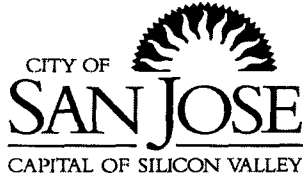


SENT TO COUNCIL: _____



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Krutko

**SUBJECT: FOLLOW-UP ON EXEMPTIONS
INCLUDED IN CITYWIDE HOUSING
ORDINANCE**

DATE: January 22, 2010

Approved _____

Date _____

COUNCIL DISTRICT: Citywide

INFORMATION

On January 12, 2010, the City Council approved a Citywide Inclusionary Housing Ordinance. City Council directed staff to return with information pertaining to the exemption for Residential Development in a Planned Community. Specifically, the Council requested that staff provide information on whether or not Communications Hill is the only project that is eligible for the exemption under Section 5.08.320 (G). As amended on January 12, 2010 by the City Council, Ordinance Section 5.08.320 Exemptions states "This Chapter shall not apply to any of the following:"

- G. *Residential Development in a Planned Community, as specified in the San José 2020 General Plan, and:*
1. *Residential Development is not in the Redevelopment Project Area;*
 2. *A Specific Plan was adopted by the City for the Planned Community no later than 1993;*
 3. *The Specific Plan and/or a Planning Permit specifies that the Residential Development will occur in phases and authorizes the phased construction of new on-site and off-site infrastructure;*
 4. *One or more phases of the Residential Development, and the required infrastructure improvements related to each of those phases, has previously been completed in conformance with the Specific Plan and Planning Permits prior to the Operative Date.*

The Housing Department, in coordination with the Department of Planning, Building and Code Enforcement, confirmed that no other residential development in a Planned Community, aside from Communications Hill, would meet the criteria for exemption contained in Section 5.08.320 (G) of the Inclusionary Housing Ordinance.

**RE: FOLLOW UP ON EXEMPTIONS INCLUDED IN CITYWIDE INCLUSIONARY HOUSING
ORDINANCE**

January 22, 2010

Page 2

The Midtown Specific Plan was the only other Specific Plan adopted for a Planned Community prior to 1993. However, the Midtown Specific Plan does not meet the second criteria under Exemptions in Section 5.08.320 and therefore must comply with the adopted Citywide Inclusionary Housing Ordinance.

The property owners and developers of Communications Hill will need to invest \$300 million dollars for infrastructure improvements. Additionally, due to the financial state of the city, there will not be any public funds to help pay for the offsite infrastructure costs. This cost represents a significant investment by the property owners of Communications Hill and far exceeds the investment provided by other property owners of Specific Plan areas.



LESLYE KRUTKO

Director of Housing

For questions please contact Leslye Krutko, Director of Housing at (408) 535-3851