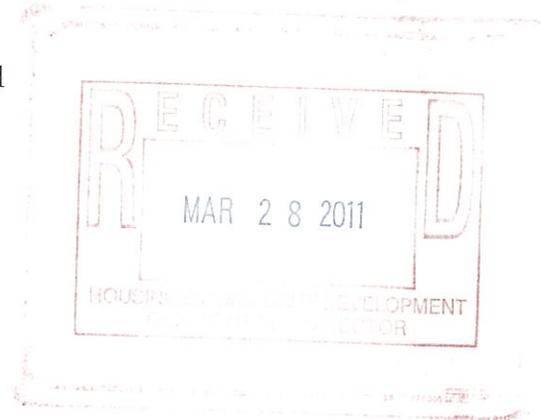


March 24, 2011

Cathy Creswell, Acting Department Director
Division of Housing Policy Development
California Department of Housing and Community Development
1800 3rd Street
P.O. Box 952053
Sacramento, CA 94252-2053



**RE: Transmittal of Annual Progress Report on the Implementation of the San Jose 2020
General Plan Housing Element – January 2010 through December 2010**

Dear Ms. Creswell:

Enclosed, please find a copy of the Annual Progress Report on the implementation of the San Jose 2020 General Plan Housing Element. This letter constitutes a formal transmittal of the Annual Progress Report to the Department of Housing and Community Development, as required by Government Code Section 65400. The progress report was accepted by the San Jose City Council on March 15, 2011.

This report covers the 2010 calendar year. It is our understanding that the next annual report is due on April 1, 2012 covering the 2011 calendar year.

Should you have any questions, please contact Andrew Crabtree at (408) 535-7893.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joseph Horwedel', written over a large, stylized blue scribble.

Joseph Horwedel, Director
Planning, Building, and Code Enforcement

Attachment

c: Scott Morgan, Office of Planning and Research
Paul McDougal, Department of Housing and Community Development
Leslye Corsiglia, City of San Jose Director of Housing

Submitted



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Joseph Horwedel
Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: February 22, 2011

Approved

Date

COUNCIL DISTRICT: City-Wide
SNI AREA: All

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

RECOMMENDATION

Accept the Annual Progress Report on the Implementation of the San Jose 2020 General Plan Housing Element covering the period from January 2010 through December 2010.

OUTCOME

The Council's acceptance of the Annual Progress Report is required prior to the submittal of the report to the California Department of Housing and Community Development (HCD) and the Governor's Office of Planning and Research (OPR).

BACKGROUND

The City of San Jose Housing Element 2007-2014 was adopted by the City Council on June 16, 2009 and certified by HCD on July 23, 2009. The Housing Element establishes the City's strategy for meeting community housing needs for the period beginning January 1, 2007 through June 30, 2014. Housing is one of seven integral and interrelated Major Strategies in the San Jose 2020 General Plan. The other Major Strategies are Economic Development, Downtown Revitalization, Growth Management, Urban Conservation/Preservation, Greenline/Urban Growth Boundary, and Sustainable City.

State law requires jurisdictions to prepare an annual progress report on the implementation of their Housing Element and to submit it to OPR and HCD. While charter cities are not required to submit the report, all jurisdictions including charter cities must submit annual reports to qualify for certain funding programs. Accordingly, San Jose has consistently provided annual progress reports to the State on the implementation of the mandated Housing Element. With the acceptance of a completed annual report, the City of San Jose may apply for State funds such as those available through Proposition 1C, which has been an important source of funds for transit-oriented development in San Jose.

The attached report covers a 12-month period from January 2010 to December 2010. It describes the City's accomplishments toward achieving its share of the Regional Housing Needs Allocation (RHNA) and includes a status report on implementation of the City's housing-related policies, ordinances, and programs to facilitate housing opportunities in safe, livable, and complete communities.

ANALYSIS

One of the purposes of the Housing Element requirement is to prompt local governments to establish within their General Plans comprehensive goals, policies, and programs to meet the regional housing needs allocation (RHNA), which is determined by ABAG for the 101 jurisdictions in the nine-county Bay Area. San Jose's RHNA for the current planning period from January 2007 through June 2014 is 34,721 housing units, equivalent to an annual production rate of 4,630 units. This represents a 33 percent increase from the prior RHNA cycle and corresponds to 58 percent of the total housing allocation for Santa Clara County. As a result of recent modifications to the RHNA criteria, San Jose's share of the total County allocation was increased from 45 percent in the previous RHNA cycle. Consistent with other Bay Area cities, much of San Jose's increase is concentrated in the Extremely Low-Income, Very Low-, and Low-Income categories in order to serve those with the greatest housing need.

Housing production in the first four years of the current RHNA cycle (from January 1, 2007 to December 31, 2010) has resulted in the development of 7,679 units, accounting for 22% of the total RHNA goal of 34,721 housing units. In calendar year 2010, the City issued permits to begin construction of a total of 2,464 affordable and market-rate units. This represents approximately 53% of the annual RHNA goal of 4,630 units. In the affordable housing categories, the City assisted in the development of 151 extremely low-income, 262 very low-income, and 45 low-income units for a total of 458 affordable units. For the first four years of the RHNA cycle, affordable housing constituted nearly 26% of the City's total number of residential units receiving building permits. This indicates a significant contribution by affordable housing to San Jose's development activity during a depressed economy.

Total residential building permit activity increased in 2010 after a significant decline in 2009. However, it is generally expected that the housing market will grow only marginally in 2011 due to the continuing weak economic environment. The Housing Department has also seen an impact in its lending capacity due to the State take of redevelopment dollars in 2010 that decreased its

tax increment, the Department's primary revenue source,. This decrease in capacity has significantly impacted the Housing Department's ability to facilitate the development of affordable housing and, therefore, its ability to proactively contribute toward the City's efforts to meet its share of the regional housing needs.

San Jose has the capacity for 67,500 units in its existing 2020 General Plan, including housing capacity added through 2009 General Plan Amendments and housing capacity on underutilized parcels.

Through the Envision San Jose 2040 General Plan Update process, the City is considering a preferred land use scenario that would potentially increase this capacity to 120,000 units. The proposed Envision 2040 Plan incorporates the Housing Element as certified by HCD. In addition, through the "Urban Village" strategy and other goals and policies, the proposed Envision 2040 Plan supports compact, mixed-use development; preserving the Urban Growth Boundary; and promoting interconnected, sustainable, and complete communities.

The City continues to adopt Zoning Ordinance amendments and other policy changes to streamline the production of housing in areas consistent with the General Plan, including creation of the Main Street Zoning District in 2010 to provide for a streamlined entitlement process for residential mixed-use development in specific locations. As of December 31, 2010, approximately 21,000 units are in the pipeline, meaning they have received entitlements through the zoning or development permit stage but have not yet received building permits.

EVALUATION AND FOLLOW-UP

Once the Annual Progress report is accepted by the Council, it will be submitted to HCD by the State-mandated April 1, 2011, deadline.

This report focuses on the progress of implementation of the General Plan Housing Element, which was developed as part of the San Jose 2020 General Plan, but which is also maintained as a component of the Draft Envision San Jose 2040 General Plan. The Draft Envision San Jose 2040 General Plan (Draft Plan) is scheduled for consideration by the City Council later this year. The Draft Plan includes modifications to the Housing Element Goals, Policies and Implementation Actions developed through the Envision process, as well as policies for a General Plan Annual Review process that will provide for ongoing evaluation of the City's achievement of its Housing Element Goals in the context of the overall General Plan goals and policies.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

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

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

COORDINATION

This memo was prepared jointly by Planning, Building and Code Enforcement and the Housing Department, and was coordinated with the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

The Annual Progress Report is consistent with applicable City goals and policies as discussed below and in the attached report. This discussion addresses consistency with the San Jose 2020 General Plan as the guiding document for evaluation of the 2010 Annual Progress Report.

Consistency with General Plan Major Strategies

Implementation of the Housing Element furthers City goals and policies in support of the San Jose 2020 General Plan and is consistent with the goals and objectives of the Draft Envision San Jose 2040 General Plan Update. Additionally, the calendar year 2010 implementation of the Housing Element was consistent with the Housing, Growth Management, and Sustainable City Major Strategies in the General Plan.

The Housing Major Strategy supports a variety of housing opportunities in the City to meet residential needs at all economic levels. Housing is intended to be located in neighborhoods that have adequate urban services. As discussed in the attached Annual Progress Report, the City continues to facilitate all types of housing through ongoing programs and policies. The Housing Element identifies how the City plans to address the City's share of the RHNA during the 2007-2014 period to continue to implement this Major Strategy.

The Growth Management Major Strategy addresses population growth by balancing it with economic development, and directing the growth to infill areas of the City that are centrally located with established infrastructure, so that the City can provide services and jobs to residents more cost-effectively. While 2010, as discussed elsewhere, had relatively low housing production, a significant percentage of the housing units approved or built in the City in 2010 were located on central infill sites with a high degree of access to transit and other urban services. Additionally, the City adopted new policies and process improvements to facilitate mixed residential and commercial development near transit and existing City services and infrastructure.

The Sustainable City Major Strategy promotes the development of the City as an environmentally and economically sustainable city through conservation and renewal of its natural resources and built environment, and through economic development of clean technology businesses. To further the intent of the Sustainable City, in October 2008, the City Council adopted the Private Sector Green Building Policy for new construction of commercial, industrial, residential high-rise, and other residential development consisting of at least 10 units. Additionally, on June 23, 2009, the City Council adopted an ordinance implementing the Private Sector Green Building Policy. The principles included in the Private Sector Green Building Policy and Ordinance support increased energy and water efficiency, healthier living environments, and reduced operational costs over the lifecycle of all types of buildings, including residences.

Additionally, 2010 implementation of the Housing Element was consistent with the preliminary direction of the Envision San Jose 2040 General Plan Update by maintaining the Urban Growth Boundary; providing a variety of housing types; and focusing growth where existing City infrastructure, facilities, and services are located. In particular, the Draft Envision 2040 Plan proposes an Urban Village Strategy that focuses development of new residential units in specific areas of the City to maximize the use of existing infrastructure, minimize environmental impacts, and provide significant opportunities for the production of housing to meet a wide variety of community needs.

COST SUMMARY/IMPLICATIONS

Not applicable.

BUDGET REFERENCE

Not applicable.

HONORABLE MAYOR AND CITY COUNCIL

February 22, 2011

Subject: Acceptance of Annual Progress Report on Housing Element

Page 6

CEQA

Not applicable.

/s/
JOSEPH HORWEDEL, DIRECTOR
Planning, Building and Code Enforcement
and Code Enforcement

/s/
LESLYE CORSIGLIA
Director of Housing

For questions please contact Andrew Crabtree, Senior Planner at (408) 535-7893.

Attachment:

Annual Housing Element Progress Report – January 2010 through December 2010

**Department of Housing and
Community Development**

ANNUAL HOUSING ELEMENT PROGRESS REPORT

City or County Name: City of San José

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

Contact Person: Laurel Prevetti, Assistant Director

Phone: 408-535-7901

FAX: 408-292-6055

E-mail: laurel.prevetti@sanjoseca.gov

Reporting Period: January 1, 2010 through December 31, 2010

**Progress Report on the Implementation
of the San Jose 2020 General Plan Housing Element -
Calendar Year 2010**

February 22, 2011

A. BACKGROUND

California State law provides that most jurisdictions prepare an annual status report on the implementation of the Housing Element component of the General Plan. In response, the City of San José has submitted annual progress reports on the implementation of the Housing Element to the California Department of Housing and Community Development (HCD) for review and evaluation. By providing this information, the City qualifies for important State housing funds.

As mentioned, the Housing Element is one of the mandatory elements of a General Plan, as required by State Law. The City of San Jose's current Housing Element, which was certified by HCD in July 2009, reflects the 2007-2014 planning period. The Housing Element identifies constraints to housing production, as well as establishes policies and programs in order to mitigate those constraints and to facilitate the production of housing opportunities to meet the needs of all economic segments of the community as determined through the Regional Housing Needs Allocation (RHNA) process. San Jose's allocation for the current RHNA 7.5-year planning period from 2007-2014 is 34,721 total housing units composed of both market-rate and affordable units. This equals 4,630 total units annually across income categories. While this annual allocation significantly exceeds the annual production of housing that the City has ever achieved on any sort of sustained basis – even during strong economic conditions – the City is committed to facilitating the production of housing across income categories and to mitigating both governmental and non-governmental constraints that may prevent such production. To achieve these objectives, San Jose's housing strategy includes careful planning for residential land uses at appropriate locations and densities. The strategy seeks to maximize housing opportunities on infill parcels already served by the City in order to utilize existing infrastructure, and at locations served by transit. The housing strategy also seeks to provide sufficient housing opportunities for new workers in order to encourage and support continued economic development. San Jose is also planning for demographic shifts that have preferences for more urban forms of housing and neighborhoods. In addition, the City's Housing Department partners with the development community and provides it with subsidies and technical assistance in order to facilitate the production, rehabilitation, and preservation of affordable units for lower- and moderate-income households. The Housing Department also collaborates with public, private, and non-profit partners in order to end homelessness, to serve the special needs population, to fight foreclosures and help families stay in their homes, and to ensure regional fair housing practices.

San Jose's affordable housing projects are recognized nationally for their quality designs, excellent management, community integration, and innovation. In 2010, the City received awards for three (3) of its developments: Paseo Senter, Corde Terra and Casa Feliz Studios. The awards were received from organizations such as the National Association of Housing and Redevelopment Officials (NAHRO) and Affordable Housing Finance.

The City's comprehensive update of its General Plan, Envision San José 2040, scheduled for City Council adoption in 2011, incorporates the City's current Housing Element and establishes a comprehensive policy framework that strongly supports San Jose's residential strategies identified in the Housing Element. A central component of the Draft Plan is the development of new "Urban Villages" at strategic locations throughout the City so that the majority of housing growth in Envision 2040 is planned to occur as compact, infill, transit-oriented development. The Draft Plan also reinforces the City's environmental goals, such as preservation of the hillside areas outside of the City's Urban Growth Boundary, so that substantially all new residential development will occur within the City's current Urban Growth Boundary. The Draft Plan includes a comprehensive and coordinated set of goals, policies, and implementation actions that link multiple objectives to promote the development of complete communities including housing for workers to support economic development, greenhouse gas reduction, and the equitable distribution of services and facilities throughout the City.

This report summarizes the City's progress towards meeting its RHNA goals and other objectives during the 2010 calendar year as set forth in the Housing Element. Upon City Council acceptance of the report, it will be forwarded to the California Housing and Community Development (HCD) Department and the Governor's Office of Planning and Research.

B. ANNUAL BUILDING ACTIVITY SUMMARY FOR VERY LOW-, LOW-, AND MODERATE-INCOME UNITS AND MIXED INCOME MULTIFAMILY PROJECTS (TABLE A, A2 AND A3)

In calendar year 2010, the City issued permits to begin construction of a total of 2,464 affordable and market-rate units, as shown in Tables A and B. This represents 53% of the City's annual RHNA goal of 4,630 units across all income categories combined.

However, due to continued depressed economic conditions, budget challenges across all levels of government, and the Housing Department's payment of the State take of redevelopment funds in 2010, San Jose experienced significant difficulty in financing the production of affordable housing. In the affordable housing category, the Housing Department facilitated six new residential developments that resulted in 458 newly created affordable units in the Extremely Low-Income (ELI - 151 units), Very Low- (VLI - 262 units), and Low-Income (LI - 45 units) categories. The total of 458 affordable housing units represents approximately 18% of the annual RHNA allocation goal of 2,570 units for lower- and moderate-income housing. Within each affordable housing

category, the City was able to achieve 29% of its annual ELI RHNA goal, 51% of its VLI goal and 6% of its LI goal. Affordable housing consists of residential units for which construction or rehabilitation was either (a) financed all or in part, with loans or tax-exempt bonds approved by the City Council and Redevelopment Agency Board, or (b) provided by developers in order to meet State-mandated inclusionary housing requirements in Redevelopment Project Areas.

There is a significant need for affordable housing in San Jose. Home prices and rents have risen slightly in 2010 from the 2009 levels. They continue to be beyond the reach of lower-income households and even many middle-class households. According to Real Facts statistics for the fourth quarter of 2010, the average rent for a two-bedroom, two-bath property in San Jose is about \$1,747. At a 30% rent expense rate, a San Jose service worker household will need an income of \$69,880 to afford the rent - which is significantly more than a retail salesperson, construction worker or a pre-school teacher can earn. Homeownership is even further out of reach for San Jose's residents. Even though the depressed housing market has made market-rate housing more affordable, the median priced home is still out of reach for the majority of the population. Assuming a 6 percent mortgage rate, 20 percent down, and a 1.25 percent property tax rate, the current median housing value of \$485,000 (as of December 2010) requires an income of \$84,000, which is 7 percent higher than the San Jose's median household income of \$78,660. Therefore, the median home is still out of reach for over 50 percent of San Jose's households.

For the first four years of the current RHNA period, San Jose's affordable housing projects comprised a significant percentage of the residential development in the City - 25% of all residential permits issued by the Department of Planning, Building, and Code Enforcement. For 2010 alone, 366 direct and indirect jobs (jobs that are directly involved or support the construction of residential units), and 192 induced jobs (retail jobs, for example, created by the additional income and spending from the direct and indirect jobs created) are estimated to have been created as a result of the 458 units that were newly constructed units in 2010. Thus even during these difficult economic times, it is critical to support affordable housing initiatives, as an economic stimulus, as well as a means of meeting affordable housing needs to support continued economic growth.

C. ANNUAL BUILDING ACTIVITY SUMMARY FOR ABOVE MODERATE-INCOME UNITS (TABLE A3)

During calendar year 2010, a total of 1,999 above moderate-income units were permitted. In spite of federal public policies to support the housing market in 2010, including a homebuyer tax incentive and a mortgage modification program, conditions in the residential market remain highly unstable due to continued insecurity in the labor market and overall economic uncertainty. Developers have found it extremely difficult to obtain funding in a housing market that is expected to continue to be weak during 2011, or have been unwilling to undertake the risk of developing in such an environment. Finally, developers have been reluctant to build given the low demand for market-rate housing and the high inventories of foreclosed homes. San Jose did see some positive movement

in the development of multi-family rental units, with one significantly large project obtaining building permits in the final month of 2010 that signify increased production of this housing type in 2011.

D. REGIONAL HOUSING NEEDS ALLOCATION PROGRESS (TABLE B)

The Association of Bay Area Governments (ABAG) is responsible for allocating the regional housing needs among each jurisdiction in the nine-county Bay Area. ABAG has determined that San Jose's fair share of the regional need for the planning period between January 1, 2007 through June 30, 2014 is 34,721 units. San Jose's allocation accounts for 58% of the total housing allocation for Santa Clara County and 16% of the nine county Bay Area region. These units are distributed among income categories as depicted in Table B and equal an annual production goal of 4,630 total units, which is fifty percent higher than the actual annual average of 3,000 units produced in San Jose in the past thirty years.

As such, while the City of San Jose surpassed its 1999-2006 RHNA goal, its ability to achieve the current RHNA goal is severely impacted by the current downturn in the economy. For the first four calendar years (January 1, 2007 to December 31, 2010) of the current RHNA period, 7,679 units have been issued permits to begin construction. This accounts for 28% of the total RHNA goal. Of this, San Jose has met 37% of its above moderate-income housing cumulative RHNA goal and 10% of San Jose's cumulative affordable housing goal. During calendar year 2010, 2,464 dwelling units obtained permits, a substantial increase from the prior year's permit activity.

The City has been proactive in planning for additional housing to meet its needs. San Jose has capacity for 67,500 units in its existing 2020 General Plan, including housing capacity added through 2009 General Plan Amendments and housing capacity on underutilized parcels. The City is considering a preferred land use scenario, as part of the current comprehensive General Plan Update, that would potentially increase this capacity to 120,000 units. Approximately 21,000 units have already received entitlements through the zoning or development permit stage that count towards the City's capacity for meeting its RHNA goal. Actual construction of this pipeline will largely depend on market forces, but the City's efforts in facilitating development of housing through the implementation of housing programs and process improvements will provide critical support. Although the City has a pipeline of projects that have received entitlements, it is unclear how many of these projects will actually be built due to the current weakness in the housing market. The Housing Department has also seen an impact in its lending capacity due to a decrease in its primary revenue source, as well as a result of the State take of redevelopment dollars in 2010. This decrease in lending capacity has significantly impacted the Department's ability to facilitate the development of affordable housing and, therefore, its ability to proactively support the City's efforts to meet its regional housing needs.

E. PROGRAM IMPLEMENTATION STATUS (TABLE C)

Despite the challenges of the economy and of the depressed housing market, the City has nevertheless been active in creating housing opportunities through its other non-development related housing programs. For example, in calendar year 2010, the City assisted 22 teachers and San Jose State University faculty with purchase of homes. Additionally the City assisted 63 non-teacher homebuyers through the Second Mortgage, Home Venture Fund, BEGIN and Inclusionary housing programs.

Additionally, San Jose continues to adopt Zoning Ordinance changes to streamline housing production and in December 2009 adopted a citywide inclusionary housing ordinance in order to provide additional opportunities for affordable housing throughout the city. The ordinance, which will go into effect when the City issues 2,500 annual residential permits in a rolling twelve month period (out of which 1,250 units are issued outside of North San Jose) or on January 1, 2013, whichever comes first, requires that 15% of the units built city-wide will be affordable. This brings the City in-line with the policies of surrounding cities, many of whom already have city-wide inclusionary housing ordinances in place. The City also adopted ordinance changes to streamline the entitlement process for residential projects, including the creation of Main Street Districts, an ordinance change to facilitate conversion of historic structures to residential use, and a special permit extension for the approximately 8,000 residential units currently with entitlement in the North San Jose area. The Main Street Districts ordinance establishes a new zoning district for San Jose with a streamlined entitlement process for residential mixed-use development, significant reductions in parking requirements and provisions for car share programs and unbundled parking.

Table C provides a complete list and status report on the City's programs to assist low-income renters and homebuyers.

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

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

Jurisdiction
Reporting Period

City of San José
1/1/2010 - 12/31/10

Table A
Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

1 Project Identifier (may be APN No., project name or address)	2 Unit Category	3 Tenure R-Renter O-Owner	4 Affordability by Household Incomes					5 Total Units Per Project	6a Est # Infill units	6 Assistance Programs for Each Development	7 Deed Restrictions d Units	8 Note below the number of units determined to be affordable with a standard which does not include units for which explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Extremely Low-Income (11)	Very Low- Income	Low- Income	Moderate- Income	Above Moderate- Income					
Comerstone at Japantown			14	27	11		1	53	53	CTCAC, RDA, HOME		
Brookwood Terrace Family			21	62			1	84	84	RD, COLAC		
Fourth Street Apartments			35	30	34		1	100	100	CTCAC, RDA, MHP		
Orvieto Family			23	68			1	92	92	CTCAC, COLAC, RDA		
Kings Crossing Family			42	50			2	94	94	COLAC, RDA, CTCAC, RDA, HOME		
90 Archer Street			16	25			1	42	42			
(9) Total of Above Moderate from Table A3								1,989				
(10) Total by income units			151	262	45		7	2,484				

Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65883.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65883.1(c)(1)

Activity Type	Affordability by Household Incomes					TOTAL UNITS	(4) Description of Activity Including Housing Element Program Reference
	Extremely Low- Income	Very Low-Income	Low-Income	Moderate- Income			
(1) Rehabilitation Activity						0	
(2) Preservation of Units At-Risk						0	
(3) Acquisition of Units						0	
(5) Total Units by Income	0	0	0	0	0		

1

2

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction
Reporting Period

City of San José
1/1/2010 - 12/31/10

Table A3

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

No. of Units Permitted for Moderate	1.	2.	3.	4.	5.	6.	7.
	Single Family	2 - 4 Units	5+ Units	Second Unit	Mobile Homes		
No. of Units Permitted for Above Moderate	77		1921	1		1,999	1,999

*Note: this field is voluntary

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

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		RHNA Allocation by Income Level								Total Units to Date (all years)	Total Remaining RHNA by Income Level	
Income Level		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8			
Extremely Low	Deed Restricted	67	76	198	151					430	3,445	
	Non-deed restricted											
	Total	67	76	198	151					430	3,445	
Very Low	Deed Restricted	121	291	167	262					841	3,094	
	Non-deed restricted											
	Total	121	291	167	262					841	3,094	
Low	Deed Restricted	288	212	0	45					545	4,777	
	Non-deed restricted											
	Total	288	212	0	45					545	4,777	
Moderate	Deed Restricted	100	37	7						144	6,054	
	Non-deed restricted											
	Total	100	37	7						144	6,054	
Above Moderate		15,450	1,700	88	2,006					5,719	9,731	
Total RHNA by COG:												
Enter allocation number:		34,721										
Total Units		2,501	2,316	398	2,464						7,679	27,042
Remaining Need for RHNA Period												

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

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction City of San José
 Reporting Period 1/1/2010 - 12/31/10

Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement and development of housing, as identified in Housing Element.	Timeframe in H.E.	Status of Program Implementation
Name of Program	Objective		
HOMEOWNER PROGRAMS:			
Housing Rehabilitation Program – Single-Family Home Loan Program: Households earning no more than 80% of the County Area Median Income (AMI) may qualify for loans up to \$150,000 to rehabilitate their homes. Eligible properties within the City's Strong Neighborhood Initiative (SNI) Areas qualify for a 0% interest loan up to \$150,000. Properties not within the SNI areas may be eligible for a 3% loan. A maximum \$40,000 zero-percent loan is available to low-income (80% of AMI) owner-occupants on a City-wide basis. Qualifying rehabilitation work includes achieving compliance with the health and safety standards of the City's Housing Code, repairing or replacing structural deficiencies, and energy conservation measures. Payments on most HPP loans may be deferred until transfer or change of title.	As a goal, 75% of HPP are to be spent in Strong Neighborhood Initiative (SNI) areas of the City which are characterized by higher concentrations of lower-income households and older housing stock in the greatest need of rehabilitation. Annual goal is to complete between 30 and 40 single-family loan projects per year. Additional emphasis is now being given to energy conservation, water conservation, and the use of recycled and Green materials in the HPP loan program. Increase the number of rehabilitation loans - the goal is for the loans to exceed 50% of total rehabilitation dollars approved each year.	Ongoing Program	Continue to implement program.
Housing Rehabilitation Program – Single-Family Homeowner Grant Program: Homeowners earning up to 80% of the County Area Median Income (AMI) may apply for one-time repair grants of up to \$15,000 in SNI areas and \$5,000 in non-SNI areas. The maximum grant amount is graduated based on the income of the applicant household. This program is administered on a "Needs Basis" and primarily serves single-family owner-occupied homes. The grant is offered to owners with eligible repairs that are minor in nature providing all health and safety issues can be addressed with the grant. If more repairs are required to address health and safety needs, the applicant will be referred to the Housing Preservation Program.	Goal is to spend 75% of rehabilitation funds in SNI neighborhoods and to serve lower-income residents.	Ongoing Program	Continue to implement program.
Minor Grants for Minor Repairs, Disabled Access and Green Incentives: The Minor Repair Program deploys contractors to assist eligible households with urgent repair needs such as plumbing leaks, hazardous electrical, and furnace replacements in Winter. The Disabled Access grant ensures that low-income seniors and special needs clients receive adequate funding to address accessibility needs such as ramps and grab bars up to \$10,000. The Green Incentive grant will augment other rehabilitation loans and grants by offering up to \$3,500 for improvements such as insulating homes and replacing aging, inefficient appliances with new higher efficiency units. The proposed grant amount will depend on the level of green	To provide emergency contractor services to mitigate health and safety emergencies for San Jose's low-income mobilehome and single-family property owners.	Ongoing Program	Continue to implement program.
Mobilehome Repair Loan Program: Owner occupants of mobilehomes earning up to 80% of the County Area Median Income may apply for a 0% rehabilitation loan up to \$20,000. Very low-income and extremely low-income mobilehome owners may apply for a one-time grant of up to \$15,000. Qualifying rehabilitation work is limited to those measures necessary to achieve compliance with State Health and Safety standards and applicable park regulations.	Completion of approximately 120 - 140 mobilehome rehabilitations is expected annually. Mobilehome budget is to kept to within 25% of Rehabilitation budget.	Ongoing Program	Continue to implement program.

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Program Description (By Housing Element Program Names)	Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
HOMEBUYER PROGRAMS:				
First-Time Homebuyers Mortgage Credit Certificates (MCC): In cooperation with the County, the City offers Mortgage Credit Certificates (MCC) to qualified buyers. An MCC enables qualified first-time buyers to reduce the amount of their federal income tax liability by a specified percentage of the interest rate they pay on their first mortgage loan. This amount is currently set at 15%.		Assist first-time homebuyers	Ongoing Program	The City will continue its cooperation with the County on this program.
Teacher Housing Program: This program provides a deferred equity-share loan of up to \$50,000 to low- and moderate-income San José public school teachers. The loan is offered at a zero-percent interest rate and is not due until transfer of the title to the home or in 45 years.		Assist in the recruitment and retention of San Jose K-12 public school teachers.	Ongoing Program	In 2010 the City assisted 20 teachers with \$955,000 in program funds. Staff is evaluating a proposal to replace the THP with a new city-wide program designed to assist households working with the City's limits. Expanded program approval in anticipated in March 2011.
Project-Based Second Mortgages: The City provides 45-year second mortgages in varied amounts for low and moderate-income homebuyers in ownership housing projects for which the City has previously provided financial assistance for development. Moving forward, the City does not intend to provide predevelopment and construction financing for for-sale projects. Instead, the City may offer second mortgages to qualified homebuyers once the project is complete.		Assist low- and moderate-income homebuyers	Ongoing Program	In 2010 the City assisted nine households with downpayment assistance loans in several new housing developments throughout the City. The total amount of funds provided in 2010 was \$558,478. There are currently no ongoing or new project based 2nd mortgage commitments; however, the City does occasionally provide funds to borrowers in targeted new housing developments.
The Home Venture Fund (Formerly Vernal Fund): Private lenders entered into an agreement with NHSSV, a nonprofit organization, to provide down payment assistance loans to both low- and moderate-income homebuyers. Loan amounts range from \$10,000 to \$50,000 per household with an average loan amount of \$40,000. Interest derived from grants is used to make interest payments on behalf of the borrower during the five-year loan deferral period. At year five, the loans are sold to NHSA and the proceeds invested into new second mortgages.		Assist low- and moderate-income homebuyers	No longer available	In 2010, NHSSV made 4 loans totaling \$160,000 to lower income households through the HOME HomeVenture contract between the City and NHSSV. The contract expired on June 30, 2010 and will not be renewed.
Building Equity and Growth in Neighborhoods (BEGIN): Grant funds made available through Proposition 46 and Proposition 13C are used to provide second mortgage assistance in loan amounts up to \$30,000 or 20% of the sales price (depending on specific grant terms), for low- and moderate-income first-time homebuyers in specific new for-sale developments that have received regulatory relief from the City.		Assist low- and moderate-income first-time homebuyers	Ongoing Program	In 2010, the City provided 29 first-time homebuyers with BEGIN loans totaling \$2,050,764.
American Dream Down-Payment Initiative: As part of the Federal Home Investment Partnership (HOME) sub-program, the City of San José has received over \$600,000 since 2002 to be used for down-payment assistance for low-income first-time homebuyers.		Assist low-income first-time homebuyers	No longer available	In 2010, the City did not receive a federal allocation of ADDI funds. This program is a subset of the federal HOME program. Funds for this program were deemed duplicative of the eligible uses of HOME funds so future

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<p>Redevelopment Area Inclusionary Housing Program: Through the City's Redevelopment Area Inclusionary Housing Program, housing developers in City redevelopment areas are required to provide a second mortgage to low-and/or moderate-income homebuyers to make units affordable.</p>	<p>Assist low- and moderate-income homebuyers</p>	<p>Ongoing Program</p>	<p>On July 22, 2008, the 2nd District Court of Appeal decided a case called <i>Palmer/Sixth Street Properties v. City of Los Angeles</i> (2009) 175 Cal.App.4th 1396" which, calls into question the validity of inclusionary housing mandates upon rental housing projects. To address the <i>Palmer</i> case, the inclusionary housing requirements for rental housing have been suspended until such time as the litigation in the <i>Palmer</i> decision is overturned or modified by another court or by the legislature.</p>
<p>The San José State University (SJSU) Faculty and Staff Homebuyer Program: In 2006, the City entered into an agreement with San José State University to jointly fund and administer a homeownership program for University faculty. The program was later broadened to include all SJSU full-time permanent employees. The program offers up to \$50,000 to income eligible employees in the form of a deferred repayment loan.</p>	<p>Assist in the recruitment and retention of university employees.</p>	<p>No longer available</p>	<p>In 2010, the City assisted two (2) low- and moderate-income SJSU employees. The total amount of program assistance was \$66,800 from the Low and Moderate-Income Housing Fund. This program was terminated on June 30, 2010.</p>
<p>WelcomeHOME Program: In August 2008, the City implemented a program that provides 30-year second mortgages of up to \$25,000 for lower-income homebuyers in the form of a deferred repayment loan. This loan may be layered with other forms of downpayment assistance to help homebuyers purchase a home within San José's municipal boundaries.</p>	<p>Assist lower-income homebuyers</p>	<p>Ongoing Program</p>	<p>In 2010 the City assisted 16 lower-income first-time homebuyers purchase a home through this program. The total amount of program funding was \$400,000.</p>

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Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement and development of housing, as identified in Housing Element.	Objective	Timeframe in H.E.	Status of Program Implementation
HOMELESS SERVICES PROGRAMS:				
Emergency Shelter Grant Program (ESG): ESG is a federally funded program designed to be the "first step" in the prevention of homelessness. The City contracts with multiple homeless service providers to administer the ESG program. The program provides homeless persons with basic shelter and essential supportive services, such as operational costs of a shelter facility and short-term homeless prevention assistance to persons at risk of losing their housing.	Assist homeless and at-risk residents with meeting their immediate emergency needs	Assist homeless and at-risk residents with meeting their immediate emergency needs	Ongoing Program	Continue to implement program.
Housing Opportunities for People with AIDS or HIV (HOPWA): HOPWA is a federally funded program designed to provide housing assistance and supportive services to low-income individuals and families living with HIV/AIDS. The City contracts with local service agencies to provide tenant-based rental assistance, project-based rental assistance, housing information and case management.	Assist homeless and at-risk residents with HIV/AIDS to become permanently housed.	Assist homeless and at-risk residents with HIV/AIDS to become permanently housed.	Ongoing Program	Continue to implement program.
Housing Trust Fund: In June 2003, the Mayor and City Council established a Housing Trust Fund which absorbed the Housing and Homeless Fund. These funds can be used for a variety of activities, including assisting nonprofit homeless service providers with emergency needs, one-time only equipment purchase or facility emergency repair, or program that provide financial assistance, employment services, and/or case management.	Assist homeless and at-risk residents with emergency needs and to become permanently housed.	Assist homeless and at-risk residents with emergency needs and to become permanently housed.	Ongoing Program	Continue to use funds to assist homeless programs, as specified under program guidelines.
Project Hope: Project Hope is funded by the Department of Labor to provide vocational training, case management, job readiness skills, basic skills classes, and employment assistance to homeless and at-risk youth, ex-offenders and victims of domestic violence.	Assist homeless and at-risk residents with employment training and assistance to become self-sufficient and employed.	Assist homeless and at-risk residents with employment training and assistance to become self-sufficient and employed.	August 2008 - October 2011	Continue to implement and oversee program.
Housing Services Partnership (HSP): The City contracts with a local homeless services provider to administer the HSP program, which is funded by the Housing Trust Fund. This program provides homeless and at-risk residents with financial assistance in the form of first month's rent, security deposit, and one-way greyhound tickets. The program also provides permanent housing placement, homeless prevention and budget counseling, and case management.	Assist homeless and at-risk residents to attain and maintain permanent housing.	Assist homeless and at-risk residents to attain and maintain permanent housing.	July 2005 - June 2011	Continue to oversee program and search for additional funding sources to continue program in FY 2011-12.
Homelessness Prevention and Rapid Re-Housing Program (HPRP): HPRP is a federally funded program through the American Recovery and Reinvestment Act (ARRA) designed to rapidly re-house homeless residents and prevent homelessness for at-risk residents. The program provides just enough short and medium-term financial assistance and case management to resolve the crises and re-stabilize the households.	Assist homeless and at-risk residents to be self-sufficient, prevent homelessness and become permanently housed.	Assist homeless and at-risk residents to be self-sufficient, prevent homelessness and become permanently housed.	October 2009 - October 2012	Continue to implement and oversee program.
Tenant-Based Rental Assistance Program (TBRA): TBRA is a federally funded HOME program designed to provide housing and support services to chronically homeless mentally ill residents. The City contracts with a local service provider to administer the TBRA program. The program provides participants with housing placement, rental assistance for up to two years, and intensive clinical case management.	Assist chronically homeless mentally ill residents to attain and maintain housing.	Assist chronically homeless mentally ill residents to attain and maintain housing.	October 2009 - June 2013	Continue to implement and oversee program.

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Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement and development of housing, as identified in Housing Element.	Objective	Timeframe in H.E.	Status of Program Implementation
NEIGHBORHOOD IMPROVEMENT PROJECTS:				
Strong Neighborhood Initiative (SNI):				
<p>The City furthered its interdepartmental neighborhood improvement efforts through the Strong Neighborhoods Initiative (SNI). An expansion of the successful Neighborhood Revitalization Strategy, SNI involves several City departments, including the Planning and Housing Departments. SNI, launched in spring of 2000, combines the efforts of several City Departments and the Redevelopment Agency to identify improvements and services needed to revitalize declining neighborhoods throughout the City. Nineteen target areas have been designated as improvement areas. Physical improvements are expected to be funded through existing City programs (including Housing Rehabilitation Programs) and Community Development Block Grants.</p>	<p>Continue to focus resources within the 19 SNI areas. Strive towards goal of spending 75% of single-family rehabilitation funds in SNI areas.</p>	<p>Ongoing Program</p>		<p>Due to the current and projected scarcity of resources, the City's Strong Neighborhoods team has shifted the efforts of the Strong Neighborhood Initiative (SNI) to the City's neediest neighborhoods. Through a comprehensive neighborhood study the SNI Team has identified 13 Neighborhoods in Crisis. Although Housing resources will continue to be made available City wide, the various housing programs will be targeted within the 13 Neighborhoods in Crisis.</p>
Strong Neighborhoods Initiative (SNI) Project Alliance – (formerly known as Multi-Family Demonstration Projects):				
<p>Project Alliance/Special projects is a subset of the City's Strong Neighborhood Initiative program directed toward the revitalization of specific multi-family neighborhoods. Four neighborhoods have been completed for improvement through Project Alliance. These neighborhoods are Jeanne/Forestate (Five Wounds / Brookwood Terrace), Virginia/King (Mayfair and Gateway East), Roundtable Drive Apartments (Edenvalle/Great Oaks), and Underwood Apartments (Blackford). During this period, eight buildings (32 units) received exterior improvements. In addition, one 58-space mobilehome park received infrastructure upgrades that included repaving and sealing, electrical, plumbing, NG safety and re-pipe, and the replacement of security lighting with LED lighting. Funds for exterior improvement of one additional building (4 units) in the</p>	<p>The goals of Project Alliance include working collaboratively with property owners, tenants, various City Departments, and other entities to achieve the effective delivery of City Services, build leadership, and create an attractive, livable and sustainable community while preserving the existing affordable housing stock within that community.</p>	<p>Ongoing Program if Additional Funding becomes Available</p>		<p>Funding for future projects is uncertain.</p>
Neighborhood Stabilization Program:				
<p>The Housing Trust of Santa Clara County (HTSCC), City of San Jose and Neighborhood Housing Services Silicon Valley (NHSSV) have formed the San Jose Consortium (Consortium) to apply for and administer a \$25 million grant for the NSP, made available by the Department of Housing and Urban Development (HUD) under the American Recovery and Reinvestment Act (ARRA) of 2009. The main objectives of this grant are to stabilize neighborhoods in the Target Geography by reducing the number of foreclosed or abandoned homes and residential properties and to create affordable housing opportunities for very-low, low- and moderate-income households. The Consortium will provide secondary financing to income eligible purchasers of foreclosed homes and will purchase and rehabilitate foreclosed or abandoned homes in the Target Geography.</p>	<p>The goal of the Consortium is to assist in the purchase of no less than 205 foreclosed properties or units for the purpose of creating affordable homes.</p>	<p>Half of funding (\$9.5M) must be spent by Feb. 11, 2012 and all funding by February 11, 2013.</p>		<p>Achievements for calendar year 2010 include completing the Request for Proposals (RFP) process, execution of term sheets and Agreements with two development entities to administer NSP2 on behalf of City of San Jose. NSP2 Policies and Procedures were also completed.</p>

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HOUSING DEVELOPERS / INVESTMENT PROPERTY OWNERS				
Predevelopment Loan Program:				
The Predevelopment Loan Program is designed to assist housing developers with funds necessary to explore the feasibility of a proposed housing project. Under this program, developers may apply for option fees and preliminary environmental or design studies. Interest rate to be charged will reflect the City's actual cost of funds as well as what rate is necessary to promote project feasibility. Principal and interest repayment is due at the close of escrow on construction loans or within two years.		As resources allow, invest limited amount to support future feasible development projects.	Ongoing Program subject to funding availability	As Redevelopment funds are not anticipated to be available in the near-term for new project commitments, no new predevelopment loans are being approved at this time.
Project Development Loans for Acquisition, Construction, Permanent, and Acquisition/Rehabilitation:				
Below-market rate gap loans and grants for acquisition, construction and permanent financing are made to both for-profit and nonprofit developers. These loans, typically subordinated to the primary lender's loan, provide funding for single-room occupancy living unit facilities (SROs), families and seniors, transitional housing, and housing for special needs populations including the homeless. Loans are made for land acquisition, construction, and permanent needs. Permanent loans are repaid out of net cash proceeds during the projects operations.		Focus 80% of available project funds on new construction of units, 10% on acquisition/rehabilitation projects, and the remaining 10% on workouts or Year 15 renegotiations to preserve existing affordable units.	Ongoing Program	As Redevelopment funds will not be available in the near-term for new project commitments, no loans—except perhaps those deals for which the City has already provided predevelopment or acquisition funding—are expected to be approved at this time.
Funding for the Acquisition and Rehabilitation of Existing Apartment Projects focuses on blighted neighborhoods, on those projects with expiring Housing and Urban Development (HUD) loans and rent restrictions ("preservation" projects), on those projects involving extraordinarily low subsidy levels, and on those projects incorporating at least 10% ELI units with reasonable costs to the City.		Funding commitments will follow the Department's Income Allocation Policy, under which at least 30% of funds will support ELI units, 30% of funds will support VLI units, 25% of funds will support LI units, and 15% of funds will support Moderate Income units.		
Funding for Preservation or Conservation of existing projects is considered on a case-by-case basis, seeking to maximize leveraging of non-City sources of funds and to meet the City's policy objectives of supporting ELI units.				
City as "Developer":				
State law stipulates that affordable housing (along with parks and public education) have priority for surplus property owned by any public agency created under State auspices. The Housing Department aggressively seeks to purchase such properties owned by the City of San Jose, the Valley Transportation Authority (VTA), CalTrans, the 19 school districts in San Jose, the Santa Clara Valley Water District and other public agencies for housing development. Properties so acquired are subsequently transferred to nonprofit and for-profit developers for the construction of affordable housing projects.		Continue to seek opportunity sites for affordable housing with a focus on rental special needs units	Ongoing Program	Redevelopment funds will not be available in the near-term, no new land purchases are anticipated at this time. For those sites that the Department has already acquired, those for which financing is assembled may proceed.

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PROCESS IMPROVEMENTS				
Adoption of Secondary Unit Ordinance:				
In 2008 the City Council permanently adopted the Secondary Unit Ordinance. The Secondary Unit Ordinance began as a pilot program on January 2, 2006 and was previously scheduled to end on October 30, 2007. This program represents a major change in the City's policies towards second units, coming after a 20-year prohibition. The pilot program served as a means of collecting data on second unit production and location, and as a way to determine whether second units have adverse impacts on surrounding neighborhoods. The program allows property owners with existing unpermitted units the ability to legalize their second unit, provided that the unit can meet the second unit ordinance criteria.		Continue to facilitate second unit production.	Ongoing Program	Continue program as designed and implemented
2007 California Standards Code and Green Building Outreach and Training In response to the introduction of the new 2007 edition of the California Standards Code and the City's anticipated adoption of the new code, City staff provided extensive outreach to the public and the development community about important code updates. These Codes establish the statewide codes for building construction and fire safety, and the City Council adopted the new state codes with local amendments that came into effect on January 1, 2008. The public outreach included a series of trainings for both City staff and the public on various topics in the new code. Similar outreach and trainings occur for City staff and the public to educate the public about the newly adopted Private Sector Green Building Policy and Ordinance. Staff is currently attending trainings to provide the same services to City staff and the public regarding the new California State Green Building Code standards that will go into effect on January 1, 2011.		Such trainings were intended to facilitate a smooth the transition to the use of new code standards.	As needed basis	Outreach and training on the 2007 edition of the California Standards Code was completed in 2008. Separate outreach and training was provided for the Private Sector Green Building Policy and Ordinance in 2008 and 2009. Additional outreach and training will be provided as-needed basis for the California State Green Building Code and for future amendments.
Enhanced High-Rise Design Review Process In order to support the intensification of the Downtown and transit corridors, the City began in 2007 to administer the Enhanced High-Rise Design Review Process as part of the development review process for projects involving buildings 100 feet or greater in height. The Enhanced High-Rise Design Review Process is a public process that allows staff and decision makers to (1) apply relevant sections of the Downtown Design Guidelines developed for downtown high-rise housing to high-rise development throughout the City, (2) be advised by the City's Architectural Review Committee (ARC) regarding consistency with relevant sections of the applicable Design Guidelines, and (3) receive community input on proposed high-rise development during both the preliminary review and entitlement phases.		The process primarily serves as a forum where developers, design professionals, community members and City staff can work together to ensure that new developments contribute positively to the community and issues identified can be addressed effectively.	Ongoing	Continue to administer the design review process as needed.
Transit-Oriented Development, Mid-Rise and High-Rise Residential Design Guidelines To assist in streamlining the development review process, the City adopted design guidelines for transit-oriented development and mid-rise and high-rise residential projects in September 2007. The design guidelines provide specific parameters to promote compact, urban development along major transit corridors and key employment areas. These guidelines seek to provide a common understanding of the minimum design standards in order to ensure that the review process can be conducted in as efficient a manner as possible.		Facilitate quality design in residential projects and streamlining of the development review process.	Ongoing	Continue to implement and revise the design guidelines as necessary.

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<p>City Council Public Outreach Policy In 2005, the City Council adopted a public outreach policy to establish formal procedures in coordinating public outreach on development projects. Generally, developers are required to erect public notification signage on the project site while a development proposal is pending. In addition, for larger development proposals, a community meeting is required to gather public comments early in the development review process. The public outreach policy has been effective in helping developers and City staff engage the community early in the development review processes. Additionally, through August 2009, staff held a standing "Neighborhood Roundtable" meeting where community members provide input into Planning and Building activities.</p>	<p>Provides opportunities for all parties to achieve general consensus and resolve concerns as part of the development process.</p>	<p>Ongoing</p> <p>Continue to implement the public outreach policy as intended. Due to budgeting constraints, the Neighborhood Roundtable meeting will be replaced by a combined Developers and Neighborhood Roundtable meeting that occurs quarterly.</p>
<p>Zoning Ordinance Streamlining Amendments The City periodically reviews the Zoning Ordinance to identify outdated measures and to determine where process and other requirements can be streamlined without diminishing the City's ability to achieve its land use goals.</p>	<p>Improve user-friendliness of the Zoning Ordinance and streamline the ability to add bedrooms to existing homes to accommodate a larger living area.</p>	<p>Ongoing</p> <p>In November 2008, the City approved several amendments to the Zoning Ordinance that simplified the process for permitting small additions to existing two-family dwellings. Currently, any sized addition or enlargement of two-family dwellings requires issuance of a Site Development Permit. The new provisions allow minor additions (up to 200 square feet or 10% of the existing building area, whichever is less) to two-family dwellings with the issuance of an over-the-counter Permit Adjustment. Other Zoning Ordinance amendments took effect on January 3, 2009 that reduced the parking requirement for livework units in Downtown and allowed single-family residences to provide a single-car, detached garage meeting specified criteria by-right, rather than requiring a Special Use Permit for the reduction from two covered spaces to one covered parking space.</p>
<p>Development Permit Extension Ordinance Allows the reactivation of certain expired development permits and the extension of certain development permits for a discrete period of time.</p>	<p>Provides longer terms for the validity of Planning permits, thereby giving developers more time between Planning approvals and construction commencement.</p>	<p>Ongoing</p> <p>The City Council approved this change to the Zoning Ordinance, and the change took effect on July 3, 2009. An additional extension was granted in 2010 specifically for projects in the North San Jose area, affecting approximately 8,000 potential dwelling units.</p>
<p>Option to Use Discretionary Alternate Use Policies through a Use Permit In 2007, the City Council approved a General Plan text amendment that added the ability to apply Discretionary Alternate Use Policies as through a use permit. Prior to approval of this streamlining measure, the use of DAU policies often required a Planned Development rezoning.</p>	<p>Facilitate streamlining of the entitlement process.</p>	<p>Completed 2007</p> <p>The City Council approved the General Plan text amendment in 2007.</p>
<p>Elimination of the Planned Development Zoning process requirement for certain Mixed-Use Development Projects In 2008, the City Council approved a General Plan text amendment that streamlines the development review process for some housing and mixed-use proposals by eliminating the requirement for a Planned Development Zoning. In many situations, the City's Zoning Ordinance already allows for mixed-use development with a development permit or use permit in a conventional zoning district. The General Plan text amendment updates the San José 2020 General Plan to allow development proposals to utilize more of the permit process options available in the Zoning Ordinance instead of requiring projects to undergo an extensive Planned Development Zoning process.</p>	<p>Facilitate streamlining of the entitlement process for mixed-use development.</p>	<p>Completed 2008</p> <p>The City Council approved the General Plan text amendment in 2008.</p>

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<p>Height Limit Increase to Facilitate Use of Renewable Energy Resources</p> <p>This General Plan text amendment is intended to encourage utilization of renewable energy resources in the physical development of the City by making the incorporation of these resources into development more feasible to developers and property owners. By amending the text of the General Plan to allow additional height for certain structures, such as solar panels, other energy-saving devices, and roof landscaping, the text amendment better aligns the General Plan policy for building heights with the existing language of the Zoning Ordinance (revised June 2008) and streamlines efforts to implement green building measures in proposed development projects.</p>	<p>Facilitate streamlining of the entitlement process to encourage energy efficiency in residential development.</p>	<p>Completed 2008</p>	<p>The City Council approved the General Plan text amendment in 2008.</p>
<p>Transit Corridor Commercial Land Use Designation Created</p> <p>The Transit Corridor Commercial land use designation is intended to expand the potential for commercial development and mixed commercial-residential development with convenient access to major job centers and to create new consumer markets in appropriate areas of the City. This category requires commercial uses in a viable configuration on the street-level floor of any development. Vertical mixed commercial and residential uses may be allowed on sites that are of adequate size and configuration to accommodate such a mix of uses provided that the street-level floor consists of wholly commercial uses with the exception of residential support facilities of limited size, such as parking areas, entry lobbies, mail rooms, and concierge facilities; the total area of which constitutes a minor portion of the site area. Transit Corridor Commercial is intended for sites located in the Downtown Core and Frame Areas or located in designated Transit Corridors or BART Station Area Nodes, or located within a reasonable walking distance of major public transit in other intensely developed areas of the City.</p>	<p>Facilitate streamlining of the entitlement process for residential development above commercial uses, providing opportunities for residential uses to be located above neighborhood services with access to transit.</p>	<p>Completed 2008</p>	<p>The City Council approved the General Plan text amendment in 2008.</p>
<p>Private Sector Green Building Policy for New Construction</p> <p>Council adoption of the Private Sector Green Building Policy for new construction established mandatory green building standards for private sector development that advance the City's Green Vision Goal No. 4 of building or retrofitting 50 million square feet of green buildings within the next 15 years, as well as Green Vision Goal No. 2: reducing per capita energy use by 50%, Goal No. 3: receiving 100% of electrical energy from clean renewable sources, Goal No. 5: diverting 100% of waste from landfills and converting waste to energy and Goal No. 6: Recycling or beneficially reusing 100% of waste water. The policy includes two rating systems: United States Green Building Council's Leadership in Energy and Environmental Design and Build It Green's GreenPoint Rated system. The policy requires a green building checklist for all new construction. In addition, the policy mandates specific certification and point levels in three categories: commercial and industrial (25,000 square feet and more), residential high-rise, and other residential (10 units and more).</p> <p>On June 23, 2009, the City Council adopted an Ordinance which implements the Private Sector Green Building Policy.</p>	<p>Facilitate energy efficiency in residential development. Green buildings have proven to enhance economic competitiveness by reducing lifecycle costs, improving worker productivity, increasing property values, attracting higher rents, and helping with the attraction and retention of talent.</p>	<p>Completed 2009</p>	<p>The City Council adopted the Private Sector Green Building Policy for New Construction in 2008 and the City Council adopted an Ordinance which implements the Private Sector Green Building Policy in 2009.</p>
<p>Permit Center Consolidation</p> <p>All Permit Center services have been consolidated on the first floor to allow one-stop service delivery that includes Building, Planning, Fire, and Public Works services.</p>	<p>Maximize efficiency of specialized staff. Provide cross-functional support on a single floor rather than two. Provide development customers with certainty on where submittals will occur.</p>	<p>Completed 2009</p>	<p>Continue program as designed and implemented.</p>
<p>Self Help Improvements</p> <p>Customers can schedule their own inspections, obtain general information and publications, and apply for simple permits online without having to contact the Call Center staff by telephone or without having to travel to City Hall.</p>	<p>Allow customers to serve their needs at their own convenience.</p>	<p>Ongoing</p>	<p>Continue to enhance the services and information available online.</p>

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<p>Walk-In Submittals & Prioritized Service Delivery Submittals of select Planning and Building Permit applications are now accepted and processed without an appointment. Receptionist segregates customers and application submittals are prioritized.</p>	<p>Customers are provided with additional options for application submittal and are serviced more quickly.</p>	<p>Ongoing</p>	<p>Continue to enhance services provided to customers submitting development applications.</p>
<p>Envision San José 2040 General Plan Update The City is nearing completion of a community-based comprehensive update to the City's General Plan. The Envision Task Force, staff and community members spent considerable time discussing future housing needs and strategies for the City to proactively address those needs. The City has completed a Draft Plan, including goals and policies and a Land Use / Transportation Diagram that addresses the City's goals for housing and other topics. The City is now completing the environmental review process for the Draft Plan to allow City Council consideration in 2011.</p>	<p>Draft an updated General Plan that provides adequate job and housing growth capacity to meet the City's future needs, including the establishment of new high-density, mixed-use "Urban Village" areas throughout the City.</p>	<p>Ongoing</p>	<p>Continue to update the General Plan, moving towards a final City Council approval in Fall of 2011.</p>
<p>Alum Rock Corridor General Plan Changes and Policy Direction On June 16, 2009, the City Council approved the conversion of over 55 acres of primarily General Commercial land to Transit Corridor Commercial, thereby facilitating mixed commercial-residential development on this land bordering Alum Rock Avenue. At the same time, the City Council also approved a policy document to guide staff in creating a form-based zoning for the area that, once approved, will significantly streamline the entitlement process for development of mixed commercial-residential projects in the area.</p>	<p>Facilitate mixed commercial-residential projects along select Alum Rock Avenue properties.</p>	<p>Ongoing</p>	<p>Amendments to the General Plan Land Use/Transportation Diagram and text were approved in June 2009. Continue to develop a form-based zoning to facilitate implementation of Transit Corridor Commercial objectives.</p>
<p>Transitional and Supportive Housing Zoning Ordinance Amendments On December 1, 2009, the City Council approved changes to the Zoning Ordinance to include definitions for transitional and supportive housing consistent with those provided in the California Health and Safety Code.</p>	<p>To comply with California State Legislation, Chapter 633, Statutes of 2007 (SB 2), transitional and supportive housing are explicitly treated as residential uses in the Zoning Ordinance.</p>	<p>Completed 2009</p>	<p>The City Council approved the Zoning Ordinance amendment in 2009.</p>
<p>Main Street Districts Ordinance The Main Street Districts Ordinance establishes M-S-G Zoning District which streamlines the development review process for residential mixed use development (CUP instead of PD Zoning and permit), provides significant parking reductions for residential, and allows further parking reductions based on shared parking facilities, car share programs or unbundled parking.</p>	<p>Facilitate mixed commercial-residential projects along Neighborhood "Main Street" areas identified throughout the City. Builds on Alum Rock Corridor policy changes from 2009.</p>	<p>Completed 2010</p>	<p>The City Council approved the Zoning Ordinance amendment in 2010.</p>
<p>Historic Reuse Ordinance The Historic Reuse ordinance allows non-residential City Landmarks to be converted to residential use with a CUP or SUP (depending on zoning district).</p>	<p>Facilitate residential use of historic structures</p>	<p>Completed 2010</p>	<p>The City Council approved the Zoning Ordinance amendment in 2010.</p>

