



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** August 15, 2017

Approved

Date

8/17/17

**SUBJECT: ACCEPTANCE OF IBM SMARTER CITIES CHALLENGE GRANT TO SUPPORT HOUSING DEPARTMENT HOUSING INITIATIVES**

## RECOMMENDATION

Adopt a resolution authorizing the Director of Housing, or designee, to accept a 2017 Smarter Cities Challenge grant from International Business Machines (IBM) and conduct all activities, execute and submit all documents, including, but not limited to, applications, agreements, amendments, and payment requests, which may be necessary in connection with this grant.

## OUTCOME

Residents of properties covered by the Apartment Rent Ordinance, as well as low-income individuals applying for affordable housing, will benefit from the pro bono consultative advice from IBM's team of company experts through the Smarter Cities Challenge program. The Housing Department submitted an IBM Smarter Cities Challenge Grant proposal to assist with the development of an apartment rent registry that will allow tenants to determine if they are being charged appropriate rents. The IBM team will also assist in the development of new, internet-based tools that will simplify the process for low-income households applying for affordable housing.

## BACKGROUND

Since 2010, IBM's citizenship arm has made Smarter Cities Challenge grants to more than 130 cities worldwide chosen from more than 600 applicants, with nearly 800 of IBM's top experts delivering pro bono services valued at more than USD \$68 million. Each consulting engagement has a commercial value of USD \$500,000. Analysis of such information may help inform IBM's recommendation to city stakeholders to address their local challenges.

Smarter Cities Challenge engagements have helped cities around the world to significantly improve the quality of life for their residents. Projects informed by IBM advice have helped to

upgrade skills of city staff, enabled cities to win prestigious awards, and made them more competitive.

## ANALYSIS

In July, the City of San José was informed that it was one of five cities selected from a highly competitive pool of more than 100 municipalities worldwide that applied for a grant of consulting services from IBM. The Smarter Cities grant will provide consulting services in support several affordable housing initiatives. This will include two technology projects currently being developed by the City of San José's Housing Department. A summary of these projects is provided below.

- 1. Development of a “Rental Unit Registry” in support of the City’s rent stabilization program.** The City currently lacks a robust tool for tracking rent and occupancy information for apartments that fall under the City’s rent stabilization ordinance. The goal of this project is to create a new Rental Unit Registry that will allow the City to better collect data on apartments, track changes when tenants move and their new rents, and monitor compliance with the City’s rent stabilization provisions. The Rental Registry would also include analytic tools to help predict turn over, identify “bad actors”, and automate notification processes.
- 2. Development of a new web application that seamlessly connects individuals with affordable apartments for which they qualify.** The current housing match process can be quite lengthy due to many different government agencies, non-profits and housing programs involved. However, through this project, the City aims to develop a single, scalable application platform that provides an automated process for matching individuals with affordable housing options for which they meet the relevant eligibility criteria – with the goal of significantly simplifying the process of finding a new affordable home.

After intense preparation, IBM Smarter Cities Challenge teams, comprising six IBM experts, spend three weeks working closely with city staff in each winning city, analyzing data about a critical issue facing the municipality. Team members consider diverse perspectives on the topic through meeting with local officials, citizens, businesses, and not-for-profits. Best practices used by other cities are studied. After working closely with city leadership, the IBM team then recommends innovative and specifically tailored ways to address the issue.

The timeline for the Smarter Cities Challenge engagement in San José is provided below.

- August – Planning phase with IBM and other engagement partners.
- September – Continued preparation to host IBM staff in San José.
- October/November – Engagement and final presentation event.

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### **EVALUATION AND FOLLOW UP**

Upon completion of the project, the Housing Department will coordinate a public announcement and demonstration with the Mayor's Office.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City Council's Agenda website prior to the August 29, 2017 City Council meeting.

### **COORDINATION**

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

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Not a Project, File No. PP10-068, General Procedure and Policy Making.

/s/

JACKY MORALES-FERRAND  
Director of Housing

For questions, please contact Rachel VanderVeen, HPPA, at (408) 535-8231.