



Memorandum

TO: CITY COUNCIL
SUBJECT: SEE BELOW

FROM: Mayor Sam Liccardo
DATE: February 23, 2021

**Submitted electronically*

APPROVED:

DATE: *February 23, 2021*

SUBJECT: ACTIONS RELATED TO THE AMENDMENT OF THE INCLUSIONARY HOUSING ORDINANCE

RECOMMENDATIONS

Accept staff recommendations with the following amendments:

1. Future re-evaluation: Because much is unknown about residential development and the very uncertain economy in the months ahead, direct City Staff to include simple analysis of the interim results of the Inclusionary Housing Ordinance on inclusionary fee revenues, on-site affordable housing production, housing applications, housing permits, and any other relevant data, so that Council can re-evaluate the in-lieu fee calculation,
 - a. When related policies, including Cost of Development, Universal Development Fee Framework, and Downtown High-Rise IHO, comes before Council for consideration, or within the first quarter of 2024, whichever comes sooner.

As best as possible, City Staff should consider how to bring back these policies at the same time so the analysis, including for IHO, can be considered in the full context of the other development cost and fee policies.
 - b. And every three years thereafter.
2. Direct the City Attorney to amend the Ordinance to lower the minimum applicability of the IHO to for-sale residential projects of 5 units or more.