



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Councilmember Ortiz

SUBJECT: SEE BELOW

DATE: December 5, 2023

Approved:

Date 12/05/23

SUBJECT: FILE NO. PP22-002 - AN ORDINANCE AMENDING VARIOUS SECTIONS OF TITLE 20 OF THE SAN JOSÉ MUNICIPAL CODE AND TO MAKE OTHER TECHNICAL, NON-SUBSTANTIVE, OR FORMATTING CHANGES

RECOMMENDATION

1. Approve the staff recommendations.
2. Direct Planning, Building & Code Enforcement and Housing staff to continue to encourage commercial spaces within "100% deed-restricted affordable housing."
3. Direct the Intergovernmental Relations Team to provide the City Council an informational memorandum on what measures the city can take regarding residential development and its impact on commercial tenants/small businesses at the State level.

DISCUSSION

While the city is required to amend Title 20 to eliminate the commercial space requirement for "100% deed-restricted affordable housing" to comply with state law, we must continue to push for these commercial places within our city to prevent the displacement of small businesses. Unfortunately, the great work done to address the Housing Crisis via this mechanism has inadvertently affected the wellbeing of commercial space in these historical and culturally significant corridors. We know that San José is home to many historical and cultural mom-and-pop-owned small businesses that are an integral part of the city's identity, and unfortunately, these businesses are increasingly vulnerable to displacement due to gentrification, the city's growth, and incoming transportation infrastructure.

Relatedly, the lack of commercial space has potential to affect the City's vision of creating walkable, healthy communities for residents and our jobs to housing ratio. Therefore, it is crucial that we work to preserve these small businesses and their opportunities by advocating for commercial spaces within the city.

Additionally, while we hold space to analyze the cost of residential development in San José and the primary challenges impeding the construction of new housing, we must equally hold space to analyze the impacts our small businesses face when displaced.