

San Jose affordable housing projects stuck in limbo without funding



by [Vicente Vera](#) June 10, 2024



San Jose has 13 affordable housing projects waitlisted for city funding. One is located at 934-948 E. Santa Clara St. It will be developed by Milestone Housing Group LLC & Abode Housing Development with 103 apartments. Photo by Vicente Vera.

Recent efforts to redirect Measure E monies meant for affordable housing in San Jose have brought to light 13 of those projects waiting for city funding to start construction. That waitlist is keeping more than 1,500 new homes off the market.

Housing Department officials reviewed the affordable housing projects after inviting developers last year to submit their plans for available funding. Of the 17 proposed projects submitted, housing officials recommended only four receive a total of \$50 million in city funding to begin development. Without future affordable housing

dollars from funding sources like Measure E to kickstart the rest of the projects in the pipeline, these proposals could remain in limbo.

Jeff Scott, housing department spokesperson, said affordable housing projects are prioritized based on a number of factors.

“One particularly important factor is project readiness,” he told San José Spotlight. “We emphasize the importance of getting projects built. Funding comes in many sources, including our inclusionary housing fees, affordable housing impact fees and repayment of previous construction loans for affordable housing.”

The reality is housing money goes pretty quickly, Destination: Home Chief Operating Officer and volunteer San José Spotlight columnist [Ray Bramson](#) said, so a waitlist was created for projects that meet the funding criteria.

The 13 affordable housing proposals requested a total of close to \$208 million in city funding during last year’s project review.

“A lot of those projects waitlisted are actually ready to go, they just need the money that’s not there. Just to apply you have to have a certain degree of project readiness,” Bramson told San José Spotlight. “There’s plenty of investment that’s made, especially on these top projects, well before the city gets to funding them.”

The four affordable housing projects recommended for funding last year still require San Jose City Council approval, with 103 homes in the [Hawthorn Senior Apartments](#) project approved unanimously by councilmembers for about \$15.2 million in funding last month.

Scott said the next of the four projects up for council consideration is the 49-apartment project at 585 Santa Teresa Blvd. on June 18.

South Bay leaders say a Bay Area [affordable housing bond](#) set to be decided by voters in November could bring up to \$2 billion to Santa Clara County for affordable housing development. The bond is set to be funded through an annual property tax of \$19 per \$100,000 of assessed value based on a home’s purchase price.

[Measure E](#), passed in 2020, also provides funding for affordable housing, though Destination: Home Senior Director of Policy and Communications David Low said this year’s budget proposal would shift [\\$25 million of those funds](#) to temporary shelter.

“When you see that we have real projects ready to go, shovel ready, those are homes that we could start moving on right away that we won’t be able to if these cuts go

through,” Low told San José Spotlight.

SV@Home Policy Director Mathew Reed said while Measure E is the largest ongoing revenue source for affordable housing in the city, [inclusionary housing fees](#) are also used.

“There are other resources that could have gone into housing production that the city has chosen to allocate for various homeless responses,” he told San José Spotlight.

City officials regularly provided a notice of funding availability for projects when cities like San Jose still had redevelopment agencies, Bramson said. The agency was dissolved in 2012 and was succeeded by the Successor Agency, which elected to be dissolved in 2018.

“They were getting tens of millions of dollars every year,” Bramson said, referring to the city’s redevelopment agency.

Scott said housing officials haven’t set a schedule for when the next round of funding will be available.

Affordable housing projects on the waitlist are only requesting city funding to pay for a portion of the project, but Bramson and Low said securing that money provides leverage when developers seek additional funding.

“It’s those local dollars that are key to filling gaps and unlocking that state and federal funding that is available,” Low said.

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