

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING REDUCTIONS IN THE IN LIEU INCLUSIONARY FEE UNDER CHAPTER 5.08 OF TITLE 5 OF THE SAN JOSE MUNICIPAL CODE FOR CERTAIN DOWNTOWN HIGH-RISE DEVELOPMENTS COMPLETED BY JUNE 30, 2025

WHEREAS, Section 5.08.520.D of the Inclusionary Housing Ordinance, Chapter 5.08 of Title 5 of the San José Municipal Code, authorizes the City Council to adopt a resolution reducing the in lieu fees for high-rise developments in a specified geographic area; and

WHEREAS, on June 26, 2018, the City Council adopted a resolution authorizing the reduction of the Inclusionary Housing Ordinance in lieu fee to zero dollars for high-rise rental developments located in the Downtown Core Area (as described in Resolution No. 73587 adopted January 9, 2007); and

WHEREAS, on November 5, 2019, the City Council, after considering the downtown financial feasibility study presented on September 24, 2019, requested staff to return with a resolution authorizing extending the reduction of the in lieu to both rental and for-sale high-rise developments located in the Downtown Core Area that obtain Certificates of Occupancy prior to June 30, 2025 and providing for a graduated increase in the reduced in lieu fee based on the development's building permit issuance date; and

WHEREAS, this reduction of the in lieu fee is made based on the findings in the staff memorandum dated July 27, 2020 and the documents linked to the staff memorandum;

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 in lieu fee due under Section 5.08.520 of Chapter 5.08 of Title 5 of the San José Municipal Code shall be reduced to the lesser of the amount due under Section 5.08.520 or the amount shown in the table in Section C below and a waiver or partial waiver provided pursuant to the Inclusionary Housing Guidelines at the time such in lieu fee is due for a residential development that meets all of the following criteria:
1. The Residential Development for which the waiver or partial waiver is sought is located in the Downtown Core Area (as described in Resolution Number 73587 adopted January 9, 2007);
 2. The Downtown High-Rise exemption/waiver is requested in the Residential Development's Affordable Housing Plan and Affordable Housing Agreement;
 3. The highest occupied floor has a floor level elevation that is at least one hundred fifty (150) feet above street level and the development has ten (10) or more floors or stories in height not including any non-residential uses;
 4. The Residential Development receives its final Certificates of Occupancy for 80% of dwelling units by June 30, 2025; and
 5. The developer/owner of Residential Development has provided all information requested by City staff for compliance with Government Code Section 53083, and City Resolution No. 77135 for public disclosure of subsidies and any required hearing has been held.

C. In Lieu Fee Rate Table

Proposed Time Period	In-Lieu Fee for Downtown High-Rises (Rental & For-Sale)
Building permit by June 30, 2021	\$0/SF
Building permit by June 30, 2022	\$0/SF
Building permit by June 30, 2023	\$0/SF
Building permit by June 30, 2024	\$13/SF
Building permit by June 30, 2025	\$23/SF
<i>Certificate of Occupancy for 80% of dwelling units must be obtained on or by June 30, 2025 for discounted in lieu fee rate</i>	

ADOPTED this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk