



citywide inclusionary housing ordinance
city council direction and staff recommendations

CITY OF SAN JOSE

part 1 council direction

structure inclusionary housing ordinance

- Part 1: Purpose & Findings
- Part 2: Definitions
- Part 3: Operative Date & Applicability
- Part 4: Who does it apply to and when
- Part 5: Developer Compliance Options
- Part 6: Continued Affordability
- Part 7: Enforcement & Waiver

part 2 key issues

key issue applicability *(Section 5.08.200 page 14)*

City Council Direction	Recommendation included in Draft Ordinance
<ul style="list-style-type: none">• RdA areas: 20%• Low-Income areas outside of RdA: 15%• In all other areas: 15%	<ul style="list-style-type: none">• Citywide<ul style="list-style-type: none">• Onsite: 15%• Offsite: 20%

key issue operative date of ordinance *(Section 5.08.300 page 18)*

City Council Direction	Recommendation in Draft Ordinance
<ul style="list-style-type: none">• Ordinance becomes operative following a 12-month period in which building permits for 2,500 units have been issued, as long as 1,250 or more of the units have been issued outside of North San Jose.• The ordinance will become operative no later than January 1, 2013 if the City Council passes a motion at least a month prior to that date authorizing the ordinance to become effective.	<ul style="list-style-type: none">• The first day of the month* following the first 12 month consecutive period in which 2,500 residential building permits have been issued by the City, of which no more than 1,250 are for Dwelling Units in the North San José Development Policy Area; <p><u>OR</u></p> <ul style="list-style-type: none">• January 1, 2013. <p>* Amend the ordinance to provide additional time.</p>

key issue exemptions *(Section 5.08.330 Page 21)*

City Council Direction	Recommendation included in Draft Ordinance
<ul style="list-style-type: none">• Applicant submits Planning Permit no later than 6 months from operative date.• Less than 750 units:<ul style="list-style-type: none">• 24 months applicant issued a Planning Permit; and• 30 months, applicant obtain Building Permit <p>Or</p> <ul style="list-style-type: none">• 750 units or more:<ul style="list-style-type: none">• 30 months, operative date, issued an approved Planning Permit; and• 40 months from operative date approved Building Permit	<p>Exempt if, prior to the operative date:</p> <ul style="list-style-type: none">• Approved Development Agreement• Residential developments with a disposition & development agreement• Approved Planning Permit

key issue applicability *(Section 5.08.400 page 22 & page 35)*

On-site (15%)	Off-site (20%)
<p>For-Sale:</p> <ul style="list-style-type: none">• Sales price set at 110% AMI, eligible households up to 120% AMI. <p>Rental:</p> <ul style="list-style-type: none">• 9% of total units affordable to rent to Moderate Income households (80% AMI)• 6% of units affordable to Very Low Income households (50% AMI).	<p>For-Sale:</p> <ul style="list-style-type: none">• Sales price set at 110% AMI, eligible households up to 120% AMI. <p><u>OR</u></p> <ul style="list-style-type: none">• Off-site rental inclusionary units<ul style="list-style-type: none">• 12% affordable to Low Income households (60% AMI)• 8% affordable to Very Low Income households (50% AMI) <p>Rental:</p> <ul style="list-style-type: none">• 12% affordable to Low Income households (60% AMI)• 8% affordable to Very Low Income households (50% AMI)

City Council Direction	Recommendation in Draft Ordinance
<ul style="list-style-type: none">• For every five units, the owner will receive one credit.• Units must remain affordable for 5 years.• Benefit is not transferable from the owner to another developer.	<ul style="list-style-type: none">• For every two units, the owner will receive one credit.• Units must remain affordable for 40 years.• Benefit is not transferable from the owner to another developer.

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❖ *Owner of Multi-family HUD restricted units*

key issue in-lieu fee *(Section 5.08.520 Page 36)*

City Council Direction	Recommendation included in Draft Ordinance
<p>In lieu fees shall be equal to the difference between:</p> <ul style="list-style-type: none">• The amount of a conventional permanent loan that an Inclusionary Unit would support based on the affordable sale price or rent for the required Inclusionary Unit, and• The estimated total development cost per Inclusionary Unit based on the cost per unit of similar San Jose affordable housing and/or Inclusionary Units.	<p>For-Sale Residential Development:</p> <ul style="list-style-type: none">• The in lieu fee for each Inclusionary Unit in for-sale Residential Developments shall be no greater than the difference between the median sales price of a Market Rate Unit and the Affordable Housing Cost for an Inclusionary Unit based upon the Affordable Housing Cost for a Moderate Income Household. <p>Rental Residential Development:</p> <ul style="list-style-type: none">• The in lieu fee for each Inclusionary Unit shall be no greater than the average City subsidy required for new construction of a rental residential unit at an Affordable Housing Cost for a Lower Income Household, with changes in the fee based upon commitments of City affordable housing development funding in the prior twelve (12) month reporting period specified in the Affordable Housing Guidelines.

part 3 next steps

next steps upcoming stakeholder meetings

- July 16th – City Hall Public Wing 118+119 6:30-8:30 PM
- July 20th – City Hall Public Wing 118+119 3:00 - 5:00 PM
- September – Joint Stakeholder Meeting at City Hall

next steps upcoming community meetings

- July 21st – Berryessa Library 6:30-8:30 PM
- July 23rd – Tully Library 6:30-8:30 PM
- September - 3-4 Community Meetings

next steps upcoming meetings

Housing and Community Development Commission (HCDC)

- August 13th – 5:45 PM City Hall, Public Wing
- October 8th – 5:45 PM City Hall, 12th Floor

City Council Meeting

- October 27th – Time TBD

questions & comments