

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 AQUINO PROJECT LOCATED AT 498 WEST SAN CARLOS 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

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 Aquino is a proposed development located on a 0.83 gross acre site at 498 West San Carlos Street that will consist of an eight-story mixed-use building, one level of underground parking with 364 parking spaces, and up to 278 units with 14

restricted affordable units at 100% Area Median Income with a mix of studios, one-bedroom, and two-bedroom units ("The Aquino Project"); and

WHEREAS, The Aquino Project is included in the MHIP; and

WHEREAS, in compliance with the MHIP, City Council approval will provide a Fee Reduction in the amount of \$4,071,272.74 for The Aquino Project; 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 Aquino Project; 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 Aquino Project; and

WHEREAS, The Aquino Project 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 \$4,071,272.74 for The Aquino Project 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