



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Councilmember David Cohen

SUBJECT: SEE BELOW

DATE: December 10, 2024

Approved

Date 12/9/24

**SUBJECT: Multifamily Housing Incentive Program and North San José Parks Fee
Realignment**

RECOMMENDATION

1. Accept the staff recommendations

BACKGROUND

I'd like to thank staff for taking a comprehensive review of what has impeded development of multi-family housing production in North San Jose. The park fees in area MLS 7B in North San Jose, which amount to \$44,800 per unit, are nearly double what developers pay in Downtown at \$22,600 and more than double those in Willow Glen at \$20,800. The MLS 7B fees were set decades ago and based on the high value of commercial real estate in that area.

No multi-family housing units have been completed in North San Jose since 2014, but our housing element expects 24,000 units to be built in that area in the decade ahead. Realigning the park fees will help incentivize this construction.

While I support reducing the park fees, it is important that North San Jose continues to have park fees at the highest level in the city, given the large need for park development in the area. San Jose owns roughly 30 acres at the old Agnews site that must be developed, plus an underdeveloped park on Baypointe Parkway. My office performed outreach to get buy-in for the reduced fees, and ensured the community that we would match the downtown rate, so that North San Jose fees would still be the highest in the city.

This realignment of the fee structure is a crucial step toward fostering balanced growth, making North San Jose more competitive and equitable for multi-family housing development. By bringing these fees in line with other neighborhoods, we can ensure that North San Jose continues to evolve as a thriving hub for residents and businesses alike, while maintaining its role as a critical part of our city's future.