



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo
Vice Mayor Chappie Jones
Councilmember Dev Davis

SUBJECT: SEE BELOW

DATE: October 27, 2022

APPROVED:

SUBJECT: CITY-INITIATED GENERAL PLAN AMENDMENT FOR PUBLIC/QUASI-PUBLIC LAND USE DESIGNATION - DEFINING PERMANENT SUPPORTIVE HOUSING

RECOMMENDATIONS

1. Direct City Staff to initiate a General Plan text amendment clarifying that “permanent supportive housing” included in the Public/Quasi-Public (PQP) land use designation summary, on page 12 of Chapter 5, shall be defined as “100% deed-restricted affordable housing with at least 25% permanent supportive housing and the remainder rent-restricted low-income housing for households earning 80% Area Median Income or less.”
2. Direct City Staff to bring back any necessary changes to Chapter 20.40 of the City Municipal Zoning Code, which includes the zoning district definition for PQP.
3. City Staff may return to Council with other proposed requirements, relating to density, design, and other elements, to ensure consistency with other city policies and objectives, but shall allow existing applications to proceed where consistent with the above direction.

BACKGROUND

In September 2020, City Council approved the Citywide Residential Anti-Displacement Strategy that included direction to allow for YIGBY housing (“Yes in God's Backyard”): affordable housing development on underutilized land used for religious assembly, bearing a land use designation of Public/Quasi-Public (PQP). In March of 2021, after staff indicated they lacked resources to implement this direction, Council unanimously approved the Mayor’s budget direction to allocate funding for a consultant to perform community outreach and help craft a formal policy. The direction specifically sought to “take advantage of offers by philanthropic partners willing to develop affordable housing” on one church parking lot in District 9. One year later, we were informed that staff lacked funding for an environmental impact report to complete a Citywide general plan amendment, so Council unanimously approved funding for that in 2022 through the Mayor’s March Budget Message.

More than two years later, we still do not have a new YIGBY policy. Meanwhile, our housing crisis persists.

It's time to revise our approach. We propose that the City amend the text of the General Plan to allow critically needed affordable housing to move ahead. Specifically, 100% affordable projects with at least 25% designated for permanent supportive housing (PSH)—consistent with the definition of PSH under California law ([California Government Code § 65651](#))—move forward through a City-initiated General Plan text amendment. The change would clarify the City's [Envision San José 2040 General Plan](#) definition of “permanent supportive housing” included in the Public/Quasi-Public land use designation summary (Chapter 5, page 12) that currently states:

“...This category is used to designate public land uses, including schools, colleges, corporation yards, homeless shelters, permanent supportive housing, libraries, fire stations, water treatment facilities, convention centers and auditoriums, museums, governmental offices and airports...”

“Permanent supportive housing” is not currently defined in the General Plan. City Staff has already indicated that integrating PSH into a 100% deed-restricted affordable housing development as a percentage of the total units better supports site operations and services, and aligns with City objectives for income integration.

This would allow affordable/permanent supportive housing proposals to utilize State housing streamlining legislation, including AB 2162 and SB 35, to build much-needed affordable and permanent supportive housing more quickly.

While YIGBY provides the impetus for these recommendations, the PQP land use designation will also apply to other PQP land, including many sites owned by school districts. School districts that want to redevelop their land for housing and don't want to develop housing that is 100% deed-restricted affordable housing with 25% permanent supportive housing will still need to go through the General Plan Amendment process, as before. If they want to sell to an affordable builder, however, this approach will provide them with a simpler pathway to do so.