

April 19, 2007

The Honorable Mayor and City Council
200 E. Santa Clara Street
San Jose, CA 95113

RE: BERRYESSA FLEA MARKET

Dear Mayor and City Council:

On April 12, 2007 the Housing and Community Development Advisory Commission (HCDC) heard a presentation from Department of Planning, Building, and Code Enforcement staff regarding the proposed General Plan amendment that would convert an additional nine acres for residential use at the Berryessa Flea Market site.

RECOMMENDATION: At this meeting, the HCDC recommended that the Mayor and City Council direct staff to explore policy alternatives that would secure a community-wide benefit from the conversion of the Flea Market property from commercial/industrial to residential use. An equitable goal is to set aside twenty percent of the proposed units for affordable housing, to be apportioned according to the following increments: 30% for extremely low-income households (ELI), 30% for very low income households (VLI), 30% for low-income households (LI) and 10% for moderate income households (MOD).

BACKGROUND: The owners of the San Jose Berryessa Flea Market are actively pursuing conversion of their Berryessa Road property to residential use. Several factors make a strong case for inclusion of a robust affordable housing component in the development:

- There will be a BART station adjacent to the site, and city policy supports a strong linkage between affordable housing and transit oriented development.
- The proposed development, at several thousand housing units, is large enough to subsidize affordable housing.
- The closure of the Flea Market will most severely affect low-income people, and an affordable housing element in the new development will help reduce negative economic impacts.
- The re-zoning of land from commercial and/or industrial to residential results in a substantial increase in its value, and the city is justified in requiring a community-wide benefit from it.

Clearly, the above recommendation is directed at rental units, but the portion of development that produces for-sale units should be required to include below market rate units as well.

Sincerely,



Tom Fink
Housing & Community Development Advisory Commission, Chair