

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE TAX AND FEE REDUCTION IN AN AMOUNT UP TO \$5,130,775 FOR THE 210 BAYPOINTE PARKWAY RESIDENTIAL DEVELOPMENT AND AUTHORIZING THE HOUSING DIRECTOR, OR THEIR 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 City of San José (“City”) adopted the Multifamily Housing Incentive Program (“MHIP”), which provides eligible multifamily residential developments with reductions in the Inclusionary Housing Ordinance (“IHO”) in-lieu fee and certain construction taxes to encourage housing production; and

WHEREAS, on May 13, 2025, the City amended the MHIP to increase the number of units eligible for specified construction tax reductions from 1,500 to 1,800 units, and on January 27, 2026, further amended the MHIP to increase program capacity to 3,600 units and extend the Phase I benefit application deadline to February 28, 2027; and

WHEREAS, the residential development located at 210 Baypointe Parkway (“Development”) consists of 292 units in a single seven-story building, including 277 market-rate units and 15 moderate-income units affordable to households at or below 100% of area median income; and

WHEREAS, the residential portion of the Development is estimated to generate \$3,582,509 in standard Building and Structure and Commercial, Residential, Mobile

Home Park construction taxes and is eligible under the MHIP for an estimated 50% reduction of \$1,791,254.50 in those construction taxes; and

WHEREAS, under the IHO Mixed Compliance option, the Development is estimated to have an IHO in-lieu fee of \$3,339,520.44 based on 243,228 net residential square feet and the Fiscal Year 2026-2027 applicable fee rate, which fee is eligible for reduction under the MHIP; and

WHEREAS, the total proposed tax reduction and fee waiver for the Development is \$5,130,774.94, and City staff recommend approval of an economic development tax and fee waiver in an amount not to exceed \$5,130,775; and

WHEREAS, SummerHill Apartment Communities is identified as the benefiting business entity for purposes of the economic development subsidy reporting requirements, and the City has considered the information required by California Government Code Section 53083 and Open Government Resolution No. RES2024-99 in connection with the public hearing on the proposed waiver; and

WHEREAS, the Development must continue to satisfy applicable MHIP and IHO requirements, including approval of its Affordable Housing Compliance Plans and recordation of an Inclusionary Housing Agreement or any amendments thereto against the site prior to building permit issuance;

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

1. The City Council hereby approves a reduction in the economic development tax and fees pursuant to the Multifamily Housing Incentive Program in an amount not to exceed \$5,130,775 for the residential development located at 210 Baypointe Parkway, including a \$3,339,520.44 reduction of the

Inclusionary Housing Ordinance in-lieu fee and a \$1,791,254.50 reduction of Building and Structure and Commercial, Residential, Mobile Home Park construction taxes applicable to the Development's residential portion, subject to the Development satisfying all applicable Multifamily Housing Incentive Program and Inclusionary Housing Ordinance requirements.

2. The Director of Housing, or their designee, is hereby authorized to negotiate and execute documents and document amendments necessary to implement the Multifamily Housing Incentive Program for the Development, including construction progress agreements.

ADOPTED this _____ day of August, 2026, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk