



Housing

Inclusionary Housing Ordinance Update

October 8, 2020

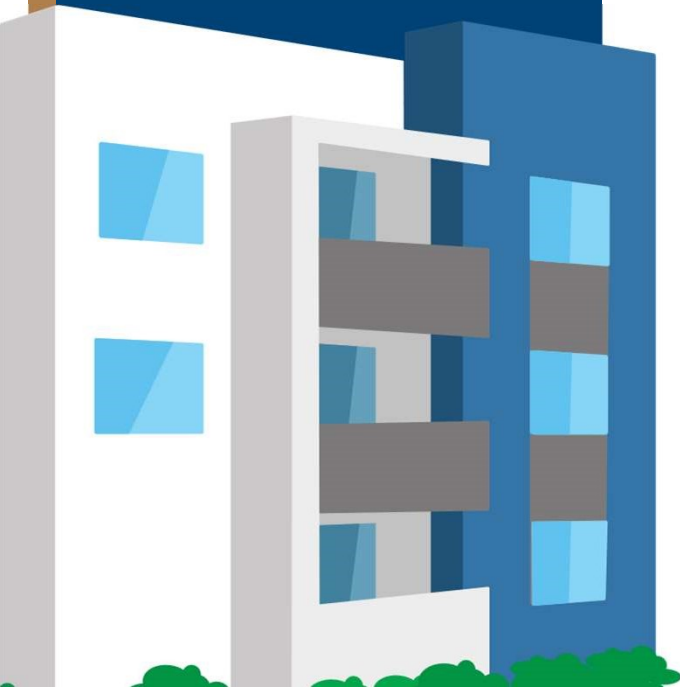
Rachel VanderVeen
Deputy Director

Tina Vo
Development Officer

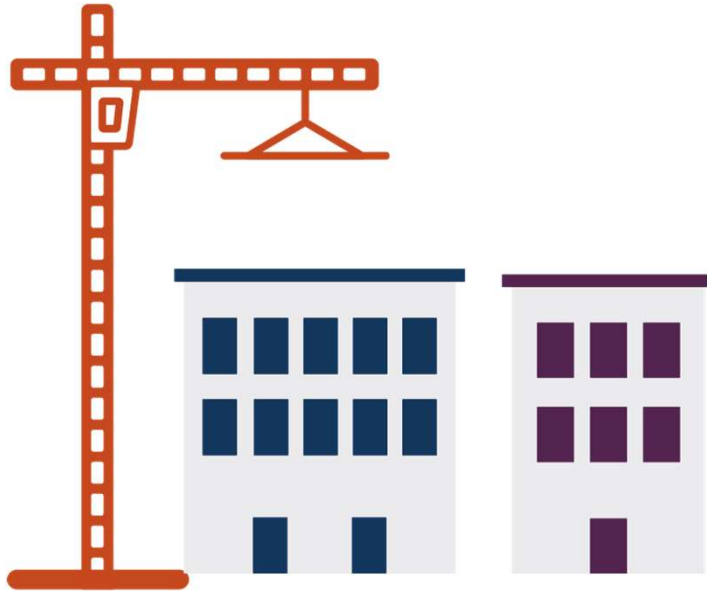


Housing

**Approved
Recommendations by
City Council on
November 5, 2019**



Goals of Proposed Changes



**Encourage market-rate
development**



**Generate resources for
affordable housing**



Maintain 15% but Broaden Income Targets

Current

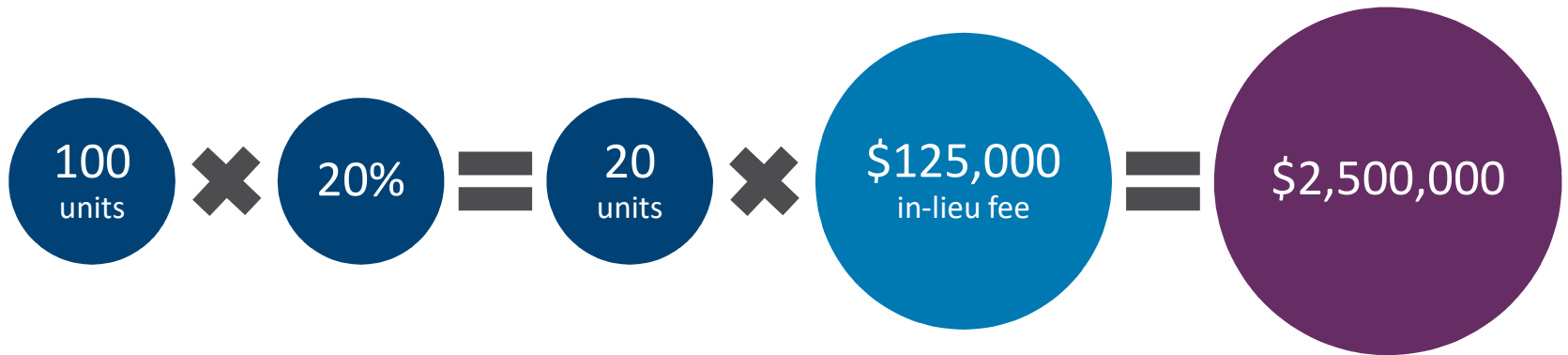
- 9% of units at 80% of AMI
- 6% of units at 50% of AMI

Proposed

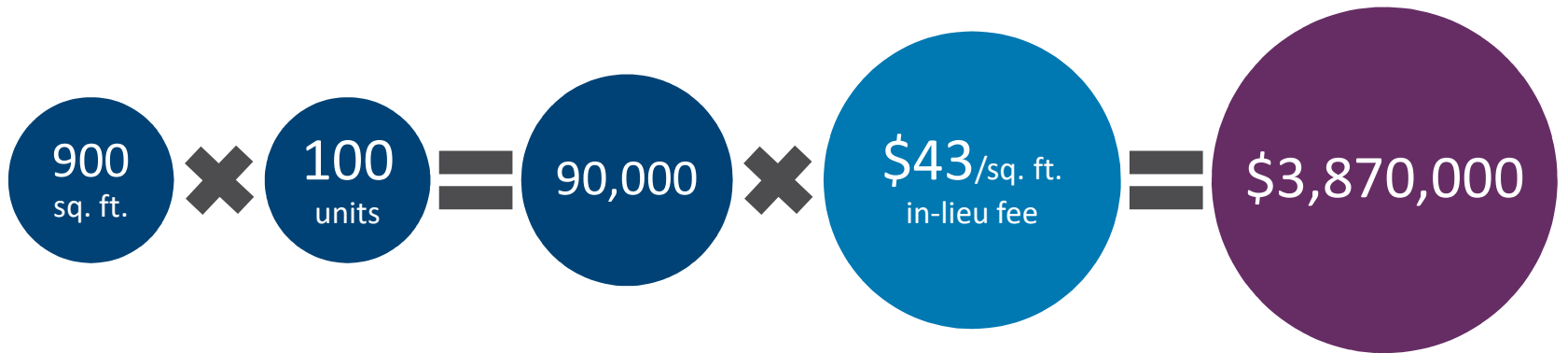
- 5% of units at 100% of AMI
- 5% of units at 60% of AMI
- 5% of units at 50% of AMI



Current In-lieu Fee Option – Per Unit



Proposed In-Lieu Fee Structure (SQ. FT.)



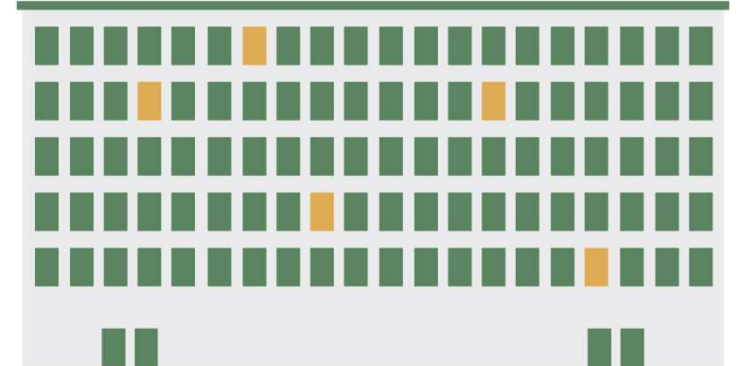
Mixed-Compliance Option

5% at 100% AMI = 5 apartments



Reduced In-lieu fee

\$43 reduced to \$18.26
\$18.26 reduced to \$7.76



Allow Affordable to be Clustered On-Site



Geographic Areas

**West
San José**

\$43
per sq. ft.

Citywide

\$18.26
per sq. ft.

**Downtown
High-Rise**

\$0
per sq. ft.





Housing

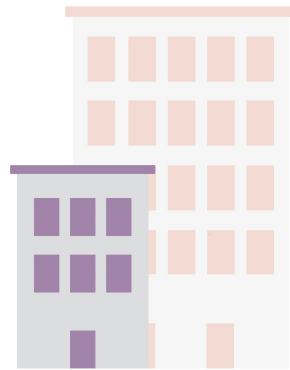
Outstanding Items

1. Application to Small Projects;
2. Period of Affordability;
3. Clustering Compliance Options; and
4. Streamlining 100% Affordable Developments

Small Projects

Recommendation:

Apply the IHO to developments with 10 units or more and will set the fee at a lower rate for projects with less than twenty units who provide at least 90% of the density allowed on the site.



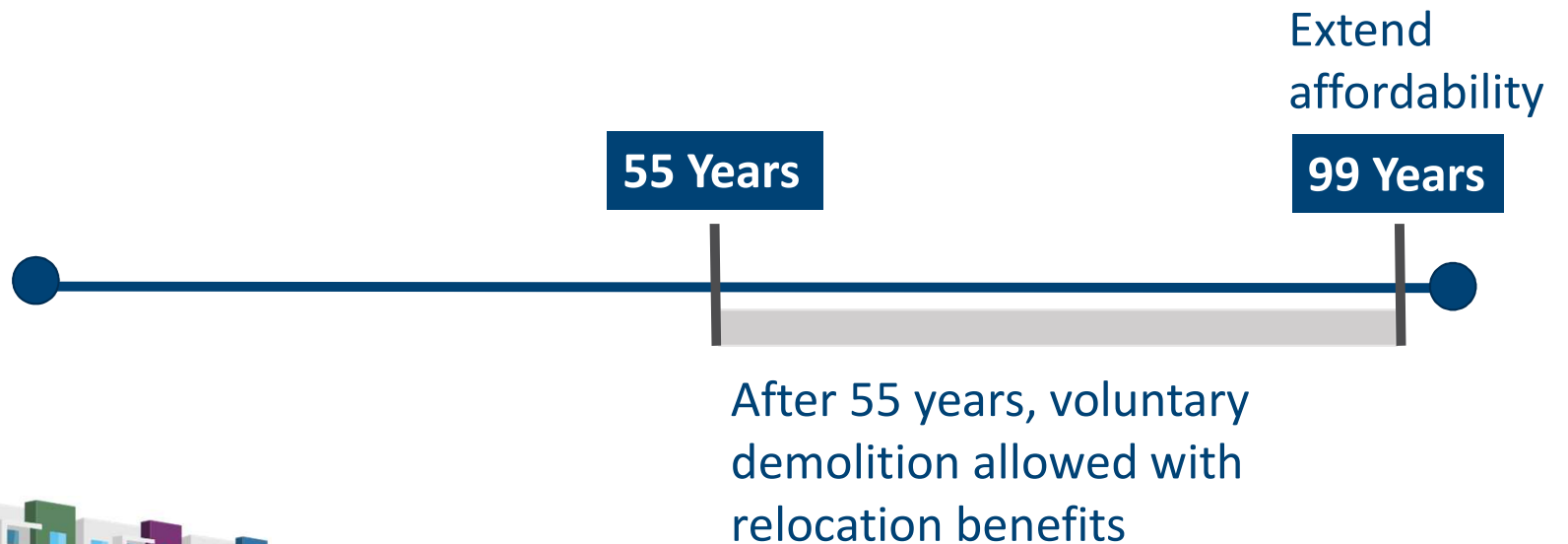
Project Size	Rental	For-Sale
20 or more units	\$43 per sqft	\$25 per sqft
10 to 19 units without 90% Density	\$43 per sqft	\$25 per sqft
10-19 units with 90% Density	\$21.50 per sqft	\$12.50 per sqft



Period of Affordability

Recommendation:

Extend the period of affordability to 99 years. Voluntary demolition allowed after 55 years with relocation benefits for residents of the IHO units.



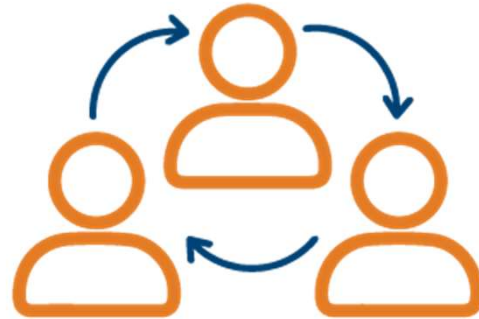
Clustering Compliance Options (*Innovative Partnerships*)

15% on-site affordability requirement

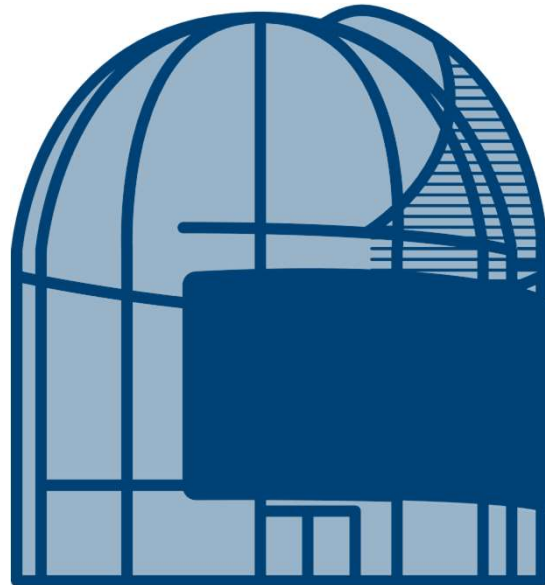


Streamlining Affordable Developments

Combine Inclusionary housing Agreement with the State Density Bonus or State streamlining restrictions and provide for merged monitoring



Next Steps



- HCDC on October 21
- City Council on November 10 with updated Inclusionary Housing Ordinance

Question or Comments:

Please email:

Tina.Vo@sanjoseca.gov

