



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Raul Peralez

**SUBJECT: ACTIONS RELATED TO
CHANGES TO GENERAL
PLAN POLICY IP-5.12**

DATE: December 13, 2021

Approved by:

Date: 12/13/21

RECOMMENDATION

1. Accept the December 10 memorandum from Councilmembers Cohen and Foley.
2. Accept recommendation #1 from the December 10 memorandum from Councilmembers Davis, Arenas and Jimenez with the following modification to recommendation #2:
 - a. Consider exempting commercially viable sites identified by staff in the following approved urban villages: East Santa Clara, Roosevelt Park, Five Wounds, Little Portugal, Alum Rock, and 24th and William as well as sites in the Martha Gardens Specific Plan and return to council concurrently with this proposed policy change.
3. Direct staff to explore incentivizing commercial and retail through awarding projects applying for the City's competitive affordable housing funding/NOFA process with higher points.

BACKGROUND

Thank you to the General Plan Task Force for making the bold recommendation to eliminate another hurdle toward developing affordable housing through our city's signature project process. It is critical that we work to unpack all the tools available to increase our affordable housing inventory as expediently as possible. It is equally critical that we ensure that we take a balanced and thoughtful approach that doesn't inadvertently create mass small business displacement and reduce retail amenity opportunities for the community. I do understand full well the difficulty affordable housing developers face in bringing viable retail into their projects which is why the City should provide support and

assistance where we can such as facilitating relationships with commercial brokers and tenants.

I thank my colleagues for the memorandums and the sentiments respectively expressed. Per my recommendation #2, the listed urban villages are corridors in District 3 and 5 that have existing minority-owned small businesses and have long been staples of the community. These are also corridors that have been attracting high interest in affordable housing development. For example, in the East Santa Clara and Roosevelt Urban Villages alone between 14th to 24th street on East Santa Clara Street, there are five (5) affordable housing projects either approved, under review or being explored, including sites that have existing retail and commercial uses. If it is the will of the council to expand the elimination of the commercial requirement citywide outside of the signature project process, then there should be consideration given to unique small business corridors such as the ones that I have suggested. After all, while we continue to support building affordable housing, we should also contemplate replacing, even partially, existing commercial and retail space in these business corridors that could offer opportunities for relocation/preservation of existing small businesses or be used by our local non-profits to deliver community services.

Finally, our affordable housing funding process is a competitive one, and while we should not preclude projects that are not integrating commercial/retail into their footprint, there should be a mechanism to award additional points if a project opts to include commercial as this would serve as an additional benefit for the community.