
Santa Clara	23.4%	33.1%	28.6%
Sunnyvale	25.4%	29.2%	27.4%
Urban County			
Campbell	27.8%	38.0%	33.1%
Los Altos	23.9%	38.6%	25.9%
Los Altos Hills	31.7%	42.3%	32.5%
Los Gatos	30.8%	34.4%	32.1%
Monte Sereno	33.8%	29.0%	33.5%
Morgan Hill	30.0%	36.7%	31.8%
Saratoga	26.9%	28.2%	27.0%
Unincorporated County	29.0%	35.8%	31.1%
Urban County	28.4%	36.2%	30.7%
Entitlement Jurisdictions	28.0%	36.1%	31.3%
Santa Clara County	27.9%	36.1%	31.2%

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy (CHAS) special tabulations from Census 2000; BAE, 2009.

Overcrowding

A lack of affordable housing can result in overcrowded households. The U.S. Census defines “overcrowding” as more than one person per room, excluding bathrooms and kitchens. Table 3.22 shows the overcrowding rate among renters and owners by jurisdiction in Santa Clara County. In 2000, approximately 14 percent of all households countywide were overcrowded. Overcrowding was substantially higher among renters than owners, with 23 percent of renters and eight percent of owner households living in overcrowded situations.

The prevalence of overcrowding varied across the County. Overall, the rate of overcrowding in the Urban County is lower than the rate for the County as a whole; three percent of owner households and 14 percent of renter households in the Urban County lived in overcrowded situations in 2000. Overcrowding was particularly high among renter households in Gilroy and San José, where 38 percent and 29 percent of households were overcrowded, respectively.

In addition to high housing costs, rising unemployment and foreclosures due to the current economic downturn may have increased overcrowding rates in Entitlement Jurisdictions. However, newer data on overcrowding rates is unavailable.

Table 3.22: Overcrowding by Jurisdiction, 2000

	Owners	Renters	All Households
Cupertino	5.2%	17.3%	9.6%
Gilroy	6.9%	37.5%	18.7%
Mountain View	3.7%	16.7%	11.3%
Palo Alto	1.7%	7.4%	4.2%
San Jose	11.5%	29.3%	18.3%
Santa Clara	6.2%	21.1%	14.3%
Sunnyvale	5.4%	19.9%	13.0%
Urban County			
Campbell	3.2%	11.6%	7.5%
Los Altos	1.0%	3.4%	1.4%
Los Altos Hills	0.0%	6.9%	0.5%
Los Gatos	0.9%	5.7%	2.6%
Monte Sereno	1.3%	12.7%	2.0%
Morgan Hill	3.4%	21.0%	8.2%
Saratoga	1.3%	8.3%	2.0%
Unincorporated County	6.8%	19.3%	10.7%
Urban County	3.4%	13.8%	6.4%
Entitlement Jurisdictions	8.0%	23.1%	14.1%
Santa Clara County	8.2%	23.3%	14.3%

Sources: U.S. Census, SF3 H20, 2000; BAE, 2009.

Housing Problems by Income and Race

HUD requires Consolidated Plans and Analysis of Impediments to Fair Housing Choice reports to identify any racial or ethnic groups that have a disproportionately greater housing need. For the purpose of this analysis, housing need is defined by as paying more than 30 percent of income towards housing costs, overcrowding, and/or lacking complete kitchen or plumbing facilities (i.e., HUD-identified “housing problems”). Per HUD’s definition, a disproportionately greater need exists when members of a particular racial/ethnic group have at least 10 percent greater need than persons in the income category as a whole. For example, in Table 3.22b, where household income is less than or equal to 30% of median family income, Pacific Islander households show at least a 10% greater need over all other racial/ethnic categories within the same income category. This would identify Pacific Islander households as having a disproportionate greater need.

The Tables below examine this issue in greater detail; Table 3.23a shows that 79% of households with income less than 30% of the median family income in San José experience housing problems. Household problems are lower at higher income levels – about 30% of families with income greater than 80% of median family income experience housing problems. Housing problems are

also worse among renters than owners at each income level. Taken as a whole (Table 3.23b), Hispanic (65%) and Pacific Islander households (63%) have a higher incidence of housing problems than households of other races in San José.

Table 3.23a: Housing Problems by Household Type, San Jose, 2000

	Renters					Owners					Total Households
	Elderly 1 & 2 member Households	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other Households	Total Renters	Elderly 1 & 2 member Households	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other Households	Total Owners	
1. Household Income <=50% MFI	7,344	14,835	9,315	8,409	39,903	10,285	6,224	3,608	3,127	23,244	63,147
2. Household Income <=30% MFI	5,659	7,470	4,600	4,955	22,684	5,142	2,774	1,225	1,614	10,755	33,439
3. % with any housing problems	69.0%	89.8%	97.3%	73.5%	82.5%	64.1%	78.6%	91.8%	74.6%	72.6%	79.3%
4. % Cost Burden >30%	65.8%	82.9%	86.0%	70.7%	76.6%	63.6%	75.7%	77.1%	74.6%	69.9%	74.4%
5. % Cost Burden >50%	47.0%	68.4%	64.5%	65.2%	61.6%	45.0%	65.1%	66.1%	67.5%	55.9%	59.8%
6. Household Income >30% to <=50% MFI	1,685	7,365	4,715	3,454	17,219	5,143	3,450	2,383	1,513	12,489	29,708
7. % with any housing problems	70.3%	86.2%	95.2%	82.5%	86.4%	37.0%	76.1%	92.2%	66.0%	61.8%	76.1%
8. % Cost Burden >30%	64.7%	75.0%	61.6%	80.6%	71.5%	36.5%	70.4%	75.2%	64.6%	56.7%	65.2%
9. % Cost Burden >50%	34.7%	25.7%	11.3%	34.3%	24.4%	18.7%	48.3%	38.8%	47.1%	34.2%	28.5%
10. Household Income >50 to <=80% MFI	838	6,139	3,653	4,124	14,754	4,043	5,874	3,375	1,875	15,167	29,921
11. % with any housing problems	57.0%	65.9%	89.5%	67.7%	71.7%	27.8%	69.1%	87.3%	68.8%	62.1%	66.8%
12. % Cost Burden >30%	52.3%	43.6%	24.4%	61.9%	44.5%	27.5%	62.5%	61.2%	68.3%	53.6%	49.1%
13. % Cost Burden >50%	15.9%	4.1%	0.8%	10.3%	5.7%	11.9%	27.5%	13.5%	33.1%	20.9%	13.4%
14. Household Income >80% MFI	1,603	22,610	8,795	17,879	50,887	14,124	74,020	25,770	18,505	132,419	183,306
15. % with any housing problems	29.8%	29.5%	67.6%	19.2%	32.5%	12.8%	24.7%	50.6%	29.0%	29.1%	30.0%
16. % Cost Burden >30%	26.1%	9.9%	3.8%	13.3%	10.5%	12.4%	20.7%	17.5%	28.0%	20.2%	17.5%
17. % Cost Burden >50%	2.7%	0.1%	0.0%	0.7%	0.4%	2.1%	2.8%	1.8%	3.8%	2.7%	2.1%
18. Total Households	9,785	43,584	21,763	30,412	105,544	28,452	86,118	32,753	23,507	170,830	276,374
19. % with any housing problems	61.8%	54.5%	83.5%	41.8%	57.5%	28.6%	31.5%	58.9%	37.7%	37.2%	44.9%
20. % Cost Burden >30	58.0%	38.2%	37.1%	36.9%	39.4%	28.2%	27.3%	28.5%	36.8%	29.0%	33.0%
21. % Cost Burden >50	35.0%	16.7%	16.2%	16.3%	18.2%	14.3%	8.3%	8.1%	13.3%	10.0%	13.1%

Definitions:

Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Cost Burden: Cost burden is the fraction of a household's total gross income spent on housing costs.

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy

(CHAS) special tabulations from Census 2000; BAE, 2010.

Table 3.23b: Housing Problems by Income and Race, San Jose, 2000

	White	Black	Hispanic	Native American	Asian	Pacific Islander	Total (a)
1. Household Income <=50% MFI	23,505	2,439	20,660	329	13,850	202	63,147
2. Household Income <=30% MFI	12,045	1,295	10,365	159	8,385	89	33,439
% with any housing problems	73.3%	79.9%	87.3%	84.9%	79.0%	95.5%	79.3%
3. Household Income >30 to <=50% MFI	11,460	1,144	10,295	170	5,465	113	29,708
% with any housing problems	63.0%	77.8%	83.9%	76.5%	86.1%	92.9%	76.1%
4. Household Income >50 to <=80% MFI	12,425	1,205	9,040	145	6,005	85	29,921
% with any housing problems	54.7%	65.6%	76.0%	79.3%	76.8%	70.6%	66.8%
5. Household Income >80% MFI	97,265	5,805	28,900	525	45,120	415	183,306
% with any housing problems	20.2%	33.4%	46.4%	22.9%	40.2%	47.0%	30.0%
6. Total Households	133,195	9,449	58,600	999	64,975	702	276,374
% with any housing problems	31.9%	49.3%	64.8%	50.1%	52.5%	63.4%	44.9%

Notes:

(a) Total includes other racial/ethnic groups not presented in this table.

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy (CHAS) special tabulations from Census 2000; BAE, 2010.

Table 3.23c: Household Income by Race/Ethnicity, San Jose, 2000

	White	Black	Hispanic	Native American	Asian	Pacific Islander	Total (a)
Less than 30% MFI	9.0%	13.7%	17.7%	15.9%	12.9%	12.7%	12.1%
30% to 50% MFI	8.6%	12.1%	17.6%	17.0%	8.4%	16.1%	10.7%
50% to 80% MFI	9.3%	12.8%	15.4%	14.5%	9.2%	12.1%	10.8%
More than 80% MFI	73.0%	61.4%	49.3%	52.6%	69.4%	59.1%	66.3%
Total Households	133,195	9,449	58,600	999	64,975	702	276,374

Notes:

(a) Total includes other racial/ethnic groups not presented in this table.

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy (CHAS) special tabulations from Census 2000; BAE, 2010.

3.5 Public and Assisted Housing

Public Housing

The Housing Authority of the County of Santa Clara (HACSC) owns public affordable multi-family and senior rental apartments that are made available Countywide to families and seniors of lower incomes at below market rate rents. HACSC provides the Mainstream Vouchers program for persons with disabilities who need rental assistance. HACSC also administers the Section 8 Voucher rental assistance programs for the City of San José Housing Authority (distinct from the City's Housing Department) through an agreement between both agencies.

HACSC was granted HUD approval in September 2007 for the transfer of nine public housing properties to a non-profit entity through the disposition process and were converted to Project Based Vouchers (PBV) in FY 2010 (Table 3.24).

Table 3.24: List of Public Housing properties/units transferred through the Disposition Process in FY2010

<u>Development</u>	<u>Type</u>	<u>Number of Units</u>
Cypress Gardens	Senior	125
Lenzen Gardens	Senior	94
Sunset Gardens	Senior	75
Julian Gardens	Family	9
Lucretia Gardens	Family	16
Miramar	Family	16
Eklund Gardens I	Family	10
Eklund Gardens II	Family	6
Deborah Apartments	Family	4
	Total	355
		(8 of which are mngr units)

Eklund Gardens I and II and Deborah Apartments will be renovated using American Recovery and Reinvestment Act grant funds and then converted to HACSC-owned affordable housing under Project Based Voucher contracts. Renovation of the developments began in FY 2010 and completion and the transfer of ownership are anticipated to occur in FY 2011.

HACSC project-based 526 units during FY 2010, including a new construction senior housing project of 199 units (Corde Terra Apartments) and 327 former public housing units that were transitioned to non-public housing.

In FY 2011, HACSC will project-base 145 of its tenant-based vouchers, which are new construction projects awarded through a competitive selection process in 2007. These projects are in an Agreement to Enter into Housing Assistance Payments Contract and is expected for completion sometime in 2012.

Table 3.25a: List of new projects to be project-based in FY 2011

<u>Development</u>	<u>City</u>	<u>Number of Project-Based-Voucher Units</u>	<u>Status</u>
Sunnyvale Senior Housing	Sunnyvale	120	Planned new construction senior project
Kings Crossing	San Jose	25	Planned new construction project for homeless persons and families
	Total	145	

Section 8

HACSC and HUD also offer rental assistance for lower income households through the Section 8 Voucher program. Under the voucher program, HACSC issues an eligible household a voucher and the household selects a unit of its choice and pays 30% of their income towards the rent. HUD also provides project-based Section 8 vouchers associated with particular developments.

There are a total of 16,755 Section 8 vouchers, composed of 16,014 tenant-based and 741 project-based vouchers, allocated to the Housing Authority of the County of Santa Clara and the City of San Jose Housing Authority.

Additionally, of the region’s total voucher allocation, 6,436 are allocated specifically for the City of San José Housing Authority but which are administered by HACSC. Since tenant-based vouchers are portable and can be used in any city, the number of households with tenant-based vouchers that live in the City of San José (12,389, see Table 3.25b below) exceeds the 6,436 vouchers allocated to the City’s Housing Authority. In other words, nearly 6,000 households receiving a tenant-based voucher from the County chose to live in San José. Table 3.25b reports where voucher holders currently reside, regardless of which Housing Authority issued the voucher.

Table 3.25b: Project- and Tenant-Based Section 8 Vouchers

Cities	# of Tenant-Based Voucher	# of Project-Based Voucher	# of Applicants on the section 8 Waitlist
Cupertino	50	0	432
Gilroy	825	53	1,229
Mountain View	436	61	1,013
Palo Alto	248	53	788
San Jose	12,056	333	32,830
Santa Clara	805	9	2,401
Sunnyvale	611	17	2,127
Campbell	585	210	10,707
Los Altos Hills	1	0	7
Los Gatos	68	5	286
Morgan Hill	303	0	726
Saratoga	6	0	157
San Martin	18	0	139
Alviso	2	0	73
Total	16,014	741	52,915

Source: Housing Authority of the County of Santa Clara (HACSC)

Although nearly 17,000 households in the region receive a Section 8 voucher, the demand far exceeds the supply. Indeed, 53,000 applicants are on the Section 8 waiting list, over three times the number of vouchers available, and which further highlights the extraordinary need for affordable housing opportunities in such a high cost region.

Additionally, San Jose's tenant-based vouchers are concentrated in specific areas of the City. Table 3.25c below shows the top ten zip codes out of the 32 zip codes in which recipients reside. The top zip code, 95111, has nearly 14% of the City's tenant-based vouchers, with the top 5 zip codes comprising 44% and the top 10 zip codes totaling nearly 70%. These zip codes correspond primarily to lower-income areas in the east side of San Jose.

Table 3.25c: Top 10 San Jose Zip Codes for Tenant-Based Section 8 Vouchers in San Jose

Zip Code	Number of Tenant-based Vouchers	Percent of Total
95111	1643	13.6%
95122	1074	8.9%
95112	907	7.5%
95127	846	7.0%
95116	834	6.9%
95123	683	5.7%
95121	653	5.4%
95132	580	4.8%
95126	563	4.7%
95148	532	4.4%

Subsidized Housing

In addition to public housing, there are other federal, State, and local programs that subsidize rental housing for lower-income households. These funding sources include low-income housing tax credits, HOME, CDBG, HOPWA, and redevelopment agency funds, among others. Table 3.26 lists the number of subsidized units within each Entitlement Jurisdiction. As shown, there are 324 subsidized developments within the Entitlement Jurisdictions, providing a total of 24,162 units. San José has the largest number of subsidized developments (155 or 48%) of the Entitlement Jurisdictions and provides 16,022 subsidized units or 66% of the total subsidized units.

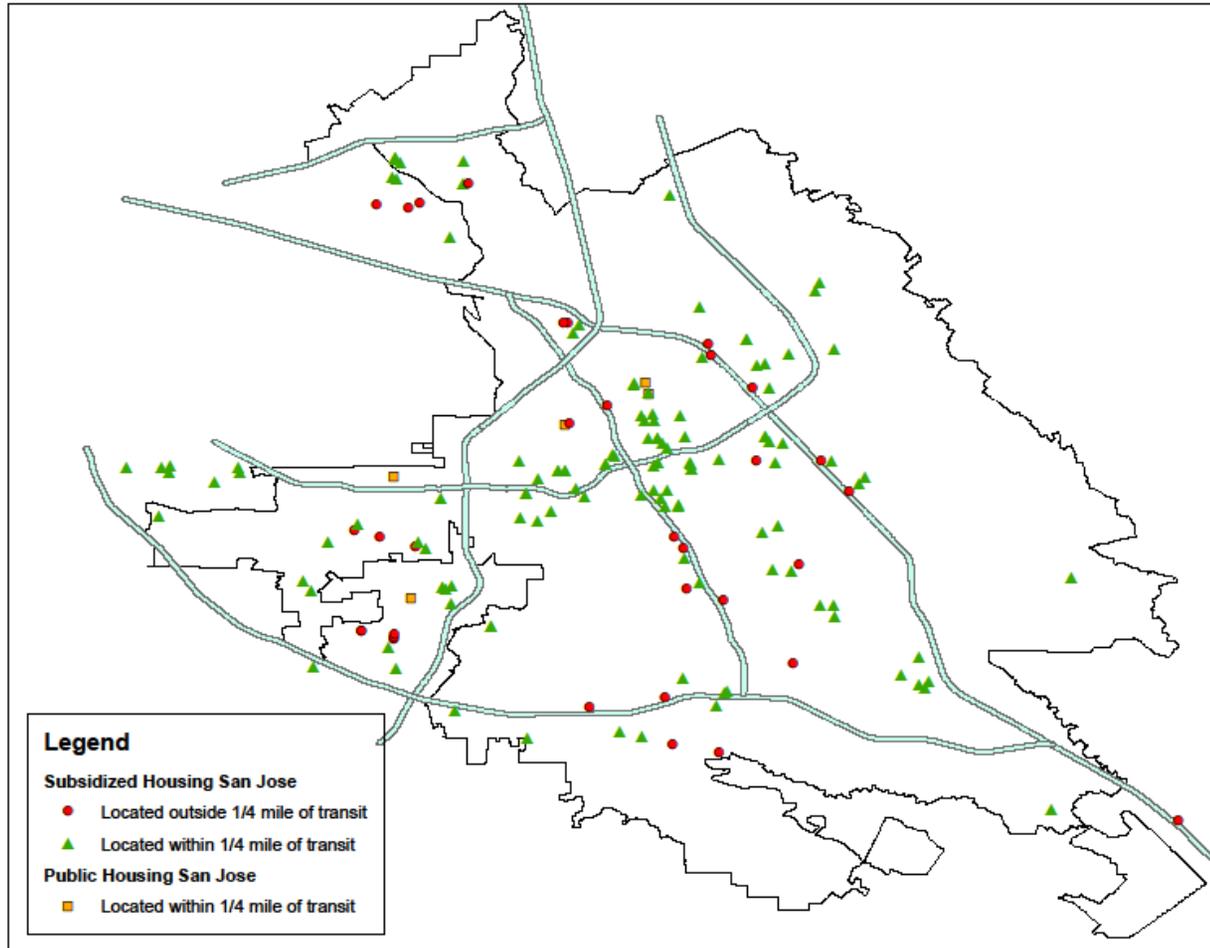
Within the County and among Entitlement Jurisdictions, subsidized units represented approximately 10 percent of all rental units. However, this figure varied significantly across jurisdictions. San José had the greatest percentage of subsidized units of the entitlement jurisdictions with 14% of its total rental units. Figure 3.10 shows the locations of subsidized public housing countywide and their proximity to public transportation. As can be seen, the majority of subsidized housing developments in San Jose are within ¼ mile of a transit station, making the units more accessible for those households who have limited transportation options. Additionally, having the residential units adjacent to transit facilities lowers total housing costs by reducing transportation costs associated with car ownership. Finally, transit-oriented housing allows households to access jobs and other amenities more easily, thereby increasing the linkages that lower-income families have with its community.

Table 3.26: Subsidized Rental Housing by Jurisdiction

	Subsidized Rental Housing		Total Rental Units	Units as Percent Total Rental Units
	Number of Developments	Number of Units		
Cupertino	16	330	6,689	4.9%
Gilroy	14	738	5,460	13.5%
Mountain View	13	1,083	18,244	5.9%
Palo Alto	29	1,456	11,283	12.9%
San Jose	155	16,022	113,974	14.1%
Santa Clara	20	1,254	23,102	5.4%
Sunnyvale	29	1,409	27,959	5.0%
Urban County				
Campbell	12	629	8,286	7.6%
Los Altos	5	22	1,572	1.4%
Los Altos Hills	-	-	172	NA
Los Gatos	10	275	4,336	6.3%
Monte Sereno	-	-	71	NA
Morgan Hill	18	774	3,482	22.2%
Saratoga	3	170	1,083	15.7%
Unincorporated County	-	-	10,076	NA
Urban County Total	48	1,870	29,078	6.4%
Entitlement Jurisdictions	324	24,162	235,789	10.2%
Santa Clara County Total	335	25,005	241,552	10.4%

Sources: Draft Housing Elements, 2009; HUD LIHTC Database, 2009; City of San Jose, 2009; HUD Region IX, 2009; City of San Jose, HCD, Rental Listings 2009; California Redevelopment Agencies FY 2007-08 New Construction Housing Activity Report; Housing Authority of the County of Santa Clara (HACSC), 2009; Claritas, 2009; BAE, 2009.

Figure 3.10: Subsidized Rental Housing in San José



Source: Claritas, 2009; BAE, 2009.

Many subsidized affordable housing developments receive government funding that requires units be made affordable for a specified amount of time. Table 3.27 lists affordable developments owned by for-profit entities that are at-risk of converting to market rate rentals in the next five years. There are other properties whose affordability requirements are set to expire in the next five years that are owned by nonprofit organizations. However, these developments are considered to be at a lower risk of conversion because of the owning nonprofits' commitment and mission to preserve affordability. Among Entitlement Jurisdictions, Gilroy¹⁶, Los Gatos, Palo Alto, and San José have at-risk developments. As shown, there are ten developments with 1,325 units that have affordability requirements that will expire by the end of 2011. San Jose has 1,072 at-risk units or 81% of the total at-risk units countywide.

Table 3.27: Affordable Rental Units at Risk of Conversion to Market-Rate, Santa Clara County, 2009

Name	Affordable Units	Expiration Date
<i>Gilroy</i>		
Parkview Apartments	54	March 31, 2010
<i>Los Gatos</i>		
Villa Vasona Apartments	107	May 31, 2010
<i>Palo Alto</i>		
Terman Apartments	92	July 31, 2010
<i>San Jose</i>		
Mayfair Golden Manor	210	September 30, 2010
Arbor Apartments	122	August 31, 2010
San Jose Apartments	214	September 30, 2011
San Jose Gardens	162	April 30, 2010
Las Casitas	168	February 28, 2011
Almaden Garden Apartments	36	August 31, 2011
Moreland Apartments	160	October 31, 2014
Total Units at Risk of Conversion	1,325	

Sources: California Housing Partnership Corporation, July, 2009;
City of San Jose, 2009; BAE, 2009.

¹⁶ It should be noted that the Parkview Apartments in Gilroy has a one year contract with HUD for affordability that is renewed annually.

Inventory of facilities and services for special needs populations

Individuals with special needs, including the elderly or persons with physical or mental disabilities, need access to suitable housing in their community. This segment of the population often needs affordable housing that is located near public transportation, services, and shopping. Persons with disabilities may require units equipped with wheelchair accessibility or other special features that accommodate physical or sensory limitations. Depending on the severity of the disability and support program regulations and reimbursement levels, people may live independently with some assistance in their own homes, in assisted living, or other special care facilities.

Table 3.28 shows the number and capacity of licensed community care facilities in the County by jurisdiction while Figure 3.11 shows the location of these facilities. The licensed facilities are defined as follows by the California Department of Social Services, Community Care Licensing Division:

- **Adult Residential Facilities (ARF)** provide 24-hour non-medical care for adults ages 18 years through 59 years old who are unable to provide for their own daily needs. ARFs include board and care homes for adults with developmental disabilities and mental illnesses.
- **Residential Care Facilities for the Elderly (RCFE)** provide care, supervision, and assistance with daily living activities, such as bathing and grooming. In the state of California, “elderly” is considered age 60 and above.
- **Group Homes** provide 24-hour non-medical care and supervision to children. Services include social, psychological, and behavioral programs for troubled youth.
- **Small Family Homes (SFH)** provide 24-hour care in the licensee’s family residence for six or fewer children who require special supervision as a result of a mental or developmental disability or physical handicap.

As shown in Table 3.28, there are 715 licensed care facilities within the County with a total capacity of 11,412 individuals. As the largest city in the County, San José has the greatest number of licensed community care facilities, with 490 facilities housing almost 4,600 individuals.

Table 3.28: Licensed Community Care Facilities in Santa Clara County, 2009

	Total		Adult Residential (a)		Residential Care for the Elderly (b)		Group Homes (c)		Small Family Home (d)	
	Facilities	Beds	Facilities	Beds	Facilities	Beds	Facilities	Beds	Facilities	Beds
Cupertino	10	985	2	12	6	961	2	12	-	-
Gilroy	29	419	19	127	6	244	4	48	-	-
Mountain View	20	184	2	18	16	152	2	14	-	-
Palo Alto	10	1,785	-	-	10	1,785	-	-	-	-
San Jose	490	4,572	220	1,677	234	2,553	35	336	1	6
Santa Clara	29	285	12	72	15	187	2	26	-	-
Sunnyvale	50	852	6	60	42	782	1	6	1	4
Urban County										
Campbell	17	309	2	16	14	284	1	9	-	-
Los Altos Hills	-	-	-	-	-	-	-	-	-	-
Los Altos	5	295	-	-	5	295	-	-	-	-
Los Gatos	10	792	1	6	8	756	1	30	-	-
Morgan Hill	14	236	5	109	5	103	2	12	2	12
Monte Sereno	-	-	-	-	-	-	-	-	-	-
Saratoga	5	509	-	-	5	509	-	-	-	-
Unincorporated County	8	86	4	24	3	56	1	6	-	-
Urban County Total	59	2,227	12	155	40	2,003	5	57	2	12
Entitlement Jurisdictions	697	11,309	273	2,121	369	8,667	51	499	4	22
Santa Clara County Total	715	11,412	283	2,178	371	8,677	57	535	4	22

Notes:

- (a) Adult Residential Facilities provide 24-hour non-medical care or adults who are unable to provide for their own daily needs.
(b) Residential Care Facilities for the Elderly provide care, supervision, and assistance with daily living activities.
(c) Group homes provide non-medical care and supervision to children.
(d) Small Family Homes provide twenty-four hour care in the licensee's family residence for six or fewer children who require special care and supervision due to mental or developmental disabilities or physical handicap.

Sources: California Community Care Licensing Division, 2009; BAE, 2009



In addition to the residential care facilities described above, there are a wide variety of programs to assist special needs populations and homeless individuals and families, who are homeless or at risk of homelessness. Many programs target specific groups such as youth, veterans, or persons with HIV/AIDS. Appendix F provides a complete inventory of services for special needs and homeless populations in Santa Clara County.

Dispersion Policy

San Jose's Housing Dispersion Policy is a positive statement of encouraging affordable housing development throughout the City. Pursuant to this policy, the City Council's approves City-financed affordable housing developments within the context of balancing and promoting economic integration.

Although the City recognizes that certain census tracts contain a disproportionate number of lower-income households no area of San Jose is arbitrarily precluded from consideration as a site for affordable housing.

The City's Dispersion Policy tracks affordable housing by impacted census tracts. Impacted census tracts are defined as those census tracts in which over 50% of residents are low-income. In November 2004, the Housing Department revised the list of impacted census tracts, based on a special Census 2000 tabulation that identified 22 tracts as impacted. These tracts were located in Council Districts 3 (13 tracts), 7 (4 tracts), 5 (2 tracts), 6 (2 tracts) and 2 (1 tract).

Based on a recent review (conducted as part of the Consolidated Plan process in March 2010), 24% of all *newly constructed low-income affordable units* in San Jose were located in impacted areas. Chart 3.29 shows the distribution of the City's low-income affordable housing developments over the past 20 years (1988-89 through 2009-10), by impacted census tracts.

Figure 3.12 shows the location of City assisted affordable housing projects since 1988, layered against the City's impacted census tracts. The projects include new construction, acquisition/rehabilitation, and inclusionary projects. As enumerated in Table 3.29, Figure 3.12 illustrates that affordable housing projects are located throughout the City, both inside and outside impacted areas.

The City of San Jose is currently crafting its General Plan 2040, which will encourage future housing to be built along transit and high growth corridors. The focus will be on creating mixed-use, high-density, complete communities that will support retail businesses and alternate transportation options (including walking, biking and public transit).

Table 3.29: Citywide Dispersion of Affordable Housing Tracked by Developments (1988-89 to 2009-10 Completed and Under Construction) as of March 2010

<i>Impacted Tracts in San Jose</i>	<i>Council District</i>	<i>Total LI Units (Incl Beds)</i>
5120.18	2	188
5001.00	3	75
5009.02	3	63
5010.00	3	9
5014.00	3	80
5015.01	3	0
5015.02	3	0
5016.00	3	113
5031.12	3	422
5031.13	3	66
5036.01	3	46
5037.09	3	184
5008.00	3,6	231
5017.00	3,6	30
5037.02	5	258
5037.06	5	54
5019.00	6	228
5020.02	6	0
5031.05	7	199
5031.10	7	129
5032.13	7	0
5032.14	7	270
Total For Impacted Census Tracts in San Jose		2,645
Total For Non-impacted Census Tracts in San Jose		8,344
Total For Census Tracts in San Jose		10,989
% Impacted Units		24%

Source: City of San José Housing Department

Figure. 3.12

City of San Jose - Affordable Housing Projects (1988 - Present)



Source: City of San José Housing Department

3.6 Linkages between Housing, Employment Centers, & Amenities

Impediments to fair housing choice may exist when poor linkages exist between the locations of major employers and affordable housing. Under these conditions, persons who depend on public transportation, such as lower-income households, seniors, and disabled persons, are be more limited in their housing options. As such, affordable housing developments and community care facilities should be located in transit accessible areas.

Public Transit

Several transit systems provide rail and bus service within Santa Clara County, as shown in Figure 3.13.

Valley Transportation Authority (VTA). The VTA provides bus and light rail service throughout the County. This service includes 75 bus routes, three light rail lines, with total boardings of 34.5 million and 10.8 million, respectively, in Fiscal Year 2009.¹⁷ The VTA also offers specialized accessible paratransit services to those eligible, as specified in the Americans with Disabilities Act. (Appendix 49 CFR37.123). VTA's Paratransit Program is operated under contract with Outreach, a private, non-profit paratransit broker.

Caltrain. Caltrain operates rail service between San Francisco and San Jose, with weekday commute-hour service to Gilroy. The line has 32 stations spanning Santa Clara, San Mateo, and San Francisco Counties, half of which are in Santa Clara County. Caltrain has 98 daily trains, and approximately 39,100 boardings annually.

Altamont Commuter Express (ACE) Rail. The ACE Rail operates commuter trains from Stockton to San José, with Santa Clara County stops at Great America, the City of Santa Clara, and San José.

¹⁷ http://www.vta.org/services/vta_ridership.html

Figure 3.13: Santa Clara County Transit Systems



Source: Claritas, 2009; BAE, 2009.

Major Employers, Housing, and Community Care Facilities

The Entitlement Jurisdictions' inventory of subsidized housing, public housing, and community care facilities are relatively well-connected to public transportation. All of the public housing facilities in the Entitlement Jurisdictions are located within a quarter-mile of a transit station or bus stop and 90 percent of subsidized housing facilities are within a quarter-mile of public transportation. Please refer to Figure 3.8. In addition, 61 percent of the licensed community care facilities within the Entitlement Jurisdictions are located within a quarter-mile of public transportation.

The County's largest employment centers are also accessible by public transportation. A Geographic Information Systems (GIS) analysis of transit lines and major employers indicates that 21 of the 26 largest employers in the County are located within a quarter-mile of a transit station or bus stop.

4 Evaluation of Current Fair Housing Legal Status

This section outlines the federal fair housing complaint process and provides data on the number of fair housing complaints filed from HUD's Office of Fair Housing and Equal Opportunity (FHEO).

It should be noted that complaints filed with HUD are automatically filed with the California Department of Fair Employment and Housing (DFEH) as well. In most cases, HUD will send the complaint to the State DFEH for investigation as part of a contractual agreement between the two agencies. Similarly, if a complaint is filed with the State DFEH and is jurisdictional with HUD, it will be filed with the federal agency as well.

In addition to filing complaints directly with FHEO and the State DFEH, individuals may also file fair housing complaints with local fair housing service providers.

4.1 Fair Housing Complaint Process

Federal Complaint Process

Fair housing rights are protected under the Fair Housing Act of 1968. Individuals may file complaints about fair housing violations with HUD through the following process:¹⁸

- **Intake.** Any entity, including individuals and community groups, can file fair housing complaints with HUD at no cost by telephone, mail, or via the internet. An intake specialist will subsequently interview the complainant, usually by telephone, and determine whether the matter needs to be investigated by HUD or settled at a local level through a mediator.
- **Filing.** If HUD accepts the complaint for investigation, the HUD investigator will draft a formal complaint and provide it to the complainant, typically by mail. The complainant must sign and return the form to HUD. HUD will then send the complaint to the respondent, who must submit an answer to HUD within 10 days. The respondent is the party whom the complainant is accusing of a fair housing violation.
- **Investigation.** As part of the investigation, HUD will interview the complainant, the respondent, and pertinent witnesses, as well as collect relevant documents and conduct onsite visits when appropriate. During the fair housing investigation, HUD has the

¹⁸ U.S. Department of Housing and Urban Development, HUD's Title VIII Fair Housing Complaint Process, <http://www.hud.gov/offices/fheo/complaint-process.cfm>

authority to take depositions, issue subpoenas and interrogatories, and compel testimony or documents.

- **Conciliation.** The Fair Housing Act requires HUD to bring the complainant and respondent together to attempt conciliation. The choice to conciliate the complaint is voluntary on the part of both parties. If a conciliation agreement is signed, HUD will end its investigation
- **No Cause Determination.** If its investigation finds no reasonable cause to believe that housing discrimination has occurred or is about to occur, HUD will issue a determination of no reasonable cause and close the case. Complainants who disagree with the decision may request reconsideration. If complainants disagree with HUD's no cause determination in the reconsideration, the complainant can file a civil court action in the appropriate U.S. district court.
- **Cause Determination and Charge.** If the investigation finds reasonable cause to believe that discrimination has occurred or is about to occur, HUD will issue a determination of reasonable cause and charge the respondent with violating the law. A HUD Administrative Law Judge will then hear the case unless either party elects to have the case heard in federal civil court.
- **Hearing in a U.S. District Court.** If either party elects to go to federal court, the Department of Justice will commence a civil action on behalf of the complainant in U.S. District Court. If the court finds that a discriminatory housing practice has or is about to occur, the court can award actual and punitive damages as well as attorney fees.
- **Hearing before a HUD Administrative Law Judge (ALJ)** If neither party elects to go to federal court, a HUD ALJ will hear the case. An attorney from HUD will represent the complainant before the ALJ. The ALJ will decide an initial decision on the matter. Either party may petition the initial decision to the Secretary of HUD for review.

4.2 Fair Housing Complaints

Table 4.1 summarizes fair housing complaint data obtained from HUD's Office of Fair Housing and Equal Opportunity (FHEO). Between 2004 and 2008, a total of 32 to 78 complaints were filed annually in Entitlement Jurisdictions, with 52 additional complaints reported through August 30, 2009. Fair housing complaints in Entitlement Jurisdictions represented 98 percent of all complaints filed in Santa Clara County between 2004 and August 2009. As the largest city in the County, the City of San José had just over 50 percent of all complaints filed in the County during this time period, with 176 complaints. The City of Santa Clara had 11 percent of countywide

complaints while Palo Alto and Sunnyvale each had eight percent of complaints between 2004 and August 2009. The City of Milpitas is not included in this table.

Table 4.1: Fair Housing Complaints, Santa Clara County, 2004-YTD 2009

Entitlement Jurisdictions	Year						YTD 2009 (a)	Total Complaints	Percent of Total
	2004	2005	2006	2007	2008	2009 (a)			
Cupertino	1	3	0	1	2	2	9	2.6%	
Gilroy	2	1	2	0	2	1	8	2.3%	
Mountain View	2	4	6	3	3	4	22	6.3%	
Palo Alto	3	2	7	5	6	3	26	7.5%	
San Jose	13	32	33	33	44	21	176	50.6%	
Santa Clara	8	4	8	8	4	5	37	10.6%	
Sunnyvale	1	1	4	7	12	3	28	8.0%	
Urban County									
Campbell	2	1	3	1	1	10	18	5.2%	
Los Altos	0	0	2	0	1	1	4	1.1%	
Los Altos Hills	0	0	0	0	0	0	0	0.0%	
Los Gatos	0	1	2	1	2	1	7	2.0%	
Monte Sereno	0	0	0	0	0	0	0	0.0%	
Morgan Hill	0	0	0	1	1	0	2	0.6%	
Saratoga	0	2	1	0	0	1	4	1.1%	
Unincorporated County	0	0	0	0	0	0	0	0.0%	
Urban County	2	4	8	3	5	13	35	10.1%	
CDBG Jurisdictions	32	51	68	60	78	52	341	98.0%	
Santa Clara County	32	51	71	60	80	54	348	100.0%	

Notes:

(a) YTD 2009 data is current through August 30, 2009.

Sources: The Department of Fair Housing and Equal Opportunity, HUD San Francisco Regional Office, August 2009; BAE, 2009.

Table 4.2 provides data on the base of the fair housing complaints filed in Entitlement Jurisdictions. As shown, disability and familial status emerged as the most common bases for complaint, accounting for 36 percent and 28 percent, respectively, of all complaints between 2004 and August 2009. National origin and race also appeared as common bases for complaints, appearing in 14 percent and 12 percent of all complaints, respectively. Note that one housing complaint may include several bases for complaint.

Table 4.2: Fair Housing Complaints by Bases, Entitlement Jurisdictions, 2004-YTD 2009**(a)**

Basis	Year						Total Bases for Complaints (c)	Percent of Total
	2004	2005	2006	2007	2008	YTD 2009 (b)		
Race	1	6	11	9	10	10	47	11.5%
Color	1	0	0	0	1	0	2	0.5%
National Origin	7	6	13	9	10	11	56	13.8%
Sex	2	7	2	3	3	2	19	4.7%
Disability	12	21	23	25	43	21	145	35.6%
Religion	0	1	0	0	2	0	3	0.7%
Familial Status	12	15	28	22	22	14	113	27.8%
Retaliation	1	5	0	7	6	3	22	5.4%
Total	36	61	77	75	97	61	407	100.0%

Notes:

(a) Reported for CDBG Jurisdictions only.

(b) YTD 2009 data is current through August 30, 2009.

(c) "Total Bases for Complaint" may not match total complaints filed because one housing complaint may contain several bases for complaint.

Sources: The Department of Fair Housing and Equal Opportunity, HUD San Francisco Regional Office, August 2009; BAE, 2009.

As shown in Table 4.3, approximately 30 percent of the complaints filed in Entitlement Jurisdictions between 2004 and August 2009 were found to not have probable cause for fair housing violation. The largest proportion of complaints, 35 percent, were conciliated or resolved. Another 18 percent of cases were found by investigation to have reasonable cause that discrimination occurred.

Table 4.3: Fair Housing Complaints by Resolution, Entitlement Jurisdictions, 2004-YTD 2009**(a)**

Basis	Year						Total Complaints	Percent of Total
	2004	2005	2006	2007	2008	YTD 2009 (b)		
Admin Closure	6	5	14	3	0	1	29	8.5%
Conciliated or Resolved	15	22	35	15	0	32	119	34.9%
No Cause	6	20	16	33	8	19	102	29.9%
Cause	5	4	6	9	34	2	60	17.6%
Referred and Closed by DOJ	0	0	0	0	31	0	31	9.1%
Total	32	51	71	60	73	54	341	100.0%

Notes:

(a) Reported for Consortium jurisdictions only.

(b) YTD 2009 data is current through August 30, 2009.

Sources: The Department of Fair Housing and Equal Opportunity, HUD San Francisco Regional Office, August 2009; BAE, 2009.

5 Identification of Impediments to Fair Housing Choice

To document potential impediments to fair housing choice, interviews were conducted with local fair housing organizations such as Project Sentinel and ECHO Housing. Local service providers and community members also provided input on housing needs at a series of four workshops. In addition, the jurisdictions' Housing Elements were reviewed for a discussion on each item below.¹⁹

5.1 Public Sector

Government regulations can affect housing availability and costs by limiting the supply of buildable land, setting standards and allowable densities for development, and exacting development fees. Publicly imposed constraints on housing supply can subsequently lead to fair housing concerns, if particular segments of the population lose access to affordable homes. This section examines these public sector constraints in more detail to evaluate their impact on fair housing choice in the Entitlement Jurisdictions.

Growth Management Programs

County Growth Management Programs. Growth management programs are intended to curb urban sprawl and promote well-planned development in areas that have access to necessary public infrastructure, facilities, and services. These programs can come in the form of an urban growth boundary (UGB), which establishes a boundary within which urban development should be concentrated, or as an overall cap on new residential development. While growth management programs are intended to promote well-planned development, they may act as an impediment to fair housing choice to the extent that they limit new housing production and prevent a jurisdiction from addressing its housing needs.

The “joint urban development policies,” the growth management policies shared by Santa Clara County, the cities, and the Local Agency Formation Committee, stipulate that urban development for all land use categories be located within cities or their Urban Service Areas (USAs). These policies are not considered a constraint to new housing production or a barrier to fair housing. The joint urban development policies stipulate that the County will only allow non-urban land uses and densities of development, such as agriculture, low density residential, and open space uses, outside of the USAs and the city boundaries. These policies focus new urban development in existing urban areas, preserve rural character, natural resources, and open space, and limit the demand for new public services and infrastructure. The joint urban development policies have been mutually

¹⁹ Per State law, California jurisdictions must prepare a Housing Element every five to seven years to analyze local housing needs, and provide strategies and actions to address these needs.

agreed upon and implemented by the cities, County, and LAFCO since the mid-1970s.²⁰

Local Growth Management Programs. The cities of Gilroy, San José, and Morgan Hill have established growth management programs as well.

The City of Gilroy's Residential Development Ordinance (RDO) places a numerical limit on the number of building permits which can be issued each year for residential dwelling units. Every ten years the City Council considers economic, public service, environmental, housing, and other relevant information and determines annual numerical limits for the next ten years. Between 2004 and 2013, the annual numerical limit ranges from 163 units to 398 units, for a total of 2,480 market rate units over ten years. In addition, the RDO allows for 970 exempt housing units during the 2004 to 2013 time period. Exempt units include small projects with 12 or fewer units, replacement dwelling units, affordable projects sponsored by a nonprofit organization, senior housing, and transitional housing, among other projects. The City of Gilroy recognizes that the RDO program may constrain the development of affordable housing. As such, its General Plan update process has focused on a number of strategies to reconfigure the RDO program in a manner that supports affordable housing goals while achieving other important community goals.²¹ For example, under the City's adopted Downtown Specific Plan, 1,576 residential units are projected to be constructed within a 20-year period. These units are counted separately from the RDOs market rate and exempt units. This area has the potential for housing to be built at densities that position units to be affordable.

The City of San José has a Greenline/Urban Growth Boundary (UGB) and an Urban Service Area (USA) that defines the perimeter of development and urbanization in the City. As part of the City's Growth Management Strategy, the UGB defines the ultimate perimeter of development and preserves open space resources. The UGB generally follows the 15 percent slope line of the hillsides surrounding San José, excluding land subject to geologic or seismic hazards that are inappropriate for urban development. In addition to the UGB, the City's Urban Service Area defines the area that is served by existing urban facilities, utilities and services or is expected to be served within the next five years. Together, the UGB and USA policies determine the timing and location of future urban development and the extension of urban services to ensure both occur in a timely manner. Although the UGB and USA reduce the supply of developable land in the City, the programs are necessary to achieve important planning goals. To offset higher land costs due to the boundaries, the City's General Plan incorporates Discretionary Alternate Use policies and required minimum densities to facilitate increased residential densities and achieve higher economic

²⁰ County of Santa Clara, *County of Santa Clara Housing Element Update 2009-2014*, Administrative Draft, June 9, 2009, Pages 64 to 65.

²¹ City of Gilroy, *Housing Element*, Pages 3-27 to 3-30.

feasibility through higher-density development.²²

The City of Morgan Hill maintains the Residential Development Control System (RDCS), a growth control policy that determines the number of residential permits that can be issued annually. Building allocations are awarded on a fiscal year basis based on a formula which determines the desired population increase for the City each year and translates that figure into a maximum number of dwelling units. Currently, this formula allows approximately 250 dwelling units to be constructed each year. Permits for residential development are typically reviewed once a year through a competitive process. The allocation is based on an objective point system that addresses 14 criteria, including design, diversity of housing types, affordable housing, and the potential impact on public facilities, traffic, infrastructure, and public services. Developers receive additional points to projects that commit five to ten percent of the total number of units for low- and moderate-income households. The City is in the process of preparing its current Housing Element, which will include programs to mitigate the RDCS constraint on housing production, particularly affordable units.

Local Land Use Controls and Regulations

Zoning Ordinance Restrictions. Jurisdictions' zoning ordinances establish permitted uses and development standards for zoning districts in accordance with their General Plan. The ordinances specify the zones in which residential development is permitted and the development standards by which projects must adhere. Most of the jurisdictions within the County have zoning ordinances which allow for a variety of housing types. However, a few of the smaller, rural jurisdictions do not permit multifamily housing in any zoning district. Because multifamily housing is often more affordable than single-family housing, zoning ordinances that restrict this type of development may limit housing opportunities for lower-income households and special needs populations, raising a fair and affordable housing concern. The Urban County jurisdictions of Los Altos Hills and Monte Sereno do not permit multifamily housing in an effort to maintain their communities' rural residential characters. These jurisdictions do, however, permit second units, which in certain circumstances may provide more affordable housing opportunities.

Other jurisdictions have provisions in their zoning ordinances that may limit the production of multifamily housing. In the City of Saratoga, Measure G, a voter approved initiative passed in 1996, requires that certain amendments to the Land Use Element be made by a vote of the people. Amendments that re-designate residential land to commercial, industrial or other land use designations, that increase densities or intensities of residential land use, or that re-designate recreational open space to other land use designations must be authorized by a vote of residents. The goal of this Measure is to protect residential and recreational open space lands and does not

²² City of San José, *Draft San José Housing Element Update 2007-2014*, June 5, 2009, Pages C42 to C43.

affect the City's regulations authorizing second dwelling units or its Housing Element update process, required under State law.²³

Separation of Land Uses. Santa Clara County and the Entitlement Jurisdictions within it are primarily composed of sprawling, low-density suburban developments built based on the reliance of automobiles and characterized by the separation of land uses. As a result, housing is physically separated from employment centers, retail, services, amenities, and public transportation. Additionally, the combination of sprawl and separated land uses result in communities that are not walkable or bikeable and that increase the preponderance of isolated communities. Finally, total housing costs when including transportation costs in Santa Clara County are especially high because many households do not live close to their jobs and must commute longer distances to work.

Policies and efforts have already begun at the State and local levels to reverse decades of sprawling development. At the State, legislation such as SB 375 and AB 32 are intended to align transportation and land use planning to create sustainable, complete communities. At the local level, the City of San Jose is currently doing long-range planning through its Envision 2040 efforts to create complete communities, to build transit-oriented developments, and to develop on infill and underutilized sites.

Second Unit Regulations. Second units, also known as accessory dwelling units (ADUs) are self-contained apartments with a kitchen, bathroom, and sleeping facilities that are attached to a single-family residence or located on the same property as the principal residence. Due to their smaller sizes, second units may provide affordable housing opportunities for lower-income households, seniors, and/or disabled individuals. Local land use regulations that constrain the development of second units may therefore have a negative impact on housing for special needs populations.

State law requires local jurisdictions to either adopt ordinances that establish the conditions under which second units will be permitted or to follow the State law provisions governing second units (Government Code, Section 65852.2). Cities typically establish regulations governing the size, location, and parking for second units. No local jurisdiction can adopt an ordinance that completely precludes the development of second units unless the ordinance contains findings acknowledging that allowing second units may limit the regions housing opportunities and result in adverse impacts on public health, safety, and welfare. Furthermore, AB 1866 amended the State's second unit law in 2003, requiring jurisdictions to use a ministerial, rather than discretionary process, for approving second units.

²³ City of Saratoga, *Draft 2007-2014 Housing Element*, April 29, 2009, Page 31.

In compliance with State law, the County and the Entitlement Jurisdictions have updated their zoning provisions pertaining to second units to allow the approval of second units at an administrative level. In addition to encouraging the production of second units to meet affordable housing needs, some jurisdictions specifically require second units to be affordable for lower-income households. For example, the City of Los Altos requires second units to be deed-restricted and maintained as affordable for very low- or low-income households.

Regulations Governing Emergency Shelters and Transitional Housing. Local land use controls can constrain the availability of emergency shelters and transitional housing for homeless individuals and shelters if these uses are not permitted in any zoning district or if additional discretionary permits are required for their approval. SB2, a State law that became effective on January 1, 2008, sought to address this potential constraint by strengthening planning requirements around emergency shelters and transitional housing. The law requires all jurisdictions to identify a zone where emergency shelters are permitted by right without a conditional use permit or other discretionary permit. In addition, transitional and permanent supportive housing must be considered a residential use and only be subjected to restrictions that apply to other residential uses of the same type in the same zone.²⁴

In Unincorporated Santa Clara County, emergency shelters operating within an existing or proposed single-family residence in an R1, R1E, RHS, R1S, R2, or R3 zone are permitted by right. New multi-family residential development for emergency shelter use is allowed in the R1S, R3S, and R3 zones, with Architecture and Site Approval (ASA). The ASA process is designed to ensure that development standards for setbacks, parking, fire, water, sewer, and other site requirements are met. The County may also pursue amendments to its Zoning Ordinance to allow emergency shelters within existing, permitted Religious Institutions, Non-profit Institutions, and Community Care – Expanded Facilities as an ancillary use, allowed by right without additional discretionary land use approvals, subject to certain maximum occupancy and minimum management standards/requirements appropriate to each use and facility type.

The City of San Jose has programs in its Housing Elements and language in its zoning ordinance that allow for emergency shelters in at least one zoning district and treat transitional and supportive housing like other residential uses, as required by SB2. In December 2009, the San Jose City Council formally adopted a new section to Title 20 of its municipal code to define and treat supportive housing like any other residential use, thereby allowing supportive housing to be approved by-right. The cities of Los Gatos and Monte Sereno are meeting the requirements of SB2 by entering into an agreement to develop at least one permanent emergency shelter within two

²⁴ California Department of Housing and Community Development, Memorandum: Senate Bill 2 – Legislation Effective January 1, 2008: Local Planning and Approval for Emergency Shelters and Transitional and Supportive Housing, May 7, 2008. http://www.hcd.ca.gov/hpd/housing_element2/SB2memo071708_final.pdf

years that would serve both jurisdictions.

It should be noted that while jurisdictions are in compliance or working to become compliant with State law regulating emergency shelters, the countywide priority is to provide permanent supportive housing rather than new emergency shelters. As discussed previously, jurisdictions support the Housing First model, which emphasizes permanent housing with services to help homeless individuals achieve stability.

Regulations for Community Care Facilities. Local zoning ordinances also may affect the availability of housing for persons needing community care facilities serving special needs populations. In particular, zoning ordinances often include provisions regulating community care facilities and outlining processes for reasonable accommodation. The Lanterman Developmental Disabilities Services Act requires local jurisdictions to treat licensed group homes and residential care facilities with six or fewer residents no differently than other permitted single-family housing uses. Cities must allow these licensed residential care facilities in any area zoned for residential use and may not require conditional use permits or other additional discretionary permits.

Consistent with State law, the County and most Entitlement Jurisdictions permit licensed community care facilities for six or fewer residents by right in residential zones allowing single-family residential uses.

Reasonable Accommodation Policies. Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on cities and counties to make reasonable accommodations in their zoning and land use policies when such accommodations are necessary to provide equal access to housing for persons with disabilities. Reasonable accommodations refer to modifications or exemptions to particular policies that facilitate equal access to housing. Examples include exemptions to setbacks for wheelchair access structures or reductions to parking requirements.

Many jurisdictions do not have a specific process specifically designed for people with disabilities to make a reasonable accommodations request. Rather, local governments provide disabled residents relief from the strict terms of their zoning ordinances through existing variance or Conditional Use Permit processes. Many of the Entitlement Jurisdictions currently address reasonable accommodation requests in this manner.

In a May 15, 2001 letter, the California Attorney General recommended that local governments adopt formal written procedures for handling reasonable accommodations requests. While addressing reasonable accommodations requests through variances and Conditional Use Permits does not violate fair housing laws, it does increase the risk of wrongfully denying a disabled

applicant's request for relief and incurring liability for monetary damages and penalties. Furthermore, reliance on variances and use permits may encourage, in some circumstances, community opposition to projects involving much needed housing for persons with disabilities.²⁵

Some cities, including the cities of Gilroy, Campbell, and San José have reasonable accommodation procedures outlined in their zoning ordinances. Many other Entitlement Jurisdictions have programs described in their Housing Elements to develop formal reasonable accommodations procedures. These jurisdictions include the cities of Cupertino, Sunnyvale, Monte Sereno, and Saratoga.

Parking Requirements. Parking requirements may serve as a constraint on housing development by increasing development costs and reducing the amount of land available for project amenities or additional units. Developers may be deterred from building new housing in jurisdictions with particularly high parking ratios due to the added costs associated with such requirements. Some jurisdictions provide opportunities for reduced parking ratios for affordable or senior housing, housing for persons with disabilities, and projects located in close proximity to public transportation. Cities that grant some form of parking reduction include Campbell, Cupertino, Gilroy, Los Altos, Mountain View, Palo Alto, San José, and Saratoga. Other cities, such as Los Altos Hills, Santa Clara, and Sunnyvale, have programs outlined in their Housing Elements to reconsider existing parking requirements within their zoning ordinances.

Definition of Family. A jurisdiction's zoning ordinance can constrain access to housing if it contains a restrictive definition of a family. For example, a definition of family that limits the number of persons and differentiates between related and unrelated individuals living together can be used to discriminate against nontraditional families and illegally limit the development and siting of group homes for individuals with disabilities. California court cases (City of Santa Barbara v. Adamson, 1980 and City of Chula Vista v. Pagard, 1981) have ruled a zoning ordinance invalid if it defines a "family" as (a) an individual; (b) two or more persons related by blood, marriage, or adoption; or (c) a group of not more than a specific number of unrelated persons as a single housekeeping unit. The rulings that define a family in a manner that distinguishes between blood-related and non-blood related individuals does not serve any legitimate or useful objective or purpose recognized under zoning or land use planning powers of a jurisdiction, and therefore violates privacy rights under the California Constitution.

Most of the Entitlement Jurisdictions have zoning ordinances which contain a broad definition of family, in compliance with the Lanterman Developmental Disabilities Services Act and fair housing laws. The ordinances generally define a family as a group of people operating as "a single

²⁵ Lockyer, Bill, California Attorney General, Letter to All California Mayors, May 15, 2001. http://caag.state.ca.us/civilrights/pdf/reasonab_1.pdf

housekeeping unit” without limiting the number of people or their relationship.

Permit and Development Impact Fees

Like many cities throughout California, most jurisdictions in the County collect permit and development impact fees to recover the capital costs of providing community services and the administrative costs associated with processing applications. Depending on the jurisdiction, developers may be required to pay school and transportation impact fees, sewer and water connection fees, building permit fees, wastewater treatment plant fees, and a variety of handling and service charges. Development impact fees may result in higher housing costs if developers pass fees on to homebuyers.

The Home Builders Association of Northern California prepared the *South Bay Area Cost of Development Survey, 2006-2007*, which compares permit and development impact fees across Santa Clara County jurisdictions. Total fees, including entitlement fees, construction fees, impact/capacity fees, and development taxes, for a single family home in a 50 lot subdivision ranged from \$27,000 per unit in Sunnyvale to \$80,000 in Cupertino.²⁶ In San Jose, the average fee per single family home unit for a 50 lot subdivision is \$30,700, which is on the low end of the range relative to the region’s cities.²⁷ While these fees may be a constraint to housing production, they are necessary to provide adequate planning services and maintain public services and facilities. Some jurisdictions provide fee waivers or reductions for affordable housing projects or housing for special needs populations.

Article XXXIV of the California Constitution

Article XXXIV of the California Constitution requires approval of the voters before any "low rent housing project" can be "developed, constructed, or acquired" by any "state public body." Article 34 applies not only to publicly-owned low-income rental projects, but also to low-income rental projects developed by private persons and non-profit entities using certain types of public financial assistance. Most jurisdictions seek voter approval for a specified number or percentage of units, rather than on a project-by-by-project basis. Exclusions to Article 34 include privately-owned, non-exempt, lower-income developments with no more than 49 percent of the units reserved for lower-income households, and reconstruction of previously existing lower-income units.

In Santa Clara County, Measure A, passed in the November 1998 ballot, authorizes under Article XXXIV of the California Constitution the development, acquisition or construction of low rent housing units in annual amounts equal to 1/10 of one percent of the total number of existing

²⁶ Home Builders Association of Northern California, *South Bay Area Cost of Development Survey, 2006-2007*, http://www.sanjoseca.gov/development/docs/06-07_COD_Survey_Results.pdf

²⁷ Data from the City of San Jose Department of Planning, Building, and Code Enforcement based on 2010-11 cost of development..

housing units within the municipalities and urban service areas of the County of Santa Clara as of the 1990 census. The total number of units authorized each calendar year would be approximately 540. These units would be for persons and families of low income, including elderly or disabled persons. If the total annual allocation is not exhausted in any given year, the remaining number of units would be carried over and added to the number allowed in future years. The City of San Jose is well within the cap of low-income units authorized by Article XXXIV

Housing Elements

The Housing Element is one of seven State-mandated elements of a jurisdiction's general plan and establishes a comprehensive, long-term plan to address housing needs. Updated every five to seven years, the Housing Element is a jurisdiction's primary policy document regarding the development, rehabilitation, and preservation of housing for all economic segments of the population. Per State Housing Element law, the document must:

- Outline a community's housing production objectives;
- List policies and implementation programs to achieve local housing goals;
- Examine the need for housing resources in a community, focusing in particular on special needs populations;
- Identify adequate sites for the production of housing serving various income levels;
- Analyze the potential constraints to production; and
- Evaluate the Housing Element for consistency with other components of the General Plan.

One of the major requirements of a Housing Element is that the document demonstrates the city has a sufficient amount of vacant or underutilized residential land zoned at appropriate densities to accommodate the community's Regional Housing Needs Allocation (RHNA) for all income groups. The State Department of Housing and Community Development (HCD) and the Association of Bay Area Governments (ABAG) determine the RHNA for the nine county Bay Area, which includes Santa Clara County. If a jurisdiction fails to identify adequate sites to accommodate its RHNA, it risks having a Housing Element that is deemed to be out of compliance with State law by HCD.

The lack of planning for housing and the repercussions associated with not having a certified Housing Element could constrain market-rate and affordable housing development, and thereby contribute to a fair housing concern.

Entitlement jurisdictions are currently working on their Housing Element updates for the 2007-2014 planning period. The deadline for submitting a Housing Element for HCD certification for the current planning period was June 30, 2009. While some jurisdictions do not yet have a certified Housing Element, most do have draft Housing Elements that are undergoing initial review by HCD or are being drafted. The City of San Jose had its Housing Element certified by HCD in July 2009,

the first Entitlement Jurisdiction in the County to receive State approval.

5.2 Private Sector

In addition to governmental constraints, there may be non-governmental factors that constrain the production of new housing or impede fair housing choice. These constraints may include market-related conditions such as the availability of mortgage financing or land and construction costs, or other private sector activities such as application processes for affordable housing developments.

For-Sale Housing Market

Affordability. Between 2000 and 2007, home prices soared in Santa Clara County and the high cost of housing emerged as the main barrier to housing choice. However, as a result of the current economic downturn and declining home prices, housing affordability has improved, particularly in Central and South Santa Clara County (see Table 2.18 and accompanying text for a discussion on affordability). Lower home prices provide households with greater housing choice, particularly for moderate income households and buyers that take advantage of various State and local first-time homebuyer programs.²⁸ However, households at or below 80 percent of AMI may still encounter difficulty finding affordable homes for sale, especially in the North and Central West regions of the County.

Local homeownership counseling agencies indicate that while housing affordability improves, other barriers to fair housing choice emerged. For example, credit accessibility and uncertainty in the economy have emerged as challenges for potential homebuyers. Challenges associated with mortgage financing will be discussed later in this section.

Competition. Looking to capitalize on the soft residential market, many investors have begun to enter the market for lower-priced homes. These investors often have more attractive financing offers (e.g., all cash deals) than first-time homebuyers who are generally more leveraged and may be utilizing various first-time home buyer programs. Sellers, particularly banks' real estate owned (REO) property managers, are interested in selling properties quickly.

Foreclosures. Due to a variety of interrelated factors, including an increase in subprime lending activity in recent years, California and the nation are currently undergoing an unprecedented wave of foreclosures. During the third quarter of 2009, approximately 4,000 homeowners received notices of default, which is the first step in the foreclosure filing process in Santa Clara County.

²⁸ Zhovreboff, Walter, Bay Area Homebuyer Agency / First Home, Inc., phone interview with BAE, July 16, 2009.

This represents a 43 percent increase in the number of notices of default since the third quarter of 2008.²⁹ In comparison, San Jose experienced a 26 percent increase in the number of notices of default between 2008 and 2009.

Table 5.1 shows year-to-year comparisons of foreclosure filings in San Jose. Total filings rose 20 percent from 13,800 in calendar year 2008 to 16,500 in 2009. This includes a 725 percent increase in foreclosure filings since 2006. The 16,500 foreclosure filings in 2009 in San Jose compared to previous years shows that foreclosure filings continue to increase in large numbers and that the City may not have reached its peak.

Table 5.1: Year-to-Year Foreclosure Filings in San Jose

Calendar Year	Foreclosure Filings	Percentage Increase
2006	2,000	
2007	5,800	190%
2008	13,800	138%
2009	16,500	20%

Table 5.2 shows a breakdown of foreclosure filings for 2008 and 2009. Overall, since 2000 foreclosure filings in San Jose increased but bank-owned properties decreased, including a 26 percent increase in the number of default notices filed (from 8,600 to 10,900) and a 750 percent jump in the number of auction sale notices filed (from 380 to 3,200). Conversely, bank owned properties declined 50 percent from 4,800 properties in 2008 to 2,500 in 2009. It is likely that bank owned properties have declined because homes have either been bought through short sale or auction sale before reaching the last step of ownership being returned to the bank. The increase in auction sales might also indicate a rise in investor ownership of homes in the foreclosure process whereas these homes would be re-sold or put on the rental market for profit. This not only affects availability of homes for purchase by first time homebuyers, but it also prevents renters from finding affordable housing. Lastly, the rise in notice of defaults is expected as mortgage rates reset and those who lost their jobs to the economic downturn cannot afford to make payments.

In the City of San Jose between 2007 and 2008, most homeowners facing foreclosure were in danger of losing their homes because their adjustable rate mortgages were resetting, resulting in higher unaffordable payments. However, in 2009, there is a new group of homeowners facing foreclosure--A-credit homeowners with both fixed and adjustable rate mortgages who lost their jobs due to the current economic downturn. According to statistics compiled by ForeclosureHelp, a public-private partnership working group to respond to the foreclosure crisis, 70 percent of clients assisted within the year have experienced a reduction of income or job loss.

²⁹ DQ News, "California Mortgage Defaults Trend Down Again," October 20, 2009, <http://www.dqnews.com/Articles/2009/News/California/CA-Foreclosures/RRFor091020.aspx>

Table 5.2: Breakdown of Foreclosure Filings in San Jose for 2008 and 2009

Calendar Year	Notice of Defaults	Auction Sale Notices	Bank Owned Properties	Total Foreclosure Filings
2008	8,600	400	4,800	13,800
2009	10,900	3,200	2,400	16,500

During the most recent housing boom, rapid home price escalation led to a desire for lenders to generate more mortgages, spurring them to adopt lax underwriting criteria and to assume greater and ultimately unsustainable levels of risk. In order to qualify potential homebuyers who would not otherwise qualify for traditional financing, lenders created new subprime loan products, allowing buyers to enter the market with little to no money down or with initial “teaser” interest rates that began low, but subsequently jumped to unmanageable levels.

Lenders pooled these subprime loans together with other, lower risk mortgages into investment securities for sale on the secondary market. The intent was that the good mortgages would negate the risk of the bad ones. Not only was the assumption of “risk-spreading” erroneous, but it also created a moral hazard because lenders, who did not bear the downside of bad mortgages, were incentivized to create more of them. Mortgage brokers, whose commissions are unaffected by a loan’s foreclosure, also contributed to this shift in the mortgage market by originating almost 60 percent of subprime loans, sometimes through predatory lending practices.³⁰

Through these policies, some lenders provided buyers with imperfect credit and/or lower incomes larger mortgages than they could otherwise afford. Unfortunately, as teaser rates (and other low-variable rates) expired and interest rates increased, many of these households defaulted on their loans, initiating the current rash of foreclosures.

The Center for Responsible Lending (CRL), the Federal Reserve Bank of San Francisco, and the University of Southern California report that data regarding the income, ethnicity, and other characteristics of households losing their homes to foreclosure are not readily available. However, the CRL has examined the ethnicity of borrowers receiving subprime loans, using Home Mortgage Disclosure Act (HMDA) data. Given the strong link between subprime lending and foreclosure,

³⁰ *Losing Ground: Foreclosures in the Subprime Market and Their Cost to Homeowners*. Center for Responsible Lending. December 2006.

this analysis serves as a rough proxy for the ethnicities of buyers undergoing foreclosure nationally.

The 2006 CRL study finds that subprime mortgages disproportionately occur in communities of color. African-American and Latino borrowers were over 30 percent more likely to receive a high-cost loan (a proxy for subprime lending) than White borrowers, even controlling for credit risk. Approximately 52 percent of African-American borrowers and 40 percent of Latino borrowers received a higher-cost loan in 2005, compared to only 19 percent of White borrowers.³¹

This analysis was conducted on a national scale. Given Santa Clara County and California's diverse ethnic composition distribution, the profile of California homeowners undergoing foreclosure may mirror national trends in terms of ethnic concentration. Indeed, this is true in the City of San Jose, where foreclosures are primarily located in East San Jose and along the 101 freeway. These areas correspond to a high concentration of Hispanic and Asian households and of lower-income households.

Table 5.3, shows that the most impacted zip codes in San Jose are 95111, 95116, 95122, 95123, 95127 and 95148, which are in bold font. These zip codes are concentrated in certain areas in San Jose, particularly in East San Jose and along the 101 freeway where there is a higher population of lower-income as well as Asian and Hispanic households. This can be seen in the subsequent Chart 5.3, where the CDBG Low Mod Tracts have been layered against the foreclosures to show the impact of foreclosures in lower-income areas. The CDBG Low Mod calculations use HUD defined income categories. If more than 50% of the residents in a tract fall in the low- to moderate income category, then the tract is identified as a CDBG Low Mod tract. About 5,200 foreclosures (32% of all foreclosures) in San Jose fall within the CDBG Low Mod tracts. The race-ethnicity group majority by census tract map could not be layered into Chart 5.3, but it also shows these areas to have a higher population of Hispanic and Asian households.

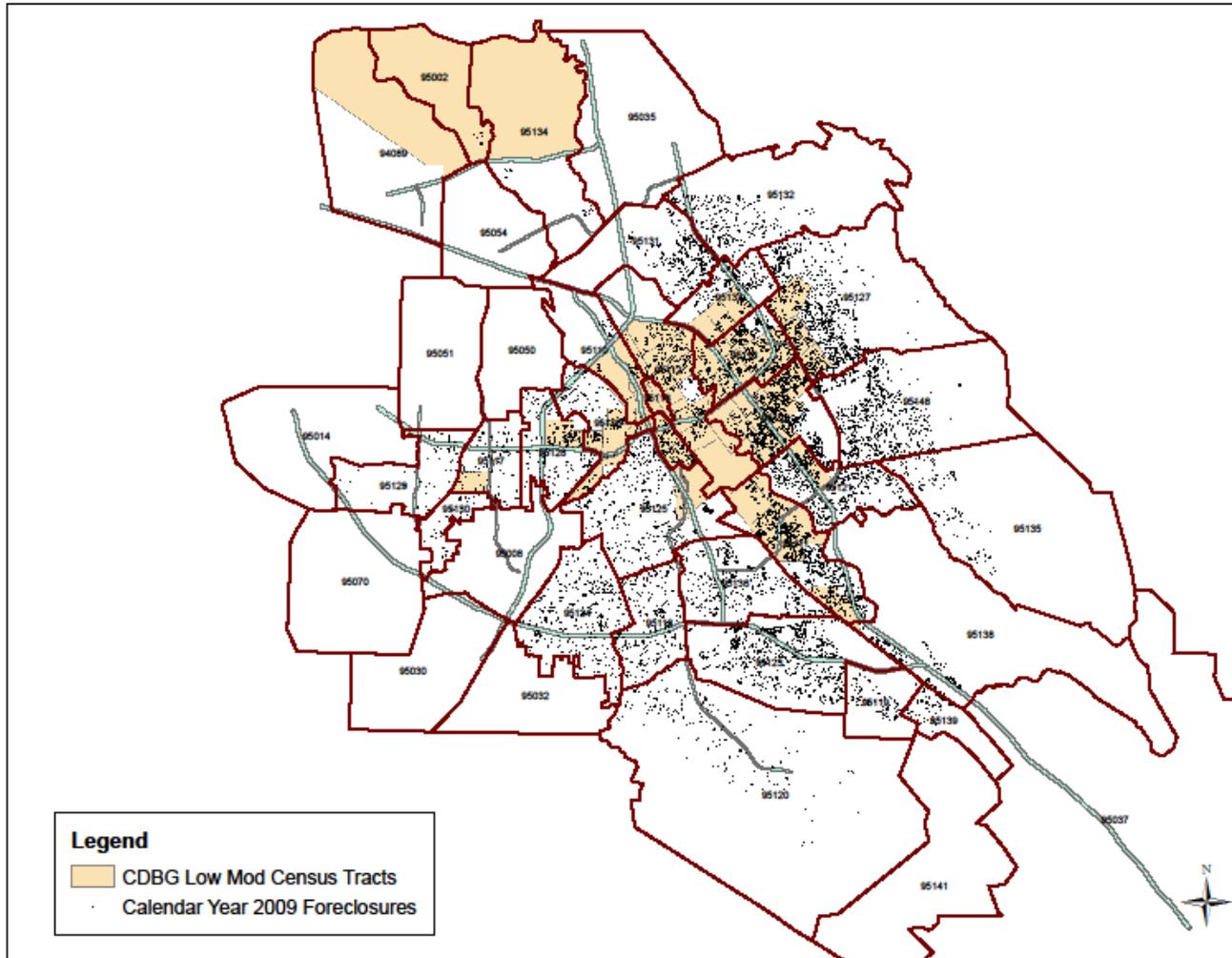
³¹ *Unfair Lending: The Effect of Race and Ethnicity on the Price of Subprime Mortgages*. Center for Responsible Lending. May 31, 2006.

Table 5.3: 2009 San Jose Foreclosure Filings by Zip Code

Zip Code	Auction	Bank Owned	Preforeclosure	Grand Total
95002	3	1	9	13
95050	1			1
95110	82	63	244	389
95111	304	237	973	1,514
95112	123	118	394	635
95113		1		1
95116	224	197	718	1,139
95117	32	27	103	162
95118	78	60	273	411
95119	34	25	105	164
95120	40	22	158	220
95121	189	138	634	961
95122	283	210	922	1,415
95123	251	245	1,001	1,497
95124	104	57	345	506
95125	100	85	429	614
95126	61	52	233	346
95127	333	259	1,049	1,641
95128	78	61	297	436
95129	17	14	82	113
95130	15	8	39	62
95131	106	68	300	474
95132	151	83	503	737
95133	122	81	341	544
95134	6	3	25	34
95135	44	28	155	227
95136	117	82	440	639
95138	90	69	306	465
95139	21	18	87	126
95140		2	2	4
95148	224	141	697	1,062
Grand Total	3,233	2,455	10,864	16,552

Source: City of San Jose Housing Department

Chart 5.1: Concentration of 2009 Foreclosure Filings in San Jose



Source: City of San José Housing Department

The recent increase in foreclosures has added former renters and homeowners to the population of residents in need of decent and affordable housing. The credit problems of homeowners who have been foreclosed on prevent them from being approved for mortgages to buy a new home and jeopardize their ability to rent. Renters of homes that were foreclosed more often are not notified of the foreclosure in time to secure replacement housing for their families.

Lending Policies and Practices

Home Mortgage Disclosure Act (HMDA). Enacted by Congress in 1975, the Home Mortgage Disclosure Act requires lending institutions to publically report home loan data. Lenders must provide information on the disposition of home loan applications and disclose applicant information, including race or national origin, gender, and annual income. HMDA data indicates which banks are lending in different communities and provides insight into lending patterns, including denial rates and the types of loans issued (e.g., home improvement loans, home purchase loans). HMDA data cannot conclusively identify redlining or discrimination because many factors, such as income, income-to-debt ratio, credit rating, and employment history, affect approval and denial rates. However, analysis of the data may reveal trends that could indicate a pattern of discriminatory lending practices. Unfortunately, the readily available data is restricted to the City of San Jose as a whole and does not allow for the disposition of home purchase loans by zip code or census tracts.³²

As shown in Table 5.4, over 46,000 home purchase loan applications were submitted in Santa Clara County in 2007. Overall, 58 percent of the loan applications were approved. The largest proportion of loan applications was filed in the City of San José, which accounted for 55 percent of all loan applications in the County.

Loan approval rates vary by jurisdiction. With the exception of the Unincorporated County, all jurisdictions had approval rates of greater than 50 percent. Within the Urban County, Morgan Hill and Los Altos Hills had the highest approval rates, both exceeding 70 percent. Among Entitlement Jurisdictions, the cities of Palo Alto, Cupertino, and Mountain View had the highest loan approval rates, ranging from 65 percent to 66 percent. Gilroy had the lowest approval rate at 52 percent, followed by San José at 55 percent. This data is fairly consistent with the income distribution across jurisdictions. Cities with higher median incomes, such as Palo Alto, Cupertino, and Mountain View had higher approval rates than those with lower incomes.

³² The disposition of refinance loans in San Jose is also not readily available.

Table 5.4: Disposition of Home Purchase Loans by Jurisdiction, 2007

	Total Number of Loan Applications	Action Type		
		Approved (a)	Denied	Other (b)
Cupertino	1,674	65.9%	11.6%	22.4%
Gilroy	1,317	51.5%	19.7%	28.8%
Mountain View	1,876	65.0%	10.4%	24.6%
Palo Alto	1,509	66.2%	11.7%	22.1%
San Jose	25,689	55.4%	18.2%	26.5%
Santa Clara	3,186	63.8%	12.3%	23.9%
Sunnyvale	3,381	63.6%	13.0%	23.5%
Urban County				
Campbell	931	60.8%	13.4%	25.8%
Los Altos Hills	694	70.9%	9.2%	19.9%
Los Altos	253	64.8%	16.6%	18.6%
Los Gatos	990	64.5%	13.6%	21.8%
Morgan Hill	57	78.9%	7.0%	14.0%
Monte Sereno	1,418	56.7%	18.3%	25.0%
Saratoga	793	66.3%	11.9%	21.8%
Unincorporated County	83	47.0%	24.1%	28.9%
Urban County	5,219	62.8%	14.3%	23.0%
Entitlement Jurisdictions	43,851	58.6%	16.1%	25.3%
Santa Clara County Total	46,407	58.4%	16.2%	25.5%

Notes:

(a) Includes loans originated and applications approved but not accepted.

(b) Includes applications withdrawn by applicant, incomplete applications, loans purchased by institution, and preapproval requests denied.

Sources: Home Mortgage Disclosure Act (HMDA), 2007; BAE, 2009.

Loan approval rates varied by race and ethnicity across all Entitlement Jurisdictions. As shown in Table 5.5, loan applications submitted by Asian persons had the highest approval rate at 70 percent. White applicants had the second highest approval rate at 64 percent, while American Indian applicants were approved at the lowest rate at 53 percent. Approval rates for non-Hispanic/Latino applicants stood at 70 percent, compared to 50 percent for Hispanic/Latino applicants. A Chi-Square test determined that the differences in approval rates across races and ethnicities are statistically significant. This analysis, however, does not identify a reason for the discrepancy. As mentioned previously, many factors can influence loan application approval rates, including household income, income-to-debt ratio, credit rating, and employment history.

Table 5.5: Disposition of Home Purchase Loans by Race and Ethnicity, Entitlement Jurisdictions, 2007

Race	Total Number of Loan Applications	Action Type		
		Approved (a)	Denied	Other (b)
American Indian or Alaska Native	549	52.5%	30.6%	16.9%
Asian	13,425	70.4%	14.1%	15.5%
Black or African American	468	57.9%	25.6%	16.5%
Native Hawaiian or Other Pacific Islander	485	60.2%	25.6%	14.2%
White	19,419	63.8%	19.5%	16.7%
Information not provided by applicant	5,091	57.8%	18.9%	23.3%
Not applicable	4,414	1.4%	0.2%	98.4%
Total	43,851	58.6%	16.1%	25.3%
Ethnicity				
Not Hispanic or Latino	27,128	70.4%	13.9%	15.8%
Hispanic or Latino	7,566	49.6%	32.1%	18.3%
Information not provided by applicant	4,657	58.8%	18.2%	23.0%
Not applicable	4,500	2.3%	0.6%	97.0%
Total	43,851	58.6%	16.1%	25.3%

Notes:

(a) Includes loans originated and applications approved but not accepted.

(b) Includes applications withdrawn by applicant, incomplete applications, loans purchased by institution, and preapproval requests denied.

Sources: Home Mortgage Disclosure Act (HMDA), 2007; BAE, 2009.

Table 5.6 shows the disposition of home purchase loans in San Jose by race and ethnicity in 2007. Similar to other areas in the county, loan applications submitted by non-Hispanic White and Asian persons had the highest approval rate at 68.2 percent and 67.4 percent, respectively, compared to Hispanics with an approval rate at 48.6 percent. Denial rates were highest with loan applications submitted by Hispanics at 33 percent and American Indian or Alaska Natives at 31.3 percent compared to non-hispanic White applicants with a denial rate at 15.1 percent. Because HMDA data does not include zip codes, census tracts, credit scores, and denial reasons, it is difficult to gauge whether redlining or denial based on race and ethnicity is occurring within the City of San Jose. The data pertaining to high cost loans was not available for the Department's analysis.

Table 5.6: Disposition of Home Purchase Loans in San Jose by Race and Ethnicity, 2007

Race	Total Number of Loan Applications	Action Type		
		Approved (a)	Denied	Other (b)
American Indian or Alaska Native	431	52.2%	31.3%	16.5%
Asian	7,343	67.4%	15.4%	17.2%
Black or African American	343	55.1%	29.2%	15.7%
Native Hawaiian or Other Pacific Islander	331	60.1%	24.8%	15.1%
White	11,636	60.4%	22.5%	17.1%
Information not provided by applicant	2,949	54.5%	19.9%	25.6%
Not applicable	2,656	1.3%	0.2%	98.5%
Total	25,689	55.4%	18.2%	26.5%
Ethnicity				
Hispanic or Latino	5,907	48.6%	33.0%	18.4%
Not Hispanic or Latino	14,424	68.2%	15.1%	16.7%
Information not provided by applicant	2,628	55.4%	19.3%	25.3%
Not applicable	2,730	2.6%	1.0%	96.4%
Total	25,689	55.4%	18.2%	26.5%

Notes:

(a) Includes loans originated and applications approved but not accepted.

(b) Includes applications withdrawn by applicant, incomplete applications, loans purchased by institution, and preapproval requests denied.

Sources: Home Mortgage Disclosure Act (HMDA), 2007; BAE, 2009.

Conventional Mortgages. As a result of the recession and credit crisis, access to financing has emerged as a major barrier to housing choice in Santa Clara County as well as across the state and country. Contrary to the lax underwriting standards prevalent during the housing boom, lenders have since swung to the opposite side of the pendulum by requiring underwriting standards that are often excessively strict, even for those who are traditionally safe credit risks. For example, according to several homeownership counseling agencies, buyers need a credit score of 720 to 740 to qualify for a conventional home mortgage. Banks are also looking for larger downpayments of 10 percent to 20 percent of the purchase price, which is significantly higher than what was previously required. Many of these requirements directly address problems in the lending industry that contributed to the current housing and economic downturn. However, these standards make it more difficult for buyers to access a mortgage, particularly when excessively high standards do not bear direct relation to the credit risk posed by the potential homebuyer.

FHA Loans. Households that face difficulty qualifying for a conventional mortgage may have the

option to use a Federal Housing Administration (FHA) loan. FHA loans are insured by the federal government, and have traditionally allowed lower-income households to purchase homes that they could not otherwise afford. Thanks to the FHA insurance, these loans have lower interest rates, require a low downpayment of 3.5 percent, and have more accessible underwriting criteria. In general, lenders report that households with a credit score of at least 640 and a two-year employment history can qualify for a FHA loan. FHA loans have become more popular as underwriting practices for conventional mortgages have become stricter.³³ In addition, more homebuyers are eligible for FHA loans as a result of declining home prices and an increase in allowable purchase price for FHA loans. In Santa Clara County the FHA loan limit for a single-family residence is \$729,750.³⁴

Despite the more favorable terms associated with FHA loans, there are some challenges associated with purchasing a home with FHA-backed mortgage. First, stringent guidelines regulate what properties are eligible for purchase. Properties must meet certain requirements related to the condition of the home and pass an inspection by FHA representatives. This requirement is a particular challenge for homebuyers who are purchasing foreclosed properties that have been vacant for a prolonged period and have associated maintenance issues.³⁵

The FHA has stringent requirements for condominium purchases that pose additional challenges to qualifying for a mortgage. One requirement is that a certain percentage of units in a condominium project must be under contract before the FHA will back a condominium mortgage. Recently the FHA raised the presale requirement 25 percent to 51 percent of units. This can create a “Catch-22” situation where the FHA will not issue loans until a certain percentage of units are sold, but developments cannot reach that threshold if buyers are unable to get mortgages. Additionally, the FHA will not back mortgages in developments where more than 15 percent of homeowners are 30 days delinquent on their homeowners’ association dues, or in projects where a single entity owns more than 10 percent of the units. This latter restriction can create problems for potential homebuyers as many developers are forming companies to buy units and rent them out due to the slow for sale housing market.³⁶

Another potential barrier is that not all banks issue FHA loans. Moreover, many loan officers prefer to focus on conventional mortgages because of the added time and effort associated with

³³ Thompson, Samuel, Chase Bank, phone interview with BAE, July 8, 2009.

Zhovreboff, Walter, Bay Area Homebuyer Agency / First Home, Inc., phone interview with BAE, July 16, 2009.

³⁴ FHA Loan Limits for California, http://www.fha.com/lending_limits_state.cfm?state=CALIFORNIA.

³⁵ Zhovreboff, Walter, Bay Area Homebuyer Agency / First Home, Inc., phone interview with BAE, July 16, 2009.

³⁶ “Condo buyers find it tough to get mortgages,” *San Francisco Chronicle*, August 5, 2009. <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/08/05/BUCT190GMM.DTL&tsp=1>

processing and securing approval on an FHA loan.³⁷

Homebuyer Programs. In addition to conventional mortgages and FHA loans, the State and many Entitlement Jurisdictions offer numerous homebuyer programs. These include various downpayment assistance and second mortgage programs. San Jose has two types of assistance programs, one for San Jose’s public school teachers that offer mortgages with no interest and another program for first-time homebuyers based on an equity share model. Additionally, the County of Santa Clara offers a \$40,000 Downpayment Assistance Program, providing a 30 year loan, deferred with two percent interest for four years, and zero percent interest in years five through 30.³⁸

Downpayment assistance and second mortgage programs are attractive to potential homebuyers, particularly during times when financial institutions are approving loans at lower loan to value ratios. However, loan officers sometimes seek to avoid homebuyers utilizing first-time homebuyer programs due to the added time and labor associated with these programs. While lenders typically process conventional loans in 30 days, the closing period for homebuyers using first-time homebuyer programs may take up to 45 days. However, some lenders can process conventional loans with 10-15 days. The Housing Department’s homebuyer programs can generally process a loan within 17-20 days. In addition, loan officers receive smaller commissions under these programs, as they reduce the amount homebuyers need to borrow from the lender.³⁹

Some real estate brokers also prefer not to work with homebuyers using first-time homebuyer programs. Brokers aim to expedite the closing period, while first-time homebuyer programs generally result in extended loan approval processes. As a result, agents may not tell homebuyers about potential State and local programs for which they would qualify. Homebuyers who do not attend first-time homebuyer classes or work with nonprofit housing counseling agencies are often unaware of available assistance programs.⁴⁰

Local governments and homeownership counselors have dealt with these issues by developing relationships with particular loan officers and real estate agents who are familiar with the State and local programs and are willing to assist homebuyers with the application process. The Housing

³⁷ Thompson, Samuel, Chase Bank, phone interview with BAE, July 8, 2009.

³⁸ County of Santa Clara, “Downpayment Assistance Programs HOME (SCC40K) Program Manual and Guidelines,” June 2009, [http://www.sccgov.org/SCC/docs%2FAffordable%20Housing%20Office%20of%20\(DEP\)%2Fattachments%2FSCC40K%20Loan%20ProgramManual%20Rev%207_09.pdf](http://www.sccgov.org/SCC/docs%2FAffordable%20Housing%20Office%20of%20(DEP)%2Fattachments%2FSCC40K%20Loan%20ProgramManual%20Rev%207_09.pdf)

³⁹ Thompson, Samuel, Chase Bank, phone interview with BAE, July 8, 2009.

⁴⁰ Thompson, Samuel, Chase Bank, phone interview with BAE, July 8, 2009.
Zhovreboff, Walter, Bay Area Homebuyer Agency / First Home, Inc., phone interview with BAE, July 16, 2009.

Department utilizes this method by developing relationships with local loan officers and real estate agents.

Development Constraints

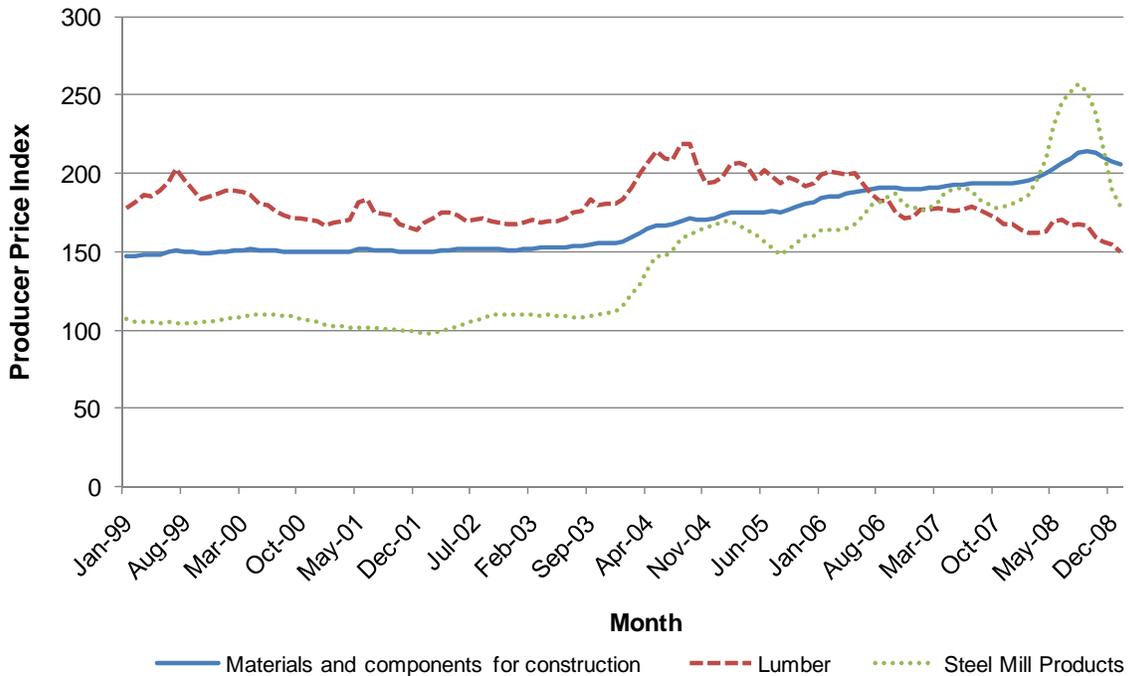
Supply of Available Land. In many Entitlement Jurisdictions, the limited availability of land for housing development constrains new housing production. These constraints are particularly challenging for cities that do not have the potential to annex additional land because they are completely surrounded by other incorporated cities. As a result, new residential production will largely occur as infill projects, often a more challenging and costly development type. It is worth noting, however, that infill development offers the benefits of greater transit accessibility, the redevelopment of underused sites, and the preservation of open space. Additionally, locating housing next to job centers, amenities, and transit has the benefit of lowering total housing cost by decreasing automobile transportation costs.

Land Costs. Due to the limited supply and high demand, land costs in Santa Clara County are generally higher than most other places across California. Local developers indicate that land prices are slowly adjusting during this economic downturn. At the same time, developers generally report that the market is not efficient and that land owners' expectations of what their land is worth has declined less than one would expect given the severity of the housing downturn. Unless land owners are compelled to sell their property, many will wait for the market to recover, thereby perpetuating the restricting land supply and increasing land costs.

Construction Costs. In recent months, key construction costs (materials and labor) have fallen nationally in conjunction with the declining residential real estate market. Figure 5.6 illustrates construction cost trends for key materials based on the Producer Price Index, a series of indices published by the U.S. Department of Labor Bureau of Labor Statistics that measures the sales price for specific commodities and products. While lumber prices declined by 19 percent between 2004 and 2008 steel prices have fallen sharply since August 2008. Local developers report that construction costs, including labor, have fallen by approximately 20 percent in tandem with the weak housing market.⁴¹ Thus, construction costs do not appear to be a development constraint in the current economy.

⁴¹ Papanastassiou, Andrea, Director of Real Estate Development, Eden Housing, Inc., phone interview with BAE, July 14, 2009.

Figure 5.6: Producer Price Index for Key Construction Costs



Base year: 1982 = 100
 Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, 2009; BAE, 2009

Availability of Financing. According to affordable housing developers in the region, the availability of financing presents the biggest barrier to producing new subsidized housing. Although the cost of land and construction have declined, the associated tightening of the credit market and decline in State and local subsidies have made it challenging for affordable housing developers to take advantage of lower costs.

As a particularly salient concern, the value of low-income housing tax credits (LIHTC) has fallen in tandem with the economy. Tax credit investors also now have an even greater preference for new construction, family housing, and senior housing developments, perceived to be less risky than rehabilitation projects and permanent supportive housing.⁴² With this loss in tax credit equity, developers are forced to turn to the State and local agencies for greater subsidies. Unfortunately, uncertainty around State and local finances and the expiration of programs funded by previous State housing bonds limits funds from these sources as well. However, some additional funds are

⁴² Sawislak, Dan, Executive Director, Resources for Community Development, phone interview with BAE, July 2, 2009.

available from the federal level through the American Recovery and Reinvestment Act of 2009, which provides funding for various housing programs, including the Community Development Block Grant and the Tax Credit Assistance Program.

In addition to reduced LIHTC financing, local redevelopment agencies (RDAs) have reduced funding as a result of the State budget crisis. To balance the State's budget for fiscal year 2009-2010, RDAs across the state were required to pay \$2.05 billion of tax increment otherwise due to them to the State's Supplemental Educational Revenue Augmentation Fund (SERAF) over a two-year period. In order to make the SERAF payment, some RDAs had to borrow from or suspend payments to the Low and Moderate Income Fund, which is the principal funding source for affordable housing in cities like San Jose.⁴³ On February 2010 the San Jose City Council voted to have the Housing Department be responsible for \$40 million of the City's \$75 million State take. By setting aside these funds, the Department's ability to fund affordable housing developments is significantly impacted. Although the California Redevelopment Agency filed suit against the State on behalf of redevelopment agencies on the grounds that the take is illegal, a Sacramento superior court judge upheld the legality of the State take. Some housing advocates have expressed concern that additional State takes may occur in the future and further impact the ability of cities to meet their affordable housing needs.

As another financing challenge, the State's weak fiscal condition has led to uncertainty about future bond financing, a major strategy for raising affordable housing funds. In the face of California's budget concerns, this constraint will likely remain in effect in coming years.

Public Perception. In some communities, public perception of housing developments may act as a barrier. Community opposition may arise from neighbors who live near a proposed new development. Residents may have concerns about a project's density and impact on parking and traffic conditions. Public outreach efforts and good planning and design are key to addressing potential community opposition.

Subsidized Housing

Affordable Housing Financing. In addition to constraints associated with capital funds for construction as mentioned above, affordable housing developers report that it is difficult to secure funding for ongoing costs associated with the provision of supportive services. Although this trend is beginning to change, some cities maintain rigid limits on their contributions to supportive

⁴³ California Redevelopment Association, "Redevelopment Agencies Prepare Second Lawsuit to Block Unconstitutional Raids of Redevelopment Funds," <http://www.calredevelop.org/AM/Template.cfm?Section=Home&Template=/CM/ContentDisplay.cfm&ContentID=5855>

services costs due to limited funding or regulatory constraints.⁴⁴

Affordable Housing Application Processes. Due to the requirements associated with various affordable housing funding sources, certain households may encounter difficulties in applying for subsidized housing. For example, applications can involve a large amount of paperwork and require households to provide records for income verification. In some cases, short application time frames and submittal requirements (e.g., by fax) create additional challenges. These requirements present obstacles for homeless or disabled individuals who lack access to communication systems and information networks, as well as the skills to complete and submit the necessary documentation.

Affordable housing developers receive hundreds to thousands of applications for a limited number of units. Applicants who are not selected through the lottery process are put on a waiting list. Households must be proactive and regularly follow-up with property managers to inquire about the status of the waiting list. If applicants on the waiting list move or change their phone number, property managers may not be able to contact them when a unit becomes available. Again, this procedure can make it difficult for transient individuals or families who don't have a regular address, phone number, or email address to secure affordable housing.

Applicants who are selected through the lottery or who come off the waitlist go through an interview and/or screening process. Property managers routinely screen out individuals with a criminal or drug history, or a poor credit record. This process can effectively screen out homeless or mentally disabled applicants. To help address these challenges, several organizations provide housing location assistance. For example, in San Jose the Housing Services Partnership and the One-Stop Homeless Prevention Centers provide assistance with permanent housing searches and advocacy.

Housing Opportunities for Special Needs Populations

Service providers who assist various special needs populations, including the elderly, individuals with disabilities, the homeless, and limited English proficiency (LEP) individuals consistently report that one of the greatest barriers to housing choice for these populations is the lack of affordable housing. In addition, special needs populations may face particular challenges to housing choice, as discussed below.

Elderly. Seniors often need accessible units located in close proximity to services and public transportation. Many seniors are live on fixed incomes, making affordability a particular concern. While there are subsidized senior housing developments in the County, local service providers at

⁴⁴ Cavanaugh, Angela, Affordable Housing Associates, phone interview with BAE, July 14, 2009.

each of the public workshops indicated a need for more affordable senior housing facilities, particularly given the long waiting lists at existing subsidized developments. In addition there are few, if any, subsidized assisted living facilities in the County. Faced with this shortage, lower-income individuals often do not have the option of living in an assisted living facility and must bring services into their homes or rely on service coordinators at their housing development to provide these services. There are also several referral and assistance programs that provide information and help to connect individuals with support resources in the community.

Seniors can also face difficulties finding subsidized housing that accommodates a live-in caregiver. According to senior service providers, many subsidized projects serve individuals or couples only and do not accommodate caregivers. In other cases, the caregiver's income may make the household ineligible for the affordable unit. Challenges associated with live-in caregivers may also apply to persons with disabilities or HIV/AIDS.

Persons with Disabilities. Individuals with mobility disabilities often need accessible units that are located on the ground floor or have elevator access, as well as larger kitchens, bathrooms, and showers that can accommodate wheelchairs. Building codes and HOME regulations require that five percent of units in multifamily residential complexes be wheelchair accessible and another two percent of units be accessible for individuals with hearing or vision impairments.⁴⁵ Although affordable housing developers follow these requirements and provide accessible units in their subsidized housing developments, local service providers reported at the public workshop on this document that demand far outstrips the supply of accessible, subsidized housing units.

However, affordable housing providers often have difficulty filling accessible units with disabled individuals. Some affordable housing providers report that they only have a few disabled persons on their waiting list. As such, if all disabled individuals on the waiting list are placed in a unit and accessible units still remain, the developer will place a non-disabled person in the unit. This contradicts information provided by other service providers who indicate a great need for affordable accessible housing, and suggests that there are barriers in the application process that prevent interested individuals from finding subsidized, accessible housing (as discussed above) or a mismatch between people who need housing and when it is available. A lack of communication between affordable housing developers and organizations that serve disabled persons also contributes to this problem. In fact, affordable housing providers state that filling accessible units with disabled individuals requires a substantial effort. Property managers must often give presentations and meet with clients and service providers in order to secure eligible applications for these units.

⁴⁵ Papanastassiou, Andrea, Director of Real Estate Development, Eden Housing, Inc., phone interview with BAE, July 14, 2009.

Persons with disabilities face other challenges that may make it more difficult to secure both affordable or market-rate housing. Often persons with disabilities have high medical bills that lead to credit problems. Many individuals also rely on Social Security or welfare benefits. Organizations who assist disabled individuals secure housing in the region, report that poor credit is one of the biggest barriers to their clients' housing choice.

Other challenges disabled individuals may face include difficulties securing reasonable accommodations requests. As discussed previously, the Fair Housing Act prohibits the refusal of reasonable accommodations in rules, policies, practices, or services, when such accommodations are necessary to afford a person with a disability equal access to housing. This applies to those involved in the provision of housing, including property owners, housing managers, homeowner associations, lenders, real estate agents, and brokerage services. Examples of reasonable accommodation requests include permission to have a service animal in the residence or securing parking closer to the resident's unit. ECHO and Project Sentinel report that reasonable accommodation requests for disabled individuals are one of the more common fair housing complaints seen throughout Santa Clara County.⁴⁶ This is partially a result of tenants not always being aware of their rights to reasonable accommodation under fair housing law.

Homeless Individuals. The primary barrier to housing choice for homeless individuals is insufficient income. Local and regional service providers report that many homeless persons rely solely on Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) for income, which are insufficient to pay the rent at most subsidized housing programs and affordable housing developments. In addition, many homeless individuals have a criminal or drug history, history of evictions, or poor credit, which may make it more difficult to find housing because, as noted above, affordable housing developers and market-rate landlords may screen out potential tenants with these characteristics.

As discussed above, occupancy regulations, potential landlord biases against households with children, and the more limited supply of larger units can make it difficult for residents to find housing. However, these barriers combined with extremely low-incomes and checkered histories can make securing housing even more difficult for homeless families. Public workshop participants reported that as a result of the recession, there are more homeless families than ever seeking housing.

Housing with accessibility to employment and services is particularly important to homeless residents and those transitioning out of homelessness. Many do not own private vehicles and must

⁴⁶ Arlene Zamorra, Housing Counselor, ECHO, phone interview with BAE, September 30, 2009.
Marquart, Ann, Executive Director, Project Sentinel, phone interview with BAE, October 14, 2009.

rely on public transportation to go to work and places that provide social services.

Limited English Proficiency (LEP) Individuals. Individuals who have limited English proficiency may experience difficulty accessing housing services or complying with institutional requirements for housing-related products. For example, as financial institutions institute more stringent lending practices in response to the economic downturn, LEP individuals may face greater challenges in navigating the mortgage process than the general population because loan documents are often not translated in other languages making it difficult for LEP individuals to review before they sign the documents. According to regional housing counseling agencies, at the height of the housing boom lenders were very interested in accessing the Latino and Asian populations. However, bank outreach to these communities has since declined.

As another concern for LEP households, undocumented individuals may face more complicated processes when applying for a mortgage. Some groups within the Spanish-speaking community and other LEP populations are “unbanked,” and rely on a cash economy. Because regular banking provides the record keeping and legitimacy that lenders look for, unbanked households have a more difficult time providing documentation to qualify for a mortgage.⁴⁷ In addition to challenges accessing housing, undocumented immigrants are also more reluctant to file fair housing complaints with HUD or the State. ECHO has investigated fair housing complaints for undocumented immigrant clients. However, these clients are often hesitant to file official complaints with government agencies due to their undocumented status.⁴⁸ In 2007, the City of San Jose developed and implemented a language access plan (LAP) to assist LEP individuals in obtaining access to housing services and products. The City also requires that organizations receiving federal funding through the City implement their own LAP to assist clients who may have limited English proficiency.

Housing Opportunities for Families

Fair housing law prohibits discrimination based on familial status. However, local service providers report that households with children are sometimes discriminated against, particularly when searching for rental housing. Landlords may view households with children as less desirable due to potential noise issues or damage to units. While landlords and property managers may not deny families housing, they may place them in less desirable units such as units at the back of a complex or a downstairs unit. The challenge in identifying discrimination on the grounds of familial status is that often families may not know that other units in a complex are available, and therefore not realize that they are being offered a less desirable unit. ECHO and Project Sentinel

⁴⁷ Gonzales, Gilda, Executive Director, Unity Council, phone interview with BAE, July 15, 2009.

⁴⁸ Arlene Zamorra, Housing Counselor, ECHO, phone interview with BAE, September 30, 2009.

report that differential treatment on the basis of familial status is another common fair housing issue in the County.⁴⁹

5.3 Public and Private Sector

There are some impediments to housing choice that span both the public and private sectors.

Linkage Between Housing and Employment Centers

As discussed earlier, the Entitlement Jurisdictions' inventory of public and subsidized housing, community care facilities, and major employers are well-connected to public transportation. Local affordable housing developers report that transit accessibility significantly affects site selection decisions for subsidized housing. In addition to the fact that lower-income households tend to have a lower rate of vehicle ownership, the funding structure for affordable housing favors sites with better accessibility. Developers are required to compete for various affordable housing funding sources like low-income housing tax credits (LIHTC). Public transportation access is one of the criteria projects are ranked on; developments with better transit access receive higher scores. Because the competition for affordable housing financing is so great in California, developers report that projects must receive the maximum score in the transit category in order to be competitive. As a result, affordable housing projects tend to be very well connected to transit. All of the public housing facilities in the Entitlement Jurisdictions and 90 percent of subsidized housing developments are located within a quarter-mile of public transportation.

While affordable housing projects are often located in close proximity to transit, local public transportation providers are cutting services as a result of budget shortfalls. For example, the Santa Clara Valley Transit Authority (VTA) implemented major bus and light rail service reductions effective January 11 2010, due to declining economic conditions.⁵⁰

⁴⁹ Arlene Zamorra, Housing Counselor, ECHO, phone interview with BAE, September 30, 2009.
Marquart, Ann, Executive Director, Project Sentinel, phone interview with BAE, October 14, 2009.

⁵⁰ Santa Clara Valley Transit Authority, "VTA Major Service Changes," <http://www.vta.org/servicereductions/>

6 Assessment of Current Fair Housing Programs and Activities

6.1 Programs and Activities that Promote Fair Housing

Fair Housing Laws

Fair housing laws are in place at the federal and State levels. Federal, State, and local governments all share a role in enforcing these laws, as well as conducting activities to affirmatively further fair housing.

Title VIII of the Federal Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes. The laws prohibit a wide range of discriminatory actions, including refusal to rent, sell, or negotiate for housing, make housing unavailable, set different terms, conditions, or privileges, provide different housing services or facilities, refusal to make a mortgage loan, or impose different terms or conditions on a loan based on race, religion, national origin, gender, disability, and familial status.

At the State level, the Rumford Housing Act prohibits housing discrimination toward all classes protected under Title III, and adds marital status as a protected class. The Unruh Civil Rights Act prohibits discrimination in all business establishments in California, including housing and public accommodations, based on age, ancestry, color, disability, national origin, race, religion, sex, or sexual orientation.⁵¹

The California Fair Employment and Housing Act prohibits discrimination and harassment in all aspects of housing including sales and rentals, evictions, terms and conditions, mortgage loans and insurance, and land use and zoning. The Act also requires housing providers to make reasonable accommodation in rules and practices to permit persons with disabilities to use and enjoy a dwelling and to allow persons with disabilities to make reasonable modifications of the premises.

The Entitlement Jurisdictions require housing developers to comply with all fair housing laws and develop affirmative fair housing marketing plans, which include strategies to attract buyers or renters from all backgrounds.

Public Housing Admissions and Continued Occupancy Policies

In its *Admissions and Continued Occupancy Policy*, the Housing Authority of the County of Santa

⁵¹ The protection afforded under the law is extended by case law to include sexual orientation. Sexual orientation includes persons who are homosexual, bisexual, or heterosexual.

Clara (HACSC) outlines measures to affirmatively further fair housing in the administration of its public housing program. These measures include taking appropriate action to ensure individuals with disabilities will have equal access to available services programs and activities, and seeking to have bilingual staff for non-English speaking families.⁵²

HACSC also has a policy to deconcentrate poverty and to promote economic integration. As such, HACSC attempts to bring in higher income tenants into lower income projects and vice versa.⁵³

Fair Housing Services

The primary fair housing activity many jurisdictions undertake is to contract with local nonprofit organizations that specialize in fair housing issues. This model allows for stronger fair housing programs and resources as the nonprofit organizations are able to specialize in fair housing issues and achieve economies of scale by serving a wider geographic area.

Through contracts with entitlement jurisdictions, local fair housing organizations and legal aid groups perform the following services:

- Investigate allegations of housing discrimination and counsel tenants and landlords on their rights and responsibilities under State and local laws;
- Assist tenants and home buyers with discrimination complaints by mediating and/or providing education to property owners and assisting with litigation against owners or managers if necessary;
- Provide management training, fair housing education, community outreach, landlord and tenant counseling, conflict resolution, referrals, investigations, and audits;
- Work with clients to file an official complaint with HUD or the State DFEH, if an investigation finds evidence of discrimination;
- Conduct fair housing audits on private apartment complexes to test for discrimination against particular protected classes;
- Provide assistance with evictions, rental repairs, deposits, rental agreements, leases, rental disputes, mortgage delinquency, home purchasing, and other related issues.

Other Local Fair Housing Efforts

Countywide Fair Housing Task Force. In fiscal year 2003, the Countywide Fair Housing Task Force was established. The Task Force includes representatives from entitlement jurisdictions, fair housing and legal service providers, and other community service agencies. Since its inception, the Task Force has implemented a calendar of countywide fair housing events and sponsors public

⁵² Housing Authority of the County of Santa Clara. *Admissions and Continued Occupancy Policy for the Public Housing Program*. October 1, 1999. Chapter 1, Section D.

⁵³ Housing Authority of the County of Santa Clara. *Admissions and Continued Occupancy Policy for the Public Housing Program*. October 1, 1999. Chapter 4, Section J.

information meetings, including Accessibility Training, First-Time Homebuyer training, and Predatory Lending training.

Training and Outreach. In addition to contracting with local fair housing service providers, several jurisdictions conduct fair housing activities such as training and outreach to local apartment managers and property owners. For example, the City of San José sends out fair housing information to property owners and coordinates with local Fair Housing service providers and the Tri-County Apartment Association to hold bi-annual workshops for apartment owners and managers on fair housing laws. The City also translates fair housing outreach and educational material into several languages. The City of Palo Alto's Office of Human Services sponsors housing information and referral coordination meetings to facilitate networking among service providers who assist low-income, elderly, disabled, or homeless clients. Local fair housing service providers also offer various fair housing activities throughout the County of Santa Clara and City of San Jose such as fair housing educational classes and training for landlords and tenants.

Affordable Housing Programs. The lack of available and affordable housing has been a major impediment to fair housing in Santa Clara County. In response to high housing costs in the region, jurisdictions have funded various subsidized housing programs to provide affordable housing to lower-income households who are unable to afford market rate housing. These programs include inclusionary housing programs, which require developers to reserve a percentage of units for lower-income households or pay an in-lieu fee, and first-time homebuyer programs that offer downpayment assistance or second loans.

For many years, the City of San Jose has operated an inclusionary housing policy in its redevelopment areas. In December 2009, the City Council approved an ordinance to expand inclusionary zoning citywide in order to create more housing opportunities across incomes throughout San Jose. However, the 2009 ruling in the *Palmer vs. the City of Los Angeles* court case invalidated Los Angeles' inclusionary zoning ordinance on the basis that the ordinance amounted to rent control and therefore violated the Costa-Hawkins Act. Jurisdictions in California with inclusionary zoning are currently grappling with the legal ramifications of that ruling and how it applies to each locality.

The final impacts of the *Palmer* case are made murkier still, as other lawsuits may alter the initial implications. For example, the courts upheld the City of Napa's inclusionary housing program in a case brought against it by the Homebuilders Association of Northern California on the basis that cities have the authority under their police power to place conditions on development as long as those conditions are not arbitrary and are reasonably related to legitimate purpose. Regardless of the final impact that recent legal proceedings may have on inclusionary housing programs, the City of San Jose Housing Department will continue to assist in the development of rental housing for

those most in need.

6.2 Problems Related to Current Fair Housing Programs

Limited Resources

Given the diversity of Santa Clara County, fair housing is a major concern. The entitlement cities and the County continue to support fair housing programs through outreach and by contracting with local nonprofit organizations. However, due to budget cuts at various levels of government, staff resources and funding for fair housing programs has decreased. Jurisdictions are having to maximize resources for fair housing while balancing the needs of other housing and community development programs.

Fair Housing Testers

Fair housing organizations report that getting a variety of good fair housing testers can be a challenge. ECHO advertises for testers through internet ads, flyers, and announcements at fairs and fair housing trainings. Potential testers go through a training session, which is offered every three months, and take a practice test before being incorporated into the tester pool. ECHO currently has approximately 20 active testers. However, they often have difficulties in recruiting reliable testers for the particular class they are testing. ECHO reports a particular need for more Latino testers and white male testers.⁵⁴

Lack of Awareness of Fair Housing

According to local fair housing organizations, general public education and awareness of fair housing issues is limited. Tenants often do not completely understand their fair housing rights. To address this issue, jurisdictions and fair housing organizations provide fair housing education and outreach programs to both housing providers and the general public. For example, Project Sentinel provides between 10 and 20 fair housing trainings for property owners and managers in Santa Clara County each year. In addition, jurisdictions and fair housing organizations outreach to the general community through mass media such as newspaper columns, multi-lingual pamphlets, flyers, and radio advertisements. Fair housing organizations also outreach to protected classes by working with organizations that serve target populations.⁵⁵

⁵⁴ Watson, Angie, Fair Housing Coordinator, ECHO, phone interview with BAE, November 23, 2009.

⁵⁵ Marquart, Ann, Executive Director, Project Sentinel, phone interview with BAE, October 14, 2009.

7 Findings and Recommendations

This section summarizes the key findings from the AI, and presents policies and supporting actions that support fair housing choice in the Entitlement Jurisdictions. These policies and actions build upon the current fair housing programs and activities described in Section 5.

7.1 Key Findings

Demographic Profile

Between 2000 and 2009, the Entitlement Jurisdictions experienced steady population growth. The Jurisdictions totaled 1.8 million residents in 2009, making up over 96 percent of Santa Clara County's total population. This represents a 10 percent gain since 2000.

Population changes experienced by individual jurisdictions vary significantly. Among entitlement jurisdictions, Mountain View and Palo Alto experienced more modest growth, with population increases of less than six percent between 2000 and 2009. In contrast, Gilroy and Santa Clara experienced the largest growth, increasing by 24 percent and 15 percent, respectively, over the same period. Within the Urban County, Morgan Hill experienced the largest increase in population, with 19 percent growth between 2000 and 2009.⁵⁶

Santa Clara County has a diverse population with no one race comprising a majority in 2009. Non-Hispanic White persons accounted for 37 percent of the County's population while Asians represented 31 percent. Hispanic/Latino residents comprised 26 percent of the County's population overall. Among the Entitlement Jurisdictions, Non-Hispanic White and Asian residents made up 38 percent and 31 percent of the population, respectively, while Hispanic/Latino residents represented almost 26 percent of the population.

Although no one race constitutes a majority in the County, racial and ethnic groups are not equally distributed throughout the County. Areas of racial/ethnic minority concentration are neighborhoods with a disproportionately high number of minority (i.e., non-White) households. According to HUD, "areas of minority concentration" are defined as Census block groups where 50 percent of the population is comprised of a single ethnic or racial group other than Non-Hispanic Whites. Non-Hispanic White persons comprised the majority of the population in the eastern and western portions of the County. Areas of Cupertino, Santa Clara, Sunnyvale, San José, and Sunnyvale have a Asian concentration under this definition. In addition, portions of Gilroy and

⁵⁶ A small portion of Morgan Hill's population increase resulted from the annexation of 75 housing units during this time period.

surrounding areas, as well as areas of San José, Sunnyvale, and Santa Clara have majority Hispanic/Latino populations.

Minority concentration can also be defined as an area where the percentage of all minorities (i.e., non-White persons) is at least 20 percent above the overall percentage for the County. In 2009, the non-White population comprised approximately 63 percent of the County's population. Therefore, under this definition, Census block groups where non-Whites represent over 83 percent of the population are considered areas of minority concentration. Based on this definition, areas of minority concentration occur in of San José, Sunnyvale, Santa Clara, and Gilroy.

Household incomes vary greatly across Entitlement Jurisdictions. Los Altos is the most affluent entitlement jurisdiction with a median household income of \$194,500 in 2009. Gilroy has the lowest median household income at \$73,600.

A relatively small share of households in the Entitlement Jurisdictions (six percent) lives below the poverty line. The traditional definition of concentrated poverty is an area where 40 percent of the population lives below the federal poverty threshold.⁵⁷ No areas of the Entitlement Jurisdictions fall within this definition. There are no block groups in the County that have more than 40 percent of the population below the poverty line. However, there are few block groups within the Entitlement Jurisdictions that have more than 20 percent of the population living in poverty. Specifically, portions of San José, Gilroy, and unincorporated Santa Clara County west of Palo Alto and west of Morgan Hill have the highest proportions of households living below the poverty line, with more than 20 percent of households falling in this category.⁵⁸

Housing Profile

The median sales price for single-family homes in Santa Clara County increased dramatically between 2000 and 2007 before falling during the current economic downturn. Countywide, the median sales price for single-family homes rose by 60 percent from \$483,000 to \$775,000 between 2000 and 2007. Since the 2007 peak, the median sales price has decreased by 42 percent, falling to levels below 2000 home values. During 2009 (January through May), the median home sales price for single-family homes was \$447,000.

Looking at individual jurisdictions, median sales price varies significantly across the County.

⁵⁷ Wolch, Jennifer and Nathan Sessoms, USC Department of Geography, "The Changing Face of Concentrated Poverty," http://www.usc.edu/schools/sppd/lusk/research/pdf/wp_2005-1004.pdf

⁵⁸ It should be noted that the high poverty area west of Palo Alto is where Stanford University is located. The high concentration of students with little or no income contributes to a higher poverty rate in the area.

Among Entitlement Jurisdictions, Cupertino had the highest median sales price for single-family homes and condominiums, at \$986,500 and \$642,500, respectively. Gilroy had the most affordable single-family homes and condominium units, with median sales prices of \$355,000 and \$185,000, respectively. In general, the housing market downturn since 2007 has impacted all the Entitlement Jurisdictions, with notable declines in median sales prices. Gilroy and San José experienced particularly sharp decreases of 48 percent and 44 percent, respectively, among single-family homes.

Although recent declines in home values have improved housing affordability, many lower-income households still encounter difficulty buying a home. This analysis indicates that current market prices remain an obstacle to homeownership for lower-income households in the North and Central West areas of the County, in particular. Following the regional decline in home values, single-family homes in Central and South County have become more affordable. It is important to note, however, that credit markets have tightened in tandem with the decline in home values. As such, although homes have become more affordable, lender requirements for a minimum down payment or credit score may present a greater obstacle for buyers today.

With the exception of the North County, monthly rents have increased across the Entitlement Jurisdictions since 2007. Rent increases were the largest in the more affluent Central West County, rising by eight percent between 2007 and 2009. Central and South County experienced more modest increases of approximately one percent during the same time period. These rent increases parallel regional trends in the residential rental market, as potential homebuyers have continued to rent until the for-sale housing market recovers, the larger economy rebounds, and/or credit markets loosen. However, as the recession continues, average asking rents may decrease in response to rising unemployment and reduced household spending.

Market rents are generally affordable to low-income households, but not for very low- and extremely-low income households. With a few exceptions, market rate rents are roughly comparable to the maximum affordable rents for low-income households across the Entitlement Jurisdictions. In contrast, the average market rate rent far exceeds the maximum affordable rent for very low- and extremely low-income households. These households would need to spend substantially more than 30 percent of their gross income to afford market rate rental housing.

High rents and home prices can lead to overpayment on housing. Countywide, approximately 31 percent of households overpaid for housing in 2000. The incidence of overpayment was higher for renters than owners, with 36 percent of renter households and 28 percent of owner households spending more than 30 percent of their income on housing costs. The rate of overpayment varied slightly across jurisdictions. However, with the exception of Monte Sereno, renter households were uniformly more likely to be cost burdened than owner households throughout the Entitlement

Jurisdictions. The incidence of overpayment among renter households was highest in San José and Los Altos Hills, where 39 percent and 42 percent of households were cost burdened, respectively.

A lack of affordable homes can lead to overcrowding. In 2000, approximately 14 percent of all households countywide were overcrowded. Overcrowding was substantially higher among renters than owners, with 23 percent of renters and eight percent of owner households living in overcrowded situations. Overcrowding was particularly high among renter households in Gilroy and San José, where 38 percent and 29 percent of households were overcrowded, respectively.

Extended waiting lists exist for public housing units operated by County public housing authorities. The Housing Authority of the County of Santa Clara (HACSC) reports a waitlist of approximately 4,000 households for the two family developments located in San José. Developments serving seniors and disabled persons have waitlists ranging from 200 to 500 individuals. All waitlists have been closed since 2006.

Beyond the Housing Authority units, there are 324 subsidized developments within the Entitlement Jurisdictions, providing a total of 24,162 units. Additionally, there are 715 licensed care facilities with the capacity to accommodate approximately 11,400 individuals within the Entitlement Jurisdictions.

Fair Housing Complaints

Between 2004 and 2008, a total of 32 to 78 complaints were filed annually in Entitlement Jurisdictions, with 52 reported through August 30, 2009. Approximately 30 percent of the complaints filed in the Entitlement Jurisdictions between 2004 and August 2009 were found to not have probable cause for a fair housing violation. The largest proportion of complaints, 35 percent, were conciliated or resolved. Nine percent were closed administratively, with no finding. Another 18 percent of cases were found by investigation to have reasonable cause that discrimination occurred. In addition, just over nine percent of complaints were found by HUD to have cause, with the case going to federal court or being heard by a HUD Administrative Law Judge.

Disability and familial status emerged as the most common bases for complaint. These bases accounted for 36 percent and 28 percent, respectively, of all complaints between 2004 and August 2009. National origin and race also appeared as common bases for complaints, appearing in 14 percent and 12 percent of all complaints, respectively.

Impediments to Fair Housing Choice

Public Sector. As detailed in Section 4 of this AI, local governments can affect housing availability and costs by limiting the supply of buildable land, setting land use and development standards such as residential densities, and exacting development fees. Publicly imposed constraints on housing supply can subsequently lead to fair housing concerns, as particular segments of the population lose access to affordable homes and/or are completely priced out of certain areas.

As discussed in Section 4, a number of Entitlement Jurisdictions maintain policies and ordinances that have the potential to raise fair housing concerns. In particular, local zoning ordinances can impact the production of multifamily housing, second units, emergency shelters, transitional housing, and community care facilities, all of which serve lower-income households and special needs populations. As documented in their respective Housing Elements, the Entitlement Jurisdictions have responded to these issues by adopting programs to address constraints.⁵⁹ Several jurisdictions are also formalizing their reasonable accommodation request procedures to further fair housing efforts. In addition, many jurisdictions are facilitating affordable housing production by reducing parking standards and waiving or reducing fees for affordable developments, in addition to financing a portion of the project. Please refer to Section 4 for a more detailed discussion of individual jurisdictions' actions in this regard.

Private sector. While declining home values have helped many households enter the ownership market, credit access remains a real challenge for potential homebuyers. In addition, affordable FHA loans and municipally-sponsored first-time homebuyer programs can be difficult to access for buyers, as many loan officers and realtors prefer to focus on conventional mortgages due to the time and effort associated with affordable loan products. Entitlement Jurisdictions and homeownership counselors have responded to these challenges by developing relationships with particular loan officers and agents who can assist buyers with the State and local programs.

Foreclosures have also damaged many households' credit ratings, limiting their ability to buy a home in the future. National data shows that subprime mortgages (which have a strong tie to foreclosure) disproportionately occurred in communities of color, raising a fair housing concern.⁶⁰

⁵⁹ California law requires local jurisdictions to update the Housing Element of their General Plan every five to seven years. The Housing Element identifies policies and programs to address local housing needs, including affordable and fair housing. It also lists potential constraints to housing development and fair housing, and provides actions to mitigate these constraints.

⁶⁰ *Losing Ground: Foreclosures in the Subprime Market and Their Cost to Homeowners*. Center for Responsible Lending. December 2006.

According to local affordable housing developers, the availability of financing presents the biggest barrier to producing new subsidized housing. Although the cost of land and construction have declined, the tightened credit market, and decline in State and local subsidies, have made it challenging for affordable housing developers to take advantage of lower costs.

Affordable Housing Application Processes. Due to the requirements associated with various affordable housing funding sources, certain households may encounter difficulties in applying for subsidized housing. For example, applications can involve a large amount of paperwork and require households to provide records for income verification. In some cases, short application time frames and submittal requirements (e.g., by fax) create additional challenges. These requirements present obstacles for seniors, homeless or disabled individuals who lack access to communication systems and information networks, as well as the skills to complete and submit the necessary documentation.

Fair Housing Concerns Impacting Special Need Populations

Elderly. Seniors often need accessible units located in close proximity to services and public transportation. Many seniors live on fixed incomes, making affordability a particular concern. There is a limited supply of affordable senior housing in the Entitlement Jurisdictions. In addition, local senior service providers and community workshop participants report that many subsidized senior housing projects serve individuals or couples only and do not accommodate caregivers. In other cases, the caregiver's income may make the senior ineligible for the affordable unit.

Persons with Disabilities. Building codes and HOME regulations require that five percent of units in multifamily residential complexes be wheelchair accessible and another two percent be accessible for individuals with hearing or vision impairments. Affordable housing developers follow these requirements by providing accessible units in their buildings. Nonetheless, service providers report that demand exceeds the supply of accessible, subsidized units. In contrast to this finding, affordable housing providers report that they have difficulty filling accessible units with disabled individuals. This points to challenges in the application and marketing process that prevent disabled individuals from obtaining subsidized, accessible housing when needed.

Persons with disabilities face other challenges that may make it more difficult to secure both affordable or market-rate housing, such as lower credit scores, the need for service animals (which must be accommodated as a reasonable accommodation under the Fair Housing Act), the limited number of accessible units, and the reliance on Social Security or welfare benefits as a major income source.

Homeless Individuals. The primary barrier to housing choice for homeless individuals is insufficient income. Interviews with service providers indicate that many homeless rely on Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) for income, which are too low to qualify for most subsidized housing programs and affordable housing developments. In addition, property managers often screen out individuals with a criminal or drug history, history of evictions, or poor credit, which effectively excludes many homeless persons.

Limited English Proficiency (LEP) Individuals. Local service providers state that as financial institutions institute more stringent lending practices and outreach to minority communities has declined with the economy, LEP and undocumented individuals face greater challenges in securing a mortgage. Furthermore, many households in the Spanish-speaking community and other LEP populations rely on a cash economy, and lack the record keeping and financial legitimacy that lenders require. As noted above, national origin emerges as a one of the more common bases for fair housing complaints, suggesting that LEP individuals may also encounter discrimination in locating rental housing.

7.2 Recommendations to Support Fair Housing

The following policies and actions respond to the fair housing needs expressed in Section 4 of the AI, and reinforce the current fair housing programs and activities described in Section 5.

Access to Affordable Housing

Need: A variety of factors may cause unequal access to housing. For example, due to the requirements associated with various affordable housing funding sources, certain households may encounter difficulties in accessing subsidized housing. Applications can involve a large amount of paperwork or have short application time frames and submittal requirements. These requirements present obstacles for homeless or disabled individuals who lack the resources and skills to complete the necessary documentation. Moreover, affordable housing providers often have difficulty filling accessible units with disabled individuals. In contrast, service providers indicate a great need for affordable accessible housing. Additionally, persons who lack English proficiency may experience barriers to housing even when options do exist. Finally, and in large part due to the economic downturn, many qualified potential homebuyers have a difficult time accessing credit and financing.

Action #1: Facilitate access to below-market-rate units. Entitlement Jurisdictions shall continue to assist affordable housing developers by advertising the availability of below-market-rate units via the jurisdictions' websites, the 2-1-1 information and referral phone service, and other media outlets. The jurisdictions will also facilitate communication between special needs service providers and affordable housing developers, to ensure that home seekers with special needs have

fair access to available units. The City of San Jose will also work with the affordable housing developers it funds to revise their housing applications to reduce the obstacles that persons who are disabled or homeless may have in submitting completed paperwork within the allowable time.

Action #2: Maintain a list of partner lenders. The Entitlement Jurisdictions shall maintain a list of lenders that can help buyers access below-market-rate loans and locally-sponsored downpayment and mortgage assistance programs.

Action #3: Provide language assistance to persons with limited English proficiency. Many individuals living in San Jose for whom English is not their primary language may speak English with limited proficiency or, in some cases, not at all. As a result, persons who are limited English proficient (LEP) may not have the same access to important housing services as those who are proficient. The City of San Jose and its City-funded agencies shall implement and maintain a language access plan (LAP) consistent with federal guidelines to support fair access to housing for LEP persons.

Action #4: Implement an Affirmative Fair Housing Marketing Plan to create fair and open access to affordable housing. The City of San José believes that individuals of similar economic levels in the same housing market areas should have equal access to a like range of housing choices regardless of race, color, religion, sexual orientation, gender, familial status, disability, or national origin. The City of San Jose City-funded agencies shall follow the plan (Appendix G) consistent with federal guidelines to promote fair access to affordable housing for all persons. The City will also work to develop relationships with landlords to facilitate their provision of housing to persons with imperfect credit histories or other issues in their backgrounds.

Fair Housing Services

Need: The AI finds that fair housing is an ongoing concern in Santa Clara County. In particular, interviews with local service providers indicate that many homeseekers and landlords are unaware of federal and State fair housing laws. They also remain unfamiliar with protections offered to seniors, disabled, and other special needs populations, as well as families and protected classes.

Action #5: Partner with local service providers to conduct ongoing outreach and education regarding fair housing for homeseekers, landlords, property managers, real estate agents, and lenders. Outreach should occur via training sessions, public events, jurisdictions' websites and other media outlets, staffing at service providers' offices, and multi-lingual flyers available in a variety of public locations.

Action #6: Conduct fair housing testing in local apartment complexes. The testing program looks for evidence of differential treatment among a sample of local apartment complexes.

Following the test, the service provider submits findings to the local jurisdiction and conducts educational outreach to landlords that showed differential treatment during the test.

Local Zoning

Need: Local jurisdictions' zoning requirements must comply with State law, the federal Fair Housing Act of 1968, and the Fair Housing Amendments Act of 1988. As discussed in Section 4, the AI identifies cases where local zoning requirements do conflict with State and federal requirements, and documents how the subject jurisdictions are rectifying these issues. The respective jurisdictions' Housing Elements also serve as a reference for these corrective programs.

Action #7: Ensure that local zoning ordinances are consistent with State and federal fair housing laws. Modifications to be evaluated may include, but are not limited to, the following:

- Entitlement Jurisdictions shall revise their zoning regulations as necessary to ensure that the requirements for secondary units conform to State law.
- Entitlement Jurisdictions' zoning ordinances shall have a definition of family that is consistent with the Lanterman Developmental Disabilities Services Act and the federal Fair Housing Act and the Fair Housing Amendment Act.

Action #8: Ensure that local zoning ordinances have effective procedures to respond to reasonable accommodation requests in order to accommodate the needs of persons with disabilities.

Housing Authority

Need: Local Housing Authorities are well-versed in fair housing requirements, and aim to apply these consistently in their outreach, property management, waitlist maintenance, and tenant recruitment efforts. The following action emphasizes the need for local jurisdictions to assist local housing authorities in this regard.

Action #9: Assist local Housing Authorities with outreach. Entitlement Jurisdictions shall continue to support the Housing Authority of the County of Santa Clara and the City of San José Housing Authority to ensure adequate outreach to minority, limited-English proficiency, and special needs populations regarding the availability of public housing and Section 8 vouchers. Outreach may occur via the jurisdictions' websites and informational flyers in multiple languages available at public locations. Given the extended waiting lists for public housing and Section 8 programs, attention will primarily be paid to fair management of the wait list.

Complete Communities

Need: Impediments to fair housing choice can occur when poor linkages exist between the locations of major employers, amenities, transportation, and affordable housing. Under these conditions, persons who depend on public transportation, such as lower-income households, seniors, and disabled persons, are more limited in their housing options. Santa Clara County's inventory of subsidized housing, public housing, and community care facilities are relatively well-connected to public transportation. However, much of the region is still dependent on automobile travel. When auto costs are combined with housing costs, total living costs in the region are some of the highest in the Bay Area. Entitlement Jurisdictions should continue efforts to support transit-oriented development and further improve connections between new housing, amenities, and employment centers.

Action #10: Plan for and facilitate transit-oriented developments and complete, mixed-use and mixed-income communities. Entitlement Jurisdictions shall plan for compact and complete communities that have a mix of housing, retail, services, and jobs that are easily accessible through non-auto oriented means, including walking, biking, and public transportation.

Action #11: Facilitate safe and efficient transit and pedestrian routes. The Entitlement Jurisdictions shall continue to work with local transit agencies and other appropriate agencies to facilitate safe and efficient routes of transportation, including public transit, walking and biking.

Action #12: Partner with affordable housing developers to make alternative means of transportation easily accessible to its residents. The City of San Jose will work with its funded affordable housing developers to provide residents with incentives to use non-auto means of transportation including locating new developments near public transportation and providing benefits such as ecompasses.

8 Appendix A: Community Workshop Attendees

Appendix A.1: CDBG Workshop Attendees, September 3-23, 2009

September 3, 2009 - Roosevelt Community Center, 901 East Santa Clara Street, San José, 95116, 6-7:30pm

1	Charles Lauer	
2	Harvey Darnell	Greater Gardner Strong Neighborhood

September 9, 2009 - West Valley Branch Library, 1243 San Tomas Aquino Road, San José, CA 95117, 6-7:30pm

	Name	Organization
1	Ala Malik	Fresh Lifelines for Youth
2	Andrea Osgood	Eden Housing
3	Birku Melese, Ph.D.,	Ethiopian Community Services, Inc.
4	Carlos Garcia	Fresh Lifelines for Youth
5	Cesar Anda	State legislature AD 23
6	Ching Ming Hsueh	Catholic Charities
7	Elaine Curran	City of SJ Early Care
8	Elizabeth Hunt	Indian Health Center of Santa Clara Valley
9	Erik Kaeding	resident/student
10	Gary Smith	GS Lighting Design
11	Georgia Bacil, Exec. Dir.	Senior Adult Legal Assistance
12	Heona Lee	Korean-American Community Services (KACS)
13	James R. Brune	Deaf Couns., Adv. & Referral Agency (DCARA)
14	Jan V. Chacon	Indian Health Center of Santa Clara Valley
15	Jane Hills, Deputy Director	Catholic Charities
16	Jeff Bornefeld	Community Partners for Youth, Inc. (CCPY)
17	Jenna Boyer	The Opportunity Fund
18	Judy Whittier, Dir. of Community Resources	The Bill Wilson Center
19	Lee Elak	CDHC Commissioner
20	Liz Girens	Opportunity Fund
21	Margie Matthews	resident
22	Maria Solis	Japanese American Senior Housing
23	Mark Johanson	resident
24	Michele Lew/President-CEO	Asian Americans for Community Involvement
25	Minh Hoang Pham	Catholic Charities
26	Regina Adams	City of Mountain View
27	Ronald Anderson	The Cambrian Center
28	Sylvia Alvarez	Evergreen School District Board Member,
29	Tamon Norimoto	HCDC of SJ
30	Tom Geary	Second Harvest
31	Yolanda Ungo	Catholic Charities

September 16, 2009 - Morgan Hill Community Cultural Center, 17000 Monterey Street, Morgan Hill, CA 95037, 6-7:30pm

1	Alban Diaz	Catholic Charities
2	Dina Campeau	South County Collaborative
3	Edna Nagy Case Manager, Morgan Hill Depot Commons	Catholic Charities Day Break III
4	Forrest Williams	resident
5	Jane Hills, Deputy Director	Children, Youth and Family Development
6	Jeff Pedersen	Morgan Hill resident + Housing Mgr. City of SC
7	Joe Mueller	resident

8	Leah Ezeoha	Juvenile Probation, SCC
9	Lori Mathis, Dir. of Brown Bag Programs	Second Harvest
10	Lynn Magruder, Grants Administrator	Community Solutions
11	Marilyn Roaf	resident
12	Martha Bell, Exec. Director	Silicon Valley Independent Living Center
13	Melanie Villanueva	City of Morgan Hill Staff
14	Michele Schroder	SALA
15	Osvaldo Maldonado, Community Programs Manager	Second Harvest
16	Patti Worthen, Supervisor Day Break	Catholic Charities Day Break III
17	Sandra Nava	City of Gilroy
18	Sheryll Bejarano	resident
19	Sue L Koeppe- Baker	resident
20	Wanda Hale, Development Officer	Catholic Charities of Santa Clara County

September 23, 2009 - Sunnyvale City Hall Council Chambers, 456 West Olive Avenue, Sunnyvale, CA 94086, 3-4:30pm

1	Adam Montgomery	Silicon Valley Association of Realtors
2	Adriana Caldera	Support Network for Battered Women
3	Anna Gonzales	Juvenile Probation, SCC
4	Arely Valeriano	Catholic Charities of Santa Clara County
5	Arthur Schwartz	resident
6	Beatriz Lopez	SALA
7	Beverly Jackson, ED	Rebuilding Together
8	Chana Pederson	CCSC
9	Cindy McCormick	City of Saratoga
10	Cindy Stahl	NOVA
11	Connie Soto	
12	Connie Verceles	City of Sunnyvale, ED Manager
13	Consuelo Collard	The Health Trust
14	David Ramirez	Outreach
15	Demi Yezgi	H & HS Com.
16	Dennis King	Hispanic Chamber of Commerce
17	Desirie Escobar	JPD
18	Diane Shakoar	Community Action Agency
19	Dori Hailu	H & HS Com.
20	Dorothy Heller, Exec. Assistant	Dayworker Center of Mountain View
21	Edith Alams	CDD/Housing
22	Elba Landaverde	Community Svcs. Agency of Mtn. View and Los Altos
23	Eric Anderson	Sunnyvale HHSC
24	Estella Jones, phone 408- 730-5236.	Sunnyvale resident
25	Gerald Hewitt	City of Santa Clara HCD
26	Ginger McClure	Catholic Charities of Santa Clara County
27	Greg Harrick	HUD Region IX
28	Hector Burgos	Habitat Silicon Valley
29	Hilary Barroga, Director of Programs	Emergency Housing Consortium (EHC)
30	Jesus Estrada	Community Action Agency
31	Joan Smithson, Site Manager	Senior Lunch Program
32	JoAnn Cabrera, development coordinator	MayView Community Health Center
33	Kathy Marx	City of Palo Alto
34	Kerry Haywood, ED Moffett Park BTA	Moffett Park BTA
35	Laura Robichek	resident
36	Lynn Morison	the bill wilson center
37	Mark Robichek	resident

38 Mattew Osment- Dir. Strategic Alliances
39 Nancy Tivol
40 Patricia Lord
41 Perla Flores
42 Pilar Furlong
43 Raul and Helen Ledesma
44 Roger Gaw
45 Sarah Khan
46 Shamima Hasan, CEO
47 Stacy Castle
48 Susan Huff
49 Tom Geary
50 Tricia Uyeda
51 Victor Ruder
52 Wanda Hale, Development Officer

Inn Vision
City of Sunnyvale- resident
City of Sunnyvale
Community Solutions
Red Cross of Silicon Valley
residents
Sunnyvale Chamber of Commerce
MAITRI
MayView Community Health Center
YWCA Silicon Valley
Saratoga Area Senior Coordinator
Second Harvest
West Valley Community Services - Rotating Shelter Program
Sunnyvale Senior Nutrition
Catholic Charities of Santa Clara County

Appendix B: Needs Assessment Data Sources

- **Association of Bay Area Governments (ABAG).** ABAG, the regional planning agency for the nine county San Francisco Bay Area, produces population, housing, and employment projections for the cities and counties within its jurisdiction. The projections are updated every two years. BAE used data from the 2009 ABAG Projections in this Needs Assessment.
- **Bay Area Economics (BAE)** – BAE is listed as a source simply to indicate that it is responsible for assembling the table. BAE is not the primary source for any of the data provided in this report. All primary sources are listed in each table.
- **Claritas, Inc.** Claritas is a private data vendor that offers demographic data for thousands of variables for numerous geographies, including cities, counties, and states. Using 2000 U.S. Census data and more current American Community Survey as a benchmark, Claritas provides current year estimates for many demographic characteristics such as household composition, size, and income. This is particularly valuable given the fact that many cities have undergone significant change since the last decennial census was completed over nine years ago. BAE used Claritas data to characterize population and households and to describe housing needs. Current-year demographic data from Claritas can be compared to decennial census data from 1990 and 2000. Claritas does not publish margin of errors for their data.
- **DataQuick Information Systems.** DataQuick is a private data vendor that provides real estate information such as home sales price and sales volume trends. DataQuick also provides individual property records, which includes detailed information on property type, sales date, and sale amount. This information allowed BAE to assess the market sales price of homes sold in the County.
- **RealFacts.** RealFacts, a private data vendor, provides comprehensive information on residential rental markets. Based on surveys of large apartment complexes with 50 or more units, this data includes an inventory analysis as well as quarterly and annual rent and occupancy trends.
- **Santa Clara County Homeless Census and Survey, 2009.** In January 2009, a count of homeless individuals in Santa Clara County was conducted. Concurrently, one-on-one interviews with homeless individuals were completed to create a qualitative profile of the County's homeless population. This report provides detailed information on the size and

composition of the homeless population in Santa Clara County.

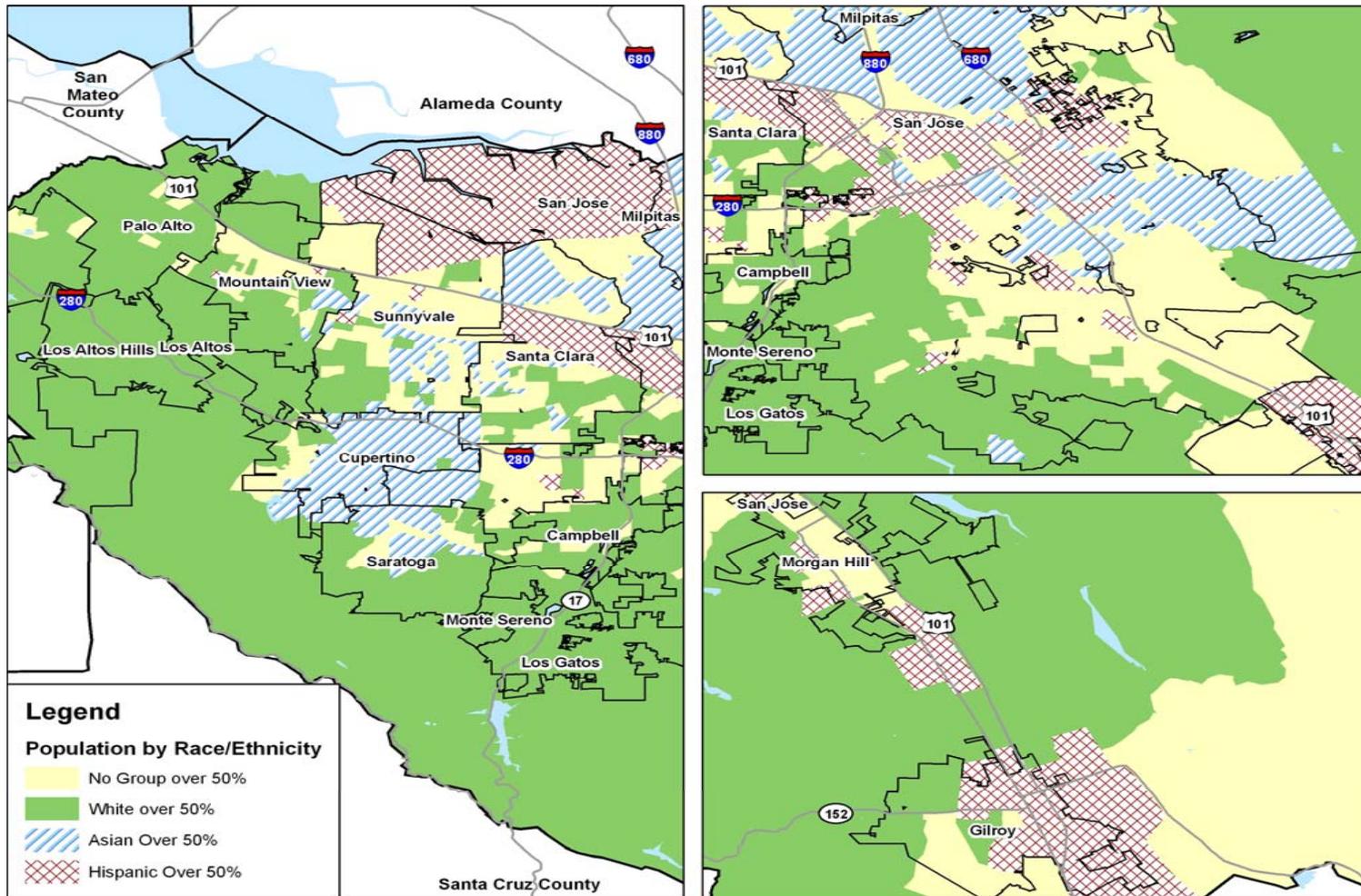
- **State of California, Department of Finance.** The Department of Finance publishes annual population estimates for the State, counties, and cities, along with information on the number of housing units, vacancies, average household size, and special populations. The Department also produces population forecasts for the State and counties with age, sex, and race/ethnic detail. The demographic data published by the Department of Finance serves as the single official source for State planning and budgeting, informing various appropriation decisions.
- **State of California, Employment Development Department.** The Employment Development Department identifies the largest 25 private-sector employers in each County.
- **U.S. Census Bureau.** The Census Bureau collects and disseminates a wide range of data that is useful in assessing demographic conditions and housing needs. These are discussed below.
 - **Decennial Census.** The 2000 Census provides a wide range of population and housing data for the county, region, and State. The decennial Census does a count of everyone living in the United States every ten years. In 2000, every household received a questionnaire asking for information about sex, age, relationship, Hispanic origin, race, and tenure. In addition, approximately 17 percent of households received a much longer questionnaire which included questions regarding the social, economic, and financial characteristics of their household as well as the physical characteristics of their housing unit. Although the last decennial census was conducted nine years ago, it remains the most reliable source for many data points because of the comprehensive nature of the survey.
 - **American Community Survey (ACS).** The U.S. Census Bureau publishes the ACS, an on-going survey sent to a small sample of the population that provides demographic, social, economic, and housing information for cities and counties every year. However, due to the small sample size, there is a notable margin of error in the ACS data, particularly for small- and moderately-sized communities. For this reason, BAE does not utilize ACS data despite the fact that it provides more current information than the 2000 Census.
 - **Comprehensive Housing Affordability Strategy (CHAS).** CHAS provides special tabulation data from the 2000 Census which shows housing problems for particular

populations, including the elderly, low-income households, and large households. This data is used in the assessment of demand for special needs housing.

- **Building Permits.** The Census Bureau provides data on the number of residential building permits issued by cities by building type.

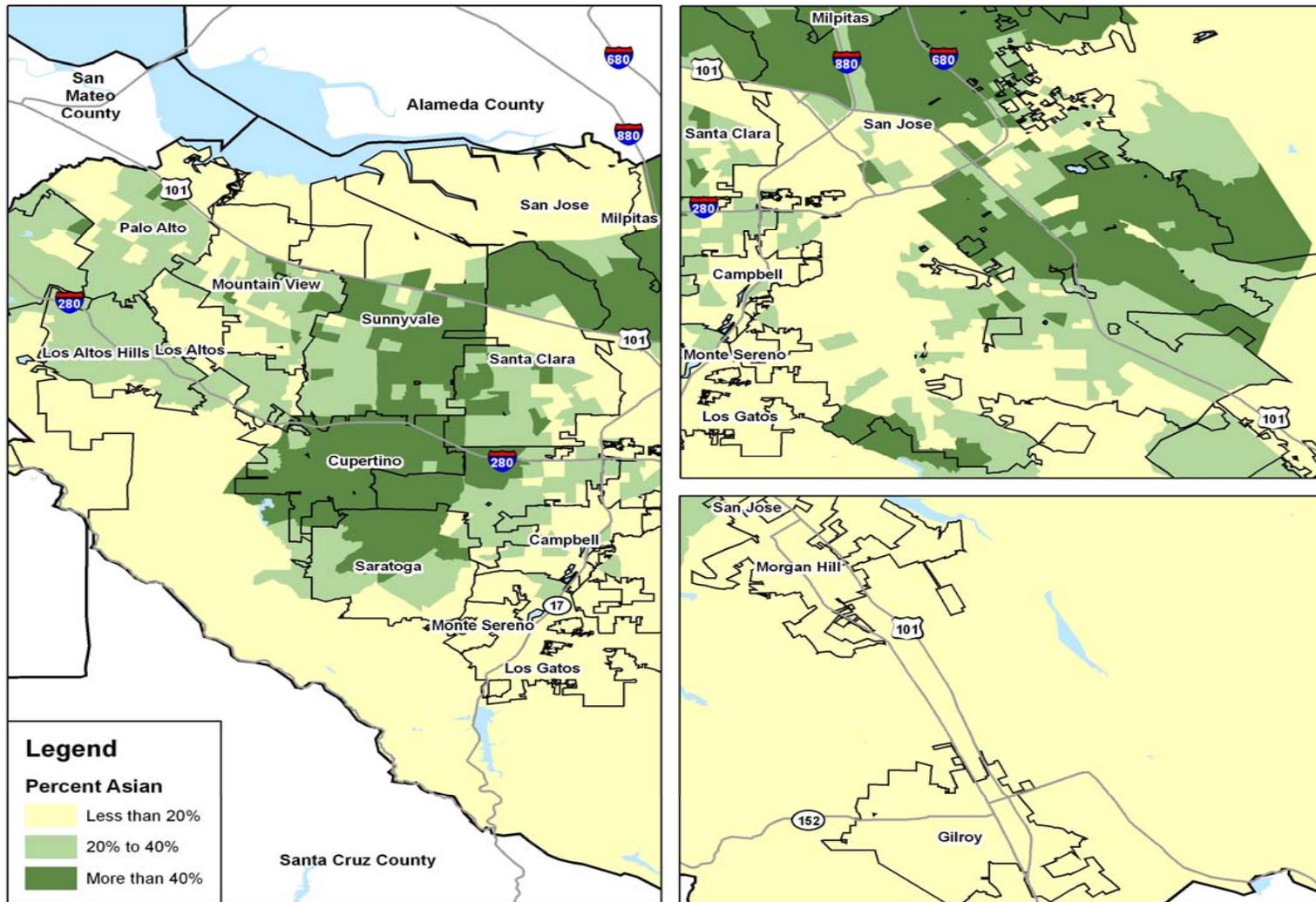
9 Appendix C: Detailed Maps of Minority and Poverty Concentration

Figure C.1: Concentrations of Population by Race/Ethnicity, Santa Clara County, 2009



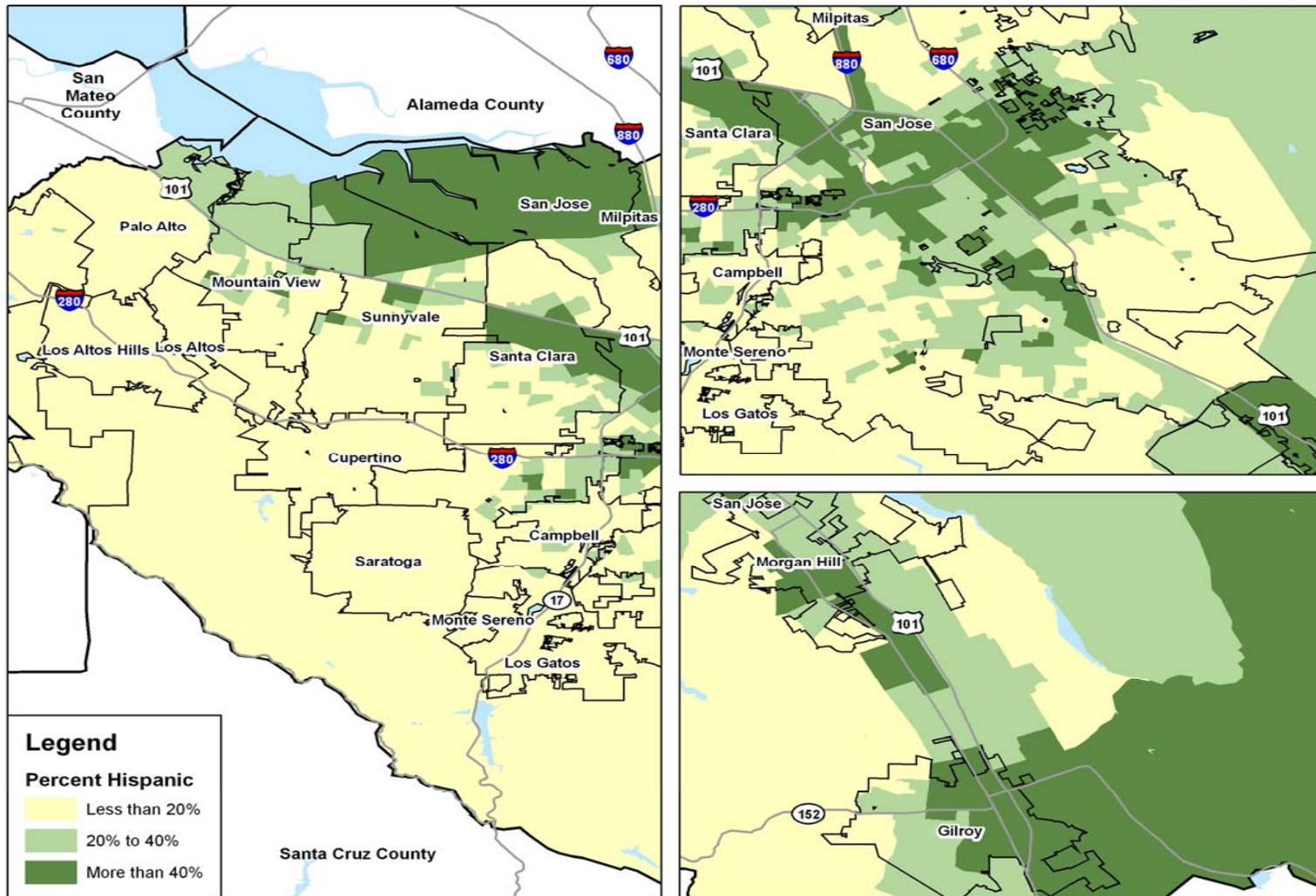
Source: Claritas, 2009; BAE, 2009.

Figure C.2: Percent Asian Population, Santa Clara County, 2009



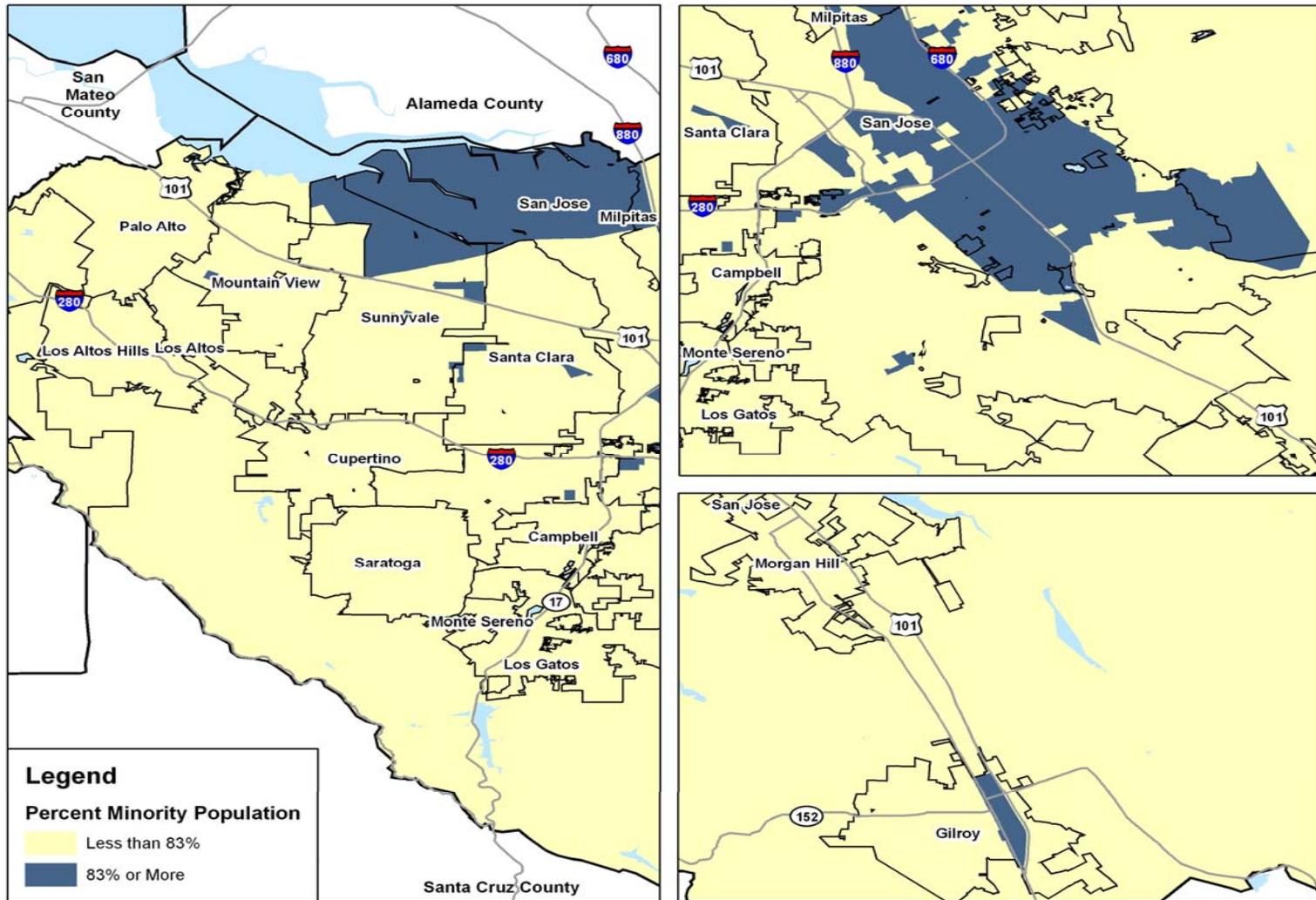
Source: Claritas, 2009; BAE, 2009.

Figure C.3: Percent Hispanic Population, Santa Clara County, 2009



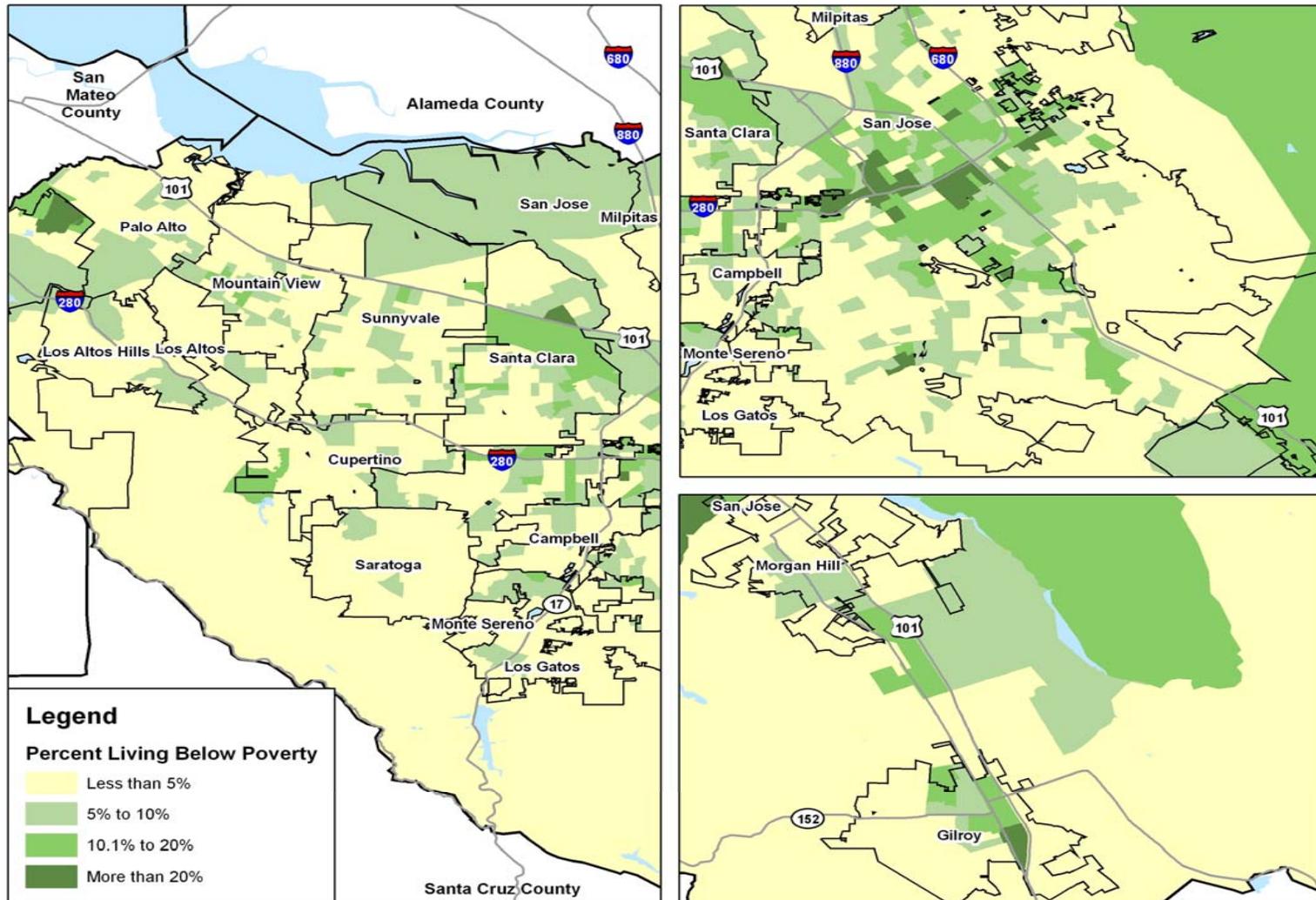
Source: Claritas, 2009; BAE, 2009.

Figure C.4: Areas of Minority Concentration, Santa Clara County, 2009



Source: Claritas, 2009; BAE, 2009.

Figure C.5: Areas of Concentrated Poverty, Santa Clara County, 2009



Source: Claritas, 2009; BAE, 2009.

Appendix D: Detailed Rental Market Data

Appendix D.1: Rental Trends, North Santa Clara County, 2Q 2009 (a)**CURRENT MARKET DATA - Q2 2009**

Unit Type	Number	Percent of Mix	Avg. Sq. Ft.	Avg. Rent	Avg. Rent/Sq. Ft.
Studio	2,011	8%	471	\$1,106	\$2.35
Jr 1BR/1 BA	1,254	5%	568	\$1,185	\$2.09
1 BR/1 BA	10,709	43%	701	\$1,396	\$1.99
2 BR/1 BA	3,349	13%	886	\$1,547	\$1.75
2BR/1.5 BA	423	2%	982	\$2,372	\$2.42
2 BR/2 BA	5,318	21%	1,012	\$1,897	\$1.87
2 BR/2.5 BA	4	0.02%	2,500	\$6,200	\$2.48
2 BR TH	833	3%	1,098	\$2,061	\$1.88
3 BR/ 1 BA	25	0.1%	1,044	\$1,899	\$1.82
3 BR/ 1.5 BA	33	0.1%	1,006	\$1,825	\$1.81
3 BR/2 BA	589	2%	1,230	\$2,213	\$1.80
3 BR/3 BA	130	1%	1,390	\$2,773	\$1.99
3 BR TH	149	1%	1,344	\$3,180	\$2.37
4 BR	7	0.03%	1,371	\$2,347	\$1.71
Totals	24,834	100%	807	\$1,568	\$1.94

AVERAGE RENT HISTORY - ANNUAL

Unit Type	2007	2008	2007-2008	2009 (b)	2007-2009
			% Change		% Change
Studio	\$1,193	\$1,196	0.3%	\$1,130	-5.3%
Jr 1BR	\$1,251	\$1,342	7.3%	\$1,239	-1.0%
1BR/1 BA	\$1,522	\$1,582	3.9%	\$1,445	-5.1%
2 BR/1 BA	\$1,603	\$1,677	4.6%	\$1,578	-1.6%
2 BR/2 BA	\$1,985	\$2,069	4.2%	\$1,943	-2.1%
2 BR TH	\$2,075	\$2,212	6.6%	\$2,114	1.9%
3 BR/2 BA	\$2,252	\$2,404	6.7%	\$2,241	-0.5%
3 BR TH	\$2,897	\$3,243	11.9%	\$3,222	11.2%
All Units	\$1,660	\$1,732	4.3%	\$1,611	-3.0%

OCCUPANCY RATE

Year	Average Occupancy
2004	94.8%
2005	95.7%
2006	97.2%
2007	97.1%
2008	95.6%
2009	94.9%

AGE OF HOUSING INVENTORY (by Project)

Year	Percent of Projects
Pre 1960's	4.3%
1960's	49.1%
1970's	28.0%
1980's	10.6%
1990's	5.0%
2000's	3.1%

Notes:

(a) Represents only housing complexes with 50 units or more. North County cities with complexes of 50 units or more include: Mountain View, Palo Alto, Sunnyvale

(b) 2009 data includes through second quarter data only.

Sources: RealFacts, Inc., 2009; BAE, 2009.

Appendix D.2: Rental Trends, Central Santa Clara County, 2Q 2009 (a)

CURRENT MARKET DATA - Q2 2009

Unit Type	Number	Percent of Mix	Avg. Sq. Ft.	Avg. Rent	Avg. Rent/Sq. Ft.
Studio	3,134	6%	438	\$1,035	\$2.36
Jr 1BR/1 BA	1,393	3%	589	\$1,213	\$2.06
1 BR/1 BA	19,595	39%	719	\$1,353	\$1.88
1BR/1.5 BA	146	0.3%	1,079	\$1,884	\$1.75
1BR TH	493	1%	958	\$1,456	\$1.52
2 BR/1 BA	5,387	11%	899	\$1,496	\$1.66
2BR/1.5 BA	655	1%	922	\$1,477	\$1.60
2 BR/2 BA	15,165	30%	1,032	\$1,790	\$1.73
2BR/2.5 BA	42	0.1%	1,197	\$2,239	\$1.87
2 BR TH	1,439	3%	1,188	\$1,953	\$1.64
3 BR/ 1 BA	92	0.2%	998	\$1,680	\$1.68
3 BR/ 1.5 BA	74	0.1%	887	\$1,910	\$2.15
3 BR/2 BA	2,008	4%	1,280	\$2,159	\$1.69
3 BR/3 BA	212	0.4%	1,320	\$2,387	\$1.81
3 BR TH	201	0.4%	1,394	\$2,307	\$1.65
4 BR	12	0.0%	2,271	\$5,500	\$2.42
Totals	50,048	100%	861	\$1,542	\$1.79

AVERAGE RENT HISTORY - ANNUAL

Unit Type	2007	2008	2007-2008 % Change	2009 (b)	2007-2009 % Change
Studio	\$1,068	\$1,129	5.7%	\$1,069	0.1%
Jr 1BR	\$1,178	\$1,273	8.1%	\$1,242	5.4%
1BR/1 BA	\$1,394	\$1,480	6.2%	\$1,385	-0.6%
2 BR/1 BA	\$1,473	\$1,557	5.7%	\$1,505	2.2%
2 BR/2 BA	\$1,806	\$1,933	7.0%	\$1,812	0.3%
2 BR TH	\$2,002	\$2,087	4.2%	\$1,969	-1.6%
3 BR/2 BA	\$2,084	\$2,266	8.7%	\$2,173	4.3%
3 BR TH	\$2,345	\$2,418	3.1%	\$2,356	0.5%
All Units	\$1,559	\$1,661	6.5%	\$1,568	0.6%

OCCUPANCY RATE

Year	Average Occupancy
2004	93.6%
2005	94.2%
2006	96.2%
2007	96.6%
2008	95.9%
2009	94.4%

AGE OF HOUSING INVENTORY (by Project)

Year	Percent of Projects
Pre 1960's	0.4%
1960's	23.4%
1970's	39.8%
1980's	14.3%
1990's	11.9%
2000's	10.2%

Notes:

(a) Represents only housing complexes with 50 units or more. Central County cities with complexes of 50 units or more include: Campbell, Cupertino, San Jose, Santa Clara

(b) 2009 data includes through second quarter data only.

Sources: RealFacts, Inc., 2009; BAE, 2009.

**Appendix D.3: Rental Trends, Central West Santa Clara County, 2Q
2009 (a)**

CURRENT MARKET DATA - Q2 2009

<u>Unit Type</u>	<u>Number</u>	<u>Percent of Mix</u>	<u>Avg. Sq. Ft.</u>	<u>Avg. Rent</u>	<u>Avg. Rent/Sq. Ft.</u>
Studio	20	3%	516	\$1,874	\$3.63
Jr 1BR/1 BA	8	1%	700	\$1,975	\$2.82
1 BR/1 BA	397	59%	797	\$1,816	\$2.28
2 BR/1 BA	17	3%	952	\$1,569	\$1.65
2 BR/2 BA	234	35%	1,087	\$2,282	\$2.10
Totals	676	100%	892	\$1,975	\$2.21

AVERAGE RENT HISTORY - ANNUAL

<u>Unit Type</u>	<u>2007</u>	<u>2008</u>	<u>2007-2008 % Change</u>	<u>2009 (b)</u>	<u>2007-2009 % Change</u>
Studio	\$1,700	\$1,710	0.6%	\$1,824	7.3%
Jr 1BR/1 BA	\$1,680	\$1,931	14.9%	\$1,975	17.6%
1 BR/1 BA	\$1,657	\$1,866	12.6%	\$1,853	11.8%
2 BR/1 BA	\$1,442	\$1,738	20.5%	\$1,582	9.7%
2 BR/2 BA	\$2,241	\$2,531	12.9%	\$2,285	2.0%
All Units	\$1,854	\$2,086	12.5%	\$1,997	7.7%

OCCUPANCY RATE

<u>Year</u>	<u>Average Occupancy</u>
2004	93.7%
2005	94.6%
2006	95.1%
2007	91.0%
2008	96.1%
2009	95.2%

AGE OF HOUSING INVENTORY (by Project)

<u>Year</u>	<u>Percent of Projects</u>
Pre 1960's	16.7%
1960's	50.0%
1970's	16.7%
1980's	0.0%
1990's	0.0%
2000's	16.7%

Notes:

(a) Represents only housing complexes with 50 units or more. Central West County cities with complexes of 50 units or more include: Los Gatos.

(b) 2009 data includes through second quarter data only.

Sources: RealFacts, Inc., 2009; BAE, 2009.

Appendix D.4: Rental Trends, South Santa Clara County, 2Q 2009

(a)

CURRENT MARKET DATA - Q2 2009

<u>Unit Type</u>	<u>Number</u>	<u>Percent of Mix</u>	<u>Avg. Sq. Ft.</u>	<u>Avg. Rent</u>	<u>Avg. Rent/Sq. Ft.</u>
1 BR/1 BA	239	26%	671	\$1,231	\$1.83
2 BR/1 BA	182	20%	817	\$1,327	\$1.62
2BR/1.5 BA	25	3%	940	\$1,555	\$1.65
2 BR/2 BA	348	38%	952	\$1,518	\$1.59
2BR/2.5 BA	56	6%	1,000	\$1,300	\$1.30
2 BR TH	44	5%	1,186	\$1,855	\$1.56
3 BR/2 BA	12	1%	1,000	\$1,583	\$1.58
Totals	906	100%	865	\$1,409	\$1.63

AVERAGE RENT HISTORY - ANNUAL

<u>Unit Type</u>	<u>2007</u>	<u>2008</u>	<u>2007-2008 % Change</u>	<u>2009 (b)</u>	<u>2007-2009 % Change</u>
1 BR/1 BA	\$1,219	\$1,284	5.3%	\$1,247	2.3%
2 BR/1 BA	\$1,336	\$1,343	0.5%	\$1,335	-0.1%
2BR/1.5 BA	n/a	n/a	n/a	n/a	n/a
2 BR/2 BA	\$1,489	\$1,530	2.8%	\$1,513	1.6%
2BR/2.5 BA	n/a	n/a	n/a	n/a	n/a
2 BR TH	\$1,740	\$1,786	2.6%	\$1,828	5.1%
3 BR/2 BA	\$1,980	\$1,691	-14.6%	\$1,608	-18.8%
All Units	\$1,395	\$1,427	2.3%	\$1,412	1.2%

OCCUPANCY RATE

<u>Year</u>	<u>Average Occupancy</u>
2004	94.4%
2005	94.9%
2006	85.9%
2007	90.0%
2008	93.6%
2009	94.9%

AGE OF HOUSING INVENTORY (by Project)

<u>Year</u>	<u>Percent of Projects</u>
Pre 1960's	0.0%
1960's	11.1%
1970's	22.2%
1980's	33.3%
1990's	22.2%
2000's	11.1%

Notes:

(a) Represents only housing complexes with 50 units or more. South County cities with complexes of 50 units or more include: Gilroy

(b) 2009 data includes through second quarter data only.

Sources: RealFacts, Inc., 2009; BAE, 2009.

10 Appendix E: Maximum Affordable Sales Price Calculation

Appendix E.1: Affordable Housing Mortgage Calculator for SFR, Santa Clara County, 2009

	<u>Household Income (a)</u>	<u>Sale Price</u>	<u>Down Payment (b)</u>	<u>Total Mortgage (b)</u>	<u>Monthly Payment</u>	<u>Monthly Property Tax (c)</u>	<u>Mortgage Insurance (d)</u>	<u>Homeowner's Insurance (e)</u>	<u>Total Monthly PITI (f)</u>
Extremely Low Income (30% AMI)									
4 Person HH	\$31,850	\$132,602	\$26,520	\$106,081	\$672.73	\$110.50	\$0.00	\$13.02	\$796.25
Very Low Income (50% AMI)									
4 Person HH	\$53,050	\$220,864	\$44,173	\$176,691	\$1,120.51	\$184.05	\$0.00	\$21.69	\$1,326.25
Low Income (80% AMI)									
4 Person HH	\$84,900	\$353,465	\$70,693	\$282,772	\$1,793.24	\$294.55	\$0.00	\$34.71	\$2,122.50

Notes:

(a) Published by U.S. Department of Housing and Urban Development for Santa Clara County, 2009.

(b) Mortgage terms:

Annual Interest Rate (Fixed)

6.53%

Freddie Mac historical monthly Primary Mortgage Market Survey data tables. Ten-year average.

Term of mortgage (Years)

30

Percent of sale price as down payment

20%

(c) Initial property tax (annual)

1%

(d) Mortgage Insurance as percent of loan amount

0.00%

(e) Annual homeowner's insurance rate as percent of sale price

0.12%

CA Dept. of Insurance website, based on average of all quotes, assuming \$150,000 of coverage and a 26-40 year old home.

(f) PITI = Principal, Interest, Taxes, and Insurance

Percent of household income available for PITI

30.0%

Sources: U.S. HUD, 2009; Freddie Mac, 2008; CA Department of Insurance, 2009; BAE, 2009.

Appendix E.2: Affordable Housing Mortgage Calculator for Condominiums, Santa Clara County, 2009

	<u>Household Income (a)</u>	<u>Sale Price</u>	<u>Down Payment (b)</u>	<u>Total Mortgage (b)</u>	<u>Monthly Payment</u>	<u>Monthly Property Tax (c)</u>	<u>Mortgage Insurance (d)</u>	<u>Homeowner's Insurance (e)</u>	<u>Homeowner's Association Fee (f)</u>	<u>Total Monthly PITI (g)</u>
Extremely Low Income (30% AMI)										
4 Person HH	\$31,850	\$65,989	\$13,198	\$52,791	\$334.78	\$54.99	\$0.00	\$6.48	\$400.00	\$796.25
Very Low Income (50% AMI)										
4 Person HH	\$53,050	\$154,251	\$30,850	\$123,401	\$782.56	\$128.54	\$0.00	\$15.15	\$400.00	\$1,326.25
Low Income (80% AMI)										
4 Person HH	\$84,900	\$286,852	\$57,370	\$229,482	\$1,455.29	\$239.04	\$0.00	\$28.17	\$400.00	\$2,122.50

Notes:

(a) Published by U.S. Department of Housing and Urban Development for Santa Clara County, 2009.

(b) Mortgage terms:

Annual Interest Rate (Fixed)

6.53%

Freddie Mac historical monthly Primary Mortgage Market Survey data tables. Ten-year average.

Term of mortgage (Years)

30

Percent of sale price as down payment

20%

(c) Initial property tax (annual)

1%

(d) Mortgage Insurance as percent of loan amount

0%

(e) Annual homeowner's insurance rate as percent of sale price

0.12%

CA Dept. of Insurance website, based on average of all quotes, assuming \$150,000 of coverage and a 26-40 year old home.

(f) Homeowners Association Fee (monthly)

\$400

(g) PITI = Principal, Interest, Taxes, and Insurance

Percent of household income available for PITI

30%

Sources: U.S. HUD, 2009; Freddie Mac, 2008; CA Department of Insurance, 2009; BAE, 2009.

11 Appendix F: Special Needs and Homeless Services

Table F.1: Community Resources and Services, Santa Clara County, 2009 (a)

Agency/Organization	Details
General Outreach Services	
Community Services Agency of Mountain View and Los Altos	Provides emergency assistance in addition to senior and homeless services and programs.
Community Technology Alliance	Provides comprehensive and updated listing of homeless facilities and vacancies in Santa Clara County, including HelpSCC and others.
Contact Cares	Bill Wilson Center provides telephone crisis training for volunteers
Help SCC	Website listing general and subpopulation special needs services.
Homeless Care Force	Mobile program in 1989 to provide food, clothing, and personal care items to the homeless and needy of Santa Clara, California.
Housing SCC	Lists resources for special needs populations
Inn Vision	Provides numerous services and care facilities throughout Santa Clara County.
Inn Vision's Urban Ministry of Palo Alto	Provides an emergency supply of food for people in need. People can return twice weekly if necessary.
Mental Health Advocacy Project	The MHAP Project is offered by the Law Foundation of Silicon Valley. Provides services to individuals with mental health or development disabilities.
SC Unified School District	Supportive services, including counseling and career-training programs.
The Gardner Family Health Network	Seven clinics offer primary health care and behavioral services dedicated to improving the health status of low and moderate-income communities.
Food & Basic Services	
City Team Ministries	Provides homeless emergency services including food, shelter, clothing, recovery programs, and youth outreach programs.
Cupertino Community Services	Supportive services.
Homeless Care Force	Provides food, clothing, and personal <i>care</i> items to the <i>homeless</i> and needy of Santa Clara County.
Loaves and Fishes and Martha's Kitchen	Food program.
Sacred Heart Community Services Community Food Program	Food program.
Salvation Army	Food programs, plus other emergency assistance and support programs.
San Jose First Community Services	For an employment-readiness program targeting homeless and low-income individuals.
Second Harvest Food Bank	Food program.
South Hills Community Church	Emergency services.
St Joseph's	Emergency services.
St Justin Community Ministry	Provision of food staples for needy families.
University of California Cooperative Extension	Working with local communities to improve nutrition

United Way of Silicon Valley
The American Red Cross

Emergency Assistance Network (EAN)- 8 agencies serve County residents. Objective is to help families maintain their current housing.
Santa Clara Valley Chapter- Homeless Assistance and Prevention Program

Life Skills Training

City Team Ministries

Provides homeless emergency services including food, shelter, clothing, recovery programs, and youth outreach programs.

Sure Path Financial Solutions

A local non-profit financial counseling agency offers consultation services.

Gardner Family Health Networks- Family Wellness

Through its seven clinics, Gardner provides comprehensive primary health care and behavioral services dedicated to improving the health status of low and moderate-income communities in Santa Clara County.

Inn Vision Palo Alto

Offers supportive services for moderate- and low- income families.

Mission College Corporate Education

Providing housing, food, and programs that promote self-sufficiency, InnVision empowers homeless and low-income families and individuals to gain stability.

San Jose First Community Services

For an employment-readiness program targeting homeless and low-income individuals.

Substance Abuse

ALANO Club

Alcoholics and Narcotics Anonymous in Santa Clara County.

ARH Benny McKeown Center

A 27- bed alcohol and drug recovery program located in the East Foothills of San Jose. The facility offers a highly structured, comprehensive and caring program for men and women seeking treatment.

CalWORKS Community Health Alliance

Coordinates services with Social Services Agency and County DADS.

Catholic Charities

Catholic Charities helps the homeless, very low-income families, and the working poor find and keep safe, stable, and appropriate housing.

City Team Ministries

In San Jose, City Team Ministries is providing hot meals, safe shelter, showers, and clean clothing to this city's homeless population.

Coalition for Alcohol & Drug Free Pregnancy - CADFP

Working on collaboration involving the medical community, local and statewide organizations, public and private, to create systemic change so that the vision of babies born alcohol and drug free becomes a reality.

SCC Dept. of Alcohol and Drug Services

DADS maintains 24-hour hotline.

Gilroy East

The Gilroy East Partnership was developed a youth empowerment model of AOD community prevention.

Gilroy West

Develop environmental strategies to reduce alcohol availability including retail density, responsible beverage service and binge drinking by youth.

Los Gatos/Saratoga Union HS District - Shift Program

Initiative to reduce underage drinking via a shift of environmental norms.

Mayfair Alcohol & Drug Coalition

Goal to reduce alcohol, tobacco and other drug use problems.

Morgan Hill/San Martin Prevention Partnership

A community coalition working to develop evidence-based environmental strategies to reduce the incidence and prevalence of AOD problems in the community.

Palo Alto Drug & Alcohol Collaborative

Addresses underage drinking in Palo Alto.

Pathway Society PIT Coalition	Provides chemical dependency treatment to boys serving time in neighboring probation facilities. The Prevention /Intervention/Treatment Strategy (PIT) focuses on reducing alcohol availability in a high-crime area of San Jose.
Salvation Army Adult Rehabilitation Center Stanford – Santa Clara County Methamphetamine Task Force	Supportive services. Researching destructive behavior associated with high-risk sexual behavior. Its goal is to reduce methamphetamine use in SCC, and ultimately the reduction of new HIV infections.
The Coalition of New Immigrants	The Coalition of New Immigrants targets new wave of Eastern European and African immigrants, focusing on cultural pressures in America.
The Gateway Program	Point-of-entry to the full spectrum of Department of Alcohol & Drug Services (DADS) Adult Managed Care Services.

Mental Health

AchieveKids	A special education and mental health service for students with complex needs, and their families.
ACT for Mental Health Adult and Older Adult System of Care ALLIANCE For Community Care	Fireside Friendship Club and Self Help Center Provides mental health services to adults with serious mental illness Offers community-based services and rehabilitation programs to youth, adults and older adults recovering from emotional and mental illnesses.
Alum Rock Counseling Center	(ARCC) has addressed the damage of family conflict, school failure and delinquency among high-risk youth, producing responsible community members and a healthier, more vibrant East San Jose
Asian Americans For Community Involvement (AACI)	AACI provides specialized services in clients' native languages and is sensitive to clients' cultural values.
Bascom Mental Health Center	Services provided include assessments, emergency evaluations, individual and family therapy, medication evaluations and medication support services.
CalWORKS Community Health Alliance	A partnership between Santa Clara County Social Services Agency, Santa Clara Valley Health and Hospital Systems' Department of Alcohol and Drug Services (DADS), Department of Mental Health.
Catholic Charities	Catholic Charities' program categories include: mental health and substance abuse in a managed care division, elder care including nutrition, foster grandparenting, kinship care support, mental health support services, etc.
Central Mental Health	Central Mental Health is an outpatient mental health clinic which serves adults, 18-60, older adults age 60+.
Children's Health Council	Serves the developmental needs of children and families in the community, specializing in children with severe behavioral and developmental difficulties.
Children's Shelter Mental Health Clinic	Provides multi-disciplinary, culturally sensitive mental health assessment and treatment services to Children's Shelter and Emergency Satellite Foster Home child-residents, and their families.
City Team Ministries	Supportive services, including case management and counseling.

Community Solutions	(previously Bridge Counseling Program) Provides a spectrum of behavioral health services to children and adults.
Downtown Mental Health	Out-Patient facility serves clients suffering from serious mental illnesses who exhibit severe problems in normal daily functioning.
East Valley Mental Health	East Valley Mental Health Center provides services to East San Jose and Milpitas from the site of the East Valley Health Center at McKee and Jackson.
Eastern European Service Agency (EESA) EHC Life Builders	EESA provides mental health services targeting former Yugoslavian Community families. The Emergency Housing Consortium enables homeless families with children, teenagers, single men and women including seniors and disabled adults to regain stability in the local community.
EMQ Family & Children Services	Provides a full continuum of mental health services for emotionally troubled children, adolescents, and families.
Fair Oaks Mental Health	Fair Oaks Mental Health is unique in providing outpatient services to children, adolescents and their families, as well as to seriously mentally ill adults and young adults.
Family & Children Services	Family & Children Services, previously Adult and Child Guidance center, provides high quality, affordable counseling, therapy and other support services in eight languages
Gardner Family Care Corporation	Gardner Family Care Corp. provides outpatient mental health services to predominately Latino children, families, and adults and older adults; including mental health services .
Grace Community Center	Grace Community Center provides day rehabilitation for individuals with serious mental illness who need support to maintain and/or improve functioning in the community.
HOPE Rehabilitation Services	HOPE Counseling Center provides psychiatric assessment, psychotherapy, case management, and medication monitoring for persons with developmentally disability, physical disability, or head injury.
Indian Health Center of Santa Clara Valley, Inc.	The Indian Health Center provides outpatient mental health and substance abuse treatment services.
InnVision Julian Street Inn	Julian Street Inn is the only facility in Santa Clara County that provides emergency shelter to the severely mentally ill.
Josefa Chaboya de Narvaez Mental Health Center	Josefa Chaboya de Narvaez Mental Health Center is designated a culturally proficient site providing services to primarily the adult and older adult Latino and Vietnamese populations of Santa Clara County who have a severe mental illness.
Juvenile Hall Mental Health Clinic	The Mental Health Clinic at Juvenile Hall is an on-site intensive outpatient clinic, which provides multi-disciplinary, culturally sensitive mental health services to youth incarcerated in Juvenile Hall.
Las Plumas Mental Health	Las Plumas Mental Health provides services to children, adolescents, and their families in a variety of settings including the home, school, local community, and the clinic setting.
Law Foundation of Silicon Valley Mekong Community Center	Provides legal services for AIDS patients, and oversees the mental health advocacy project. Mekong Community Center provides linguistically and culturally sensitive mental health services to enable psychiatrically disabled Southeast Asian refugees/immigrants, particularly Vietnamese.
Mental Health Advocacy Project Mickey's Place	MHAP provides legal assistance to people identified as mentally or developmentally disabled. Therapy Expansion for Homeless Families: To increase mental health services to homeless families at a transitional housing facility in Santa Clara County.

Next Door Solutions to Domestic Violence
North County Mental Health

Support groups, 24-hour hotline, and individual and group counseling sessions.
North County Mental Health is located in Palo Alto and serves mainly the communities of Mountain View, Los Altos, and Palo Alto.

Providing Assistance with Linkages to Services
Rebekah's Children Services

The PALS Program provides clinical staff from the Mental Health Department for severely mentally ill offenders.
Provides residential, educational and mental health services to seriously emotionally disturbed children who are victims of family violence, neglect, and sexual abuse, through residential treatment, foster care, wraparound foster care, and community outreach education and counseling programs.

Representative Payee Program

The Representative Payee Program protects the interest of recipients of Supplemental Security Income, Social Security Disability, and other Public Funds.

SC Valley Health and Hospital System

Offers prevention, education and treatment programs to all residents of Santa Clara County, regardless of ability to pay.

South County Mental Health
Ujima Adult & Family Services

South County Mental Health Center provides mental health services to seriously mentally ill adults.
Ujima Youth Program offers various afrocentric services targeting African American families and youth at risk.

AIDS/ HIV (b)

Prevention

AIDS Community Research Consortium
Asian Americans For Community Involvement (AACI)
Bill Wilson Center
Billy DeFrank LGBT Community Center
Community Health Awareness Council: HYPE
Community Health Partnership: San Jose AIDS Education
The Crane Center
Ira Greene PACE Clinic
The Living Center
NIGHT Mobile Health Van Program
Planned Parenthood
Pro Latino
Stanford Positive Care Clinic

Health Education and Information
Education, testing, outreach, support groups.
Counseling, outreach, sexual health education
Outreach, education, counseling.
HIV Youth Prevention Education: Workshops, outreach, education, counseling.
"Transpowerment" and other programs counseling, testing, and other support services.
Prevention counseling, testing, STD counseling.
Counseling and testing for high-risk population.
People living with AIDS are offered resources, counseling and discussion groups.
Neighborhood Intervention geared to High Risk testing offers counseling and testing services.
Outreach and support services.
Offers bilingual support services for high-risk population.
Health counseling, testing, education.

Treatment

AIDS Legal Services

Camino Medical Group

Combined Addicts and Professional Services
EHC Lifebuilders
Gardner Family Health Network

The Law Foundation of Silicon Valley offers free legal assistance related to discrimination and housing/employment rights.
A division of the Palo Alto Medical Foundation offers primary care and support services for people with AIDS.
Intensive outpatient counseling aftercare offers housing services plus other supportive services.
Emergency housing, transitional housing and counseling services.
Testing and family therapy.

The Health and Wellness Care Center
 Community Health Partnership: San Jose AIDS Education
 The Health Trust, AIDS Service

Targeting people with AIDS, or at risk of AIDS. Offers nutritional and wellness services.
 Targeting people with AIDS, or at risk of AIDS. Offers supportive services.
 Transitional case management from jails, housing services, transportation, and counseling services.

Indian Health Center of Santa Clara Valley, Inc.
 SCC Public Health Pharmacy

Health education, counseling, and testing services.
 Uninsured or underinsured AIDS patients may utilize County pharmaceutical services.

Youth

Bill De Frank Center
 Bill Wilson Center

Referral for gay lesbian, or bisexual youth.
 Serves youth and families through counseling, housing, education, and advocacy. Bill Wilson Center serves over 10,000 clients in Santa Clara County annually

Choices for Children

Network of coordinated and integrated partnerships, services and activities aimed at improving the lives of children prenatal through age 5

Community Child Care Council the "4C" Council

Provides a variety of comprehensive services and serves as the community child care link for families and child care professionals

EHC Lifebuilders- Sobrato House
 EMQ

Provides housing for runaway, homeless, and throw away youth populations.
 Families First program offers mental health treatment, foster care and social services that help families recover from trauma, abuse and addiction.

Family & Children Services

This County department protects children from abuse and neglect, and promotes their healthy development.

Girl Scouts and Boy Scouts
 Go Kids
 Help SCC
 Homeless Youth Network

Youth programs.
 Offers comprehensive child development services and community involvement.
 Referral website.
 Network consists of six agencies (Alum Rock Counseling, Bill Wilson Center, Community Solutions, Emergency Housing Consortium, Legal Advocates for Children and Youth and Social Advocates for Youth)

Lucile Packard Children Hospital Mobile Medical Van
 Mexican-American Community Services Agency
 Pathway Society
 Rebekah's children Services
 San Jose Day Nursery
 SC Unified School District
 SC/San Benito County Head Start Program
 Second Start

Medical and mental health treatment for runaway youth.
 MACSA provides after school and education programs targeting youth.
 Substance abuse and prevention services to youth
 Outpatient therapy for children in Santa Clara County.
 Childcare program.
 Family-child education and counseling available.
 School-readiness promotion,
 Assists homeless shelters, and human welfare agencies in helping our clients gain portable work skills.

Social Advocates for Youth / Casa Say

Provides a short-term residential facility 17 who are runaways or have been rejected from the home by their parent's).

The City of Palo Alto Child Care Subsidy Program
 MACSA

Subsidy Program
 The Mexican American community services agency operates 3 youth centers

The Shelter Bed Hotline
Unity Care Group

24-hour hotline.
Youth outreach, foster care, mental health services.

Veterans

Clara Mateo Alliance
Dept. of Mental Health's Office of Client Empowerment
EHC Lifebuilders Boccardo Shelter

Emergency Shelter and Transitional Housing
Mental Health resource for subpopulations, including veterans.
Offers many services including job search, mental health services, case management, legal assistance, substance abuse recovery, and clinical services.

Second START
SCC Office of Veteran Services

Outreach to homeless veterans.
Assists Veterans, military personnel, and their families in obtaining federal, state, and local benefits and services accrued through military service.

VA San Jose Clinic

Provides a broad range of counseling, outreach, and referral services to eligible veterans in order to help them make a satisfactory post-war readjustment to civilian life

VA Palo Alto Hospital
San Jose Vet Center

Veteran Services
Veteran Services

Transportation

Affordable Housing and Valley Transportation Authority
Cupertino Community Services
Guaranteed Ride Program
Health Connections
Inn Vision
Mountain View and Los Altos
Outreach and Escort

Public Transit.
Financial assistance and case management services.
Up to 60 door-to-door vouchers to work-related destinations
Transportation services offered to individuals with AIDS.
Transportation assistance offered.
Community Services Agency provides food and other emergency assistance to residents.
ADA Paratransit service supports older adults, individuals with disabilities and low-income families.

Legal Rights/ Benefits Advocacy

Catholic Charities Immigration Legal Services
Katharine & George Alexander Community Law Center
Help SCC
International Rescue Committee
Legal Aid of Santa Clara County
Legal Advocates for Children and Youth

Pro Bono Project of Santa Clara County
Project Sentinel

Assessment, application, and referral agency for immigrants.
(fmrly East San Jose Community Law Center) Represents workers' and immigrants' rights.
Referral website.
Refugee shelter.
Fair housing, family law, labor, employment, and domestic violence representation.
The LACY Program focuses on safe housing, guardianships, domestic violence, educational advocacy, emancipation, homeless and runaway youth, teen parents, and foster care.
Free legal service and consultation.
Assists home seekers as well as housing providers through counseling, complaint investigation, mediation, conciliation and education.

Public Interest Law Foundation of MHAP	As part of Silicon Valley's Mental Health Advocacy Project, firm offers free legal services for special needs population, including AIDS, Children and Youth, Public Interest, and Fair Housing issues.
Sacred Heart Community Services Legal Assistance for Low-Income Immigrants SC Office of Human Relations Senior Adults Legal Assistance (SALA)	Provides essential services, offering tools for self-sufficiency Santa Clara University offers free legal advice and assistance. Referral and consultation services. Supports older persons (60+) in their efforts to live independently, non-institutionalized, and with dignity.
Silicon Valley Independent Living Center (SVILC)	Referral center for disabled persons, offering housing and counseling services.

Other Supportive Services	
Hospital Council of Northern and Central California- New Directions Program Housing First	Targeting frequent hospital-users, this program coordinates mental health and housing provisions for these patients.
Sunnyvale Volunteer Language Bank The Corporation for Supportive Housing	EHC Lifebuilders, Inn Vision and Housing Authority collaborative work with families to prevent eviction. Translation services. Santa Clara Valley Medical Center connects with homeless shelter database to offer housing to hospital-users.
The John Stewart Company The Palo Alto Housing Corporation	Affordable Housing development and management services. Develops, acquires, and manages low- and moderate- income housing in Palo Alto and the San Francisco Bay Area.
Working Partnerships	A coalition of community groups, labor, and faith organizations seeking a response to the widening gap between the rich and poor in Silicon Valley

Domestic Violence	
Art and Play Therapy (APT)	APT's Children's Program is a counseling program which offers art and play therapy groups for children who feel sad or lonely, who have a tough time making/keeping friends, or who have trouble concentrating in school.
Asian Americans for Community Involvement (ACCI) Asian-Pacific Center	Program available include individual counseling, children's support group, and a teen program. Provides free and confidential HIV treatment case management, mental health and substance abuse counseling, on-site primary medical and psychiatric care, client and treatment advocacy, and group and individual support to A&PIs living with HIV/AIDS.
Bill Wilson Center and Hotline	Individual, Group and Family Counseling. Children's programs, parenting without violence, teen intervention programs.
Catholic Charities	Receives referrals from Next Door Solutions to Domestic Violence to help house survivors of domestic violence
Center for Healthy Development	Offers affordable, quality counseling and psychotherapy to the greater Santa Clara County community

La Isla Pacifica Women's Shelter	Counseling and referrals for battered women and children under 18. Legal advocacy and temporary restraining orders. Shelter.
El Toro Youth Center	Individual, group and family counseling, support for teen parents, independent living skills for foster care and group home youth.
Gilroy Family Resource Center	Sponsored by Social Services Agency, includes programming for individuals and families including Mental Health Counseling for Children and Families, Youth Leadership Programs, Parent Education, and Teen Parent Group.
Grace Baptist Community Center	Provides day rehabilitation for individuals with serious mental illness who need support to maintain and/or improve functioning in the community
Indian Health Center	Offers a wide variety of services with focus on American Indian Families
Legal Advocates for Children and Youth (LACY)	Part of the Law Foundation of Silicon Valley, LACY provides legal assistance to teens who are victims of dating violence.
MAITRI	Provides teen outreach, workshops and mentoring to South Asian youth
MHAP	Mental Health Advocacy Project is a legal assistance provider in Santa Clara County.
Next Door Solutions to Domestic Violence	Groups for children exposed to domestic violence, individual and group counseling, intervention programs, visitation programs.
Nuestra Casa (focus on Hispanic families)	Offers counseling for problems of family violence, drug/alcohol abuse, parenting effectiveness, appropriate discipline, caring for medically fragile children and other issues that can cause family dysfunction.
Parents Helping Parents (PHP)	Provides information, education and training for parents and professionals in contact with "special needs" children.
Senior Adults Legal Assistance	Nonprofit law office providing free legal advocacy and legal intervention through restraining orders to prevent domestic violence or elder abuse of seniors.
Support Network for Battered Women	Individual therapy for children who have witnessed domestic violence.
Ujirani Center (focus on African-American families)	Education, support, mental health counseling.
Victim Witness Assistance Center	Children who have witnessed domestic violence are considered to be primary victims of domestic violence by Victim Witness and are eligible to receive the same level of assistance as adult victims.

Seniors

Community Services Agency of Mountain View and Los Altos	Supportive Services.
Housing Policy and Homeless Division- San Jose	Supportive services and resource center for seniors.
Inn Vision's Georgia Travis Center	Georgia Travis Center is a daytime drop-in center for homeless and low-income women and families.
MACSA	Bilingual supportive services.
Next Door Solutions to Domestic Violence	Shelter, Hotline, transitional housing, youth programs, and counseling for victims of domestic violence.
Senior Adults Legal Assistance	Nonprofit law office providing free legal services to elders, countywide and in San J ose. Services are targeted to seniors who are very low income or at-risk of abuse, exploitation,or premature

institutionalization.

Emergency and Transitional Shelters

Beth-El Baptist Church Outreach, Benevolence	Family Shelter services.
Casa de Clara	A Catholic worker house where single women are welcome for temporary shelter
City Team Ministry Rescue Mission/ Men's Recovery Center	Overnight emergency shelter for men. Mandatory chapel service attendance required.
Cold Weather Shelter - Gilroy	Shelter
Community Solutions- Homeless Youth	Teen drop-in center, with other family- and adult-services including counseling, crisis intervention, legal advocacy, and prevention and education programs.
Community Solutions- Transitional Housing Program	The THP provides housing and services for young adults in the community, including former foster youth.
Cupertino Rotating Shelter	Cupertino Community Services organizes shelter alternating between different church sites.
Domiciliary Care for Homeless Veterans	Transitional program for homeless vets.
EHC Life Builders, Boccardo Center	Offers case management, legal assistance, substance abuse recovery, and clinical services.
EHC Life Builders, Markham Terrace Permanent	95 permanent single room occupancy (SRO) housing units plus counseling services.
EHC Life Builders, Sobrato Family Living Center (FLC)	Low-Income and Homeless families live in supportive environment.
Health Connections AIDS Services	Serves 50 percent of the individuals diagnosed with AIDS in Santa Clara County. Grants and donations allow HCAS to provide services without charging the client.
Heritage Home	Provides a long-term compassionate ministry for years to homeless, poor and abused women who are pregnant and have no where else to turn but the streets
House of Grace	A 12-14 month residential program where addicted, abused or homeless women can rebuild their lives, without being separated from their young children.
InnVision Villa	Provides transitional housing for single women and women with children.
InnVision: Cecil White Center	Daytime drop-in center for singles, families, and teens. An average of 300 individuals served daily.
InnVision: Commercial Street Inn	55 beds for women and children, including an after school tutorial program.
InnVision: Georgia Travis Center	Weekday assistance for approximately 100 women and children daily, including education, support, and the Family Place Child Development Center.
InnVision: Montgomery Street Inn	85 beds for men, both short and long term, including job development programs.
InnVision: Opportunity Center of Mid Peninsula	The Permanent Supportive Housing Program provides 70 efficiency units for individuals who make below 35% of the area's median income
Love Inc.	Love INC mobilizes churches to transform lives by helping their neighbors in need.
Mid-Peninsula Housing Coalition	The mission of Mid-Peninsula Housing Coalition is to provide safe, affordable shelter of high quality to those in need
Sacred Heart Community Services	Provides essential services, offering tools for self-sufficiency for lower-income adults and children.
Salvation Army- Hospitality House	Hospitality House provides temporary shelter for adult men.
San Jose Family Shelter	Provide emergency housing and services to homeless.

San Martin Family Living Center	The Center provides emergency and transitional housing for the homeless and very low-income farm worker families.
Shelter Network	Homeless families can receive short- and mid-term transitional housing and other supportive services, including food, employment assistance, and counseling.
St. Joseph the Worker House	St. Joseph Day Worker Center seeks to provide a dignified setting in which to connect workers and employers. We strive for the empowerment of all workers through fair employment, education and job skills training,
Sunnyvale Winter Shelter	Winter shelter.
Urban Ministry of Palo Alto- Hotel de Zinc	15 beds for men and women, hosted by Palo Alto area faith communities.
West Valley Community Services	We provide a continuum of basic needs, housing assistance and family support services.
YWCA Villa Nueva	63 units of affordable transitional housing for single parents offering a variety of services, including day care.

Chronic Homelessness	
St. Joseph's Cathedral of Social Ministry	The Shelter Plus Care program, is a HUD program administered by city agencies and the Office of Social Ministry, targeting chronically homeless individuals.

Notes:

(a) Programs and Services may be listed more than once, due to overlapping service and target populations. Although BAE attempted to document all services, this may not be a comprehensive listing.

(b) Many AIDS Prevention services, facilities, and programs also offer treatment services.

Sources: Help SCC website, 2009; Santa Clara County Public Health Department of Service Officers, Inc., 2009; Santa Clara Department, 2009; Housing SCC website, 2009; California Association of County Veterans County Consolidated Plan, 2005; Phoenix Data Center, 2009; BAE, 2009.

12 Appendix G: Affirmative Fair Housing Marketing Plan

(To be published prior to the City Council Meeting on September 21, 2010)