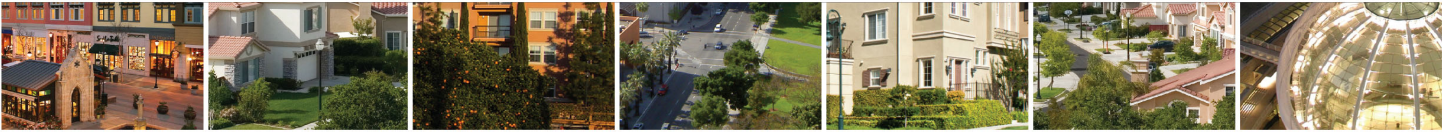


San José's Affordable Housing Impact Fee (AHIF)



OVERVIEW

What is Affordable Housing Impact Fee (AHIF)?

- On November 18, 2014, the San José City Council approved the adoption of an [Affordable Housing Impact Fee \(AHIF\)](#), to help address the need for affordable housing connected with the development of new market rate residential rental units.
- According to the [AHIF Regulations](#), all projects with 3 to 19 dwelling units for rent must pay an impact fee per livable sq/ft to satisfy the affordable housing requirement. The fee will be increased annually by 2.4% every July 1. Please see the following rate schedule:

FISCAL YEAR	AHIF PER SQ FT
July 1, 2018—June 30, 2019	\$17.83
July 1, 2019—June 30, 2020	\$18.26
July 1, 2020—June 30, 2021	\$18.70

ELLIS ACT ORDINANCE

How is AHIF related to Ellis Act Ordinance?

- Ellis Act applies to all apartments with 3 units or more and provides requirements for landlords removing these apartments from the rental housing market. The most frequent use of the Ellis Act Ordinance would be the demolition and redevelopment of existing rent controlled housing. Additional information on Ellis Act Ordinance may be found online at: www.sjhousing.org/RENT
- The Ordinance creates a standardized process for issuing Ellis Act notices, and possible relocation benefits, Tenant's right to return and the re-control of rents for units returned to the market.
- A project that demolishes an apartment that was built before 1979 (an "Ellis Act" building) is required to re-control the greater of: 50% of all the newly constructed rental units or the number of covered units removed from the rental market.
- Re-control means capping rents from increasing annually at 5% (or as amended by City Council)

IMPLEMENTATION PROCESS

What is a Compliance Plan Application?

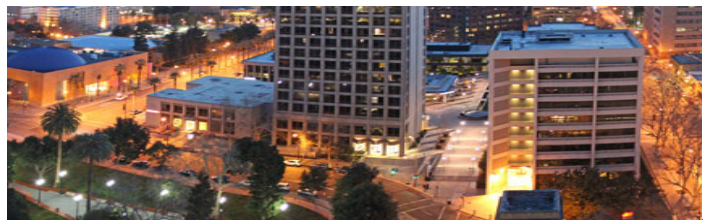
Developers are required to submit a signed [Affordable Housing Compliance Plan Application](#) (Compliance Plan Application) and \$4,582 processing fee to the Housing Department for approval. This Compliance Plan Application will provide the Housing Department with enough information to calculate the Housing obligations associated with the development. The information obtained will be included in the project's conditions of approval. The AHIF Compliance Plan Application can be found online at: www.sjhousing.org/AHIF

AHIF Process:

- Submit a Compliance Plan to Housing for review and approval
- Upon approval of Compliance Plan, projects may then move forward with their entitlement process
- Submits final approved building plans to Housing for review
- Pay the then current AHIF prior to issuance of building permits

EXEMPTION CLAIMS

- 100% Affordable Apartments
- Projects of two (2) or less units
- For-Sale developments with nineteen (19) or less units



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