

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE TAX AND FEE WAIVER ESTABLISHED UNDER THE MULTIPLE HOUSING INCENTIVE PROGRAM FOR THE 0 SEELY BUILDING A DEVELOPMENT LOCATED AT 0 SEELY AVENUE AND AUTHORIZING THE HOUSING DIRECTOR, OR HIS DESIGNEE, TO NEGOTIATE AND EXECUTE DOCUMENTS AND DOCUMENT AMENDMENTS RELATED TO IMPLEMENTING THE MULTIFAMILY HOUSING INCENTIVE PROGRAM, SUCH AS CONSTRUCTION PROGRESS AGREEMENTS

WHEREAS, on December 10, 2024, the Council of the City of San José (“City”) adopted the Multifamily Housing Incentive Program (“MHIP”) under Resolution No. RES2024-420, which provides for specified projects, upon meeting conditions, a reduction of certain fee and tax requirements, including a reduction in the Inclusionary Housing Ordinance In-Lieu Fee, and a 50% reduction to the Commercial, Residential, Mobile Home Park (“CRMP”) and Building Structure (“B&S”) construction taxes (collectively, “Fee Reduction”) for the first 1,500 units that obtain City building permits by December 31, 2025, and a 25% reduction in the B&S tax to subsequent projects that obtain City building permit after the 1,500 units, or on or after January 1, 2026; and

WHEREAS, on May 13, 2025, the MHIP ordinance was amended to increase the number of units that obtain a building permit by December 31, 2025, that are eligible for the 50% reduction to B&S and CRMP taxes from 1,500 to 1,800 units and will become effective on June 20, 2025; and

WHEREAS, under Resolution No. RES2024-420, the Fee Reduction permitted under MHIP is not a subsidy subject to Chapter 14.10 of the San José Municipal Code; and

WHEREAS, the MHIP requires that the qualifying projects must provide at least five percent of the residential units as deed-restricted affordable units made available at an

affordable rent to households earning no more than 100% of Area Median Income, and otherwise meets the requirements of the Inclusionary Housing Ordinance (“IHO”); and

WHEREAS, the 0 Seely is a proposed development located on a 22.88-acre site at the northeast corner of Montague Expressway and Seely Avenue that will consist of 1,472 residential units and approximately 18,965 square feet of commercial space (“0 Seely Development”); and

WHEREAS, Phase 1 of the 0 Seely Development consists of 154 market-rate townhomes, which are not eligible for the MHIP, and Phase 2 of the 0 Seely Development includes one 178-unit restricted affordable apartment building and three market-rate multifamily apartment buildings (Buildings A, B, and C) with a total of 1,140 apartments; and

WHEREAS, all components of Phase 2 of the development are eligible for the MHIP; however, only Building A is currently being considered at this time for a tax and fee waiver under the MHIP, and Buildings B and C may be submitted for future consideration as construction progresses; and

WHEREAS, Building A is a six-story structure that will include up to 397 multifamily residential units (restricted affordable apartment units that will include a mix of studios, one-bedroom, two-bedroom, and three bedroom apartment units) and approximately 6,427 square feet of commercial space (“0 Seely Building A Development”); and

WHEREAS, in compliance with the MHIP, City Council approval will provide a Fee Reduction in the amount of up to \$6,057,536.80 for the 0 Seely Building A Development; and

WHEREAS, consistent with Resolution No. RES2024-99 and State law, a staff report providing a cost/benefit evaluation was prepared and posted on the City’s website

twenty-eight (28) calendar days ahead of City Council considering the Fee Reduction for the 0 Seely Building A Development; and

WHEREAS, City Council approval will also authorize the Housing Director, or his designee, to negotiate and execute documents related to implementation of the MHIP, including, but not limited to, affordable housing compliance plans, inclusionary housing agreements, and project completion agreements, with the developer of the 0 Seely Building A Development; and

WHEREAS, the 0 Seely Building A Development must comply with its affordable housing compliance plan and record an amended Inclusionary Housing Agreement against the project site, memorializing the requirements under the MHIP and the IHO before building permit issuance;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

- A. The above recitals are true and correct.
- B. The Fee Reduction of up to \$6,057,536.80 for the 0 Seely Building A Development is approved consistent with the Multifamily Housing Incentive Program.
- C. The Housing Director, or his designee, is authorized to negotiate and execute documents and document amendments related to implementing the Multifamily Housing Incentive Program, such as construction progress agreements.

ADOPTED this _____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk