



COUNCIL AGENDA: 11/15/2022

ITEM: 8.3

FILE NO: 22-1702

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: November 15, 2022

SUBJECT: Maximizing Affordable Homes within Projects Receiving City Financing

Recommendation

As recommended by the Rules and Open Government Committee on November 2, 2022:

- (a) Prioritize Measure E and other City discretionary affordable housing funding for those affordable housing projects that maximize unit count within the constraints of the municipal code, zoning, land use plan, and the City's published design guidelines; and
- (b) Direct the Housing Department to communicate clearly to all affordable housing builders seeking City financing that reductions of project unit count for reasons unsupported by City policy will result in their project being deprioritized for City funding.

CEQA: Not a Project, File No. PP17-008, General Procedure and Policy Making resulting in no changes to the physical environment. (Mayor, Jones, and Carrasco)

[Rules Committee referral 11/2/2022 - Item C.1]



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Mayor Sam Liccardo
Vice Mayor Chappie Jones
Councilmember Magdalena Carrasco

SUBJECT: SEE BELOW

DATE: October 27, 2022

Approved

Date

October 27, 2022

SUBJECT: Maximizing Affordable Homes within Projects Receiving City Financing

RECOMMENDATION

Request that the Rules Committee bring this memorandum forth to the November 15th City Council meeting along with the other housing items currently agendized, with the recommendation to direct the City Manager to:

1. Prioritize Measure E and other City discretionary affordable housing funding for those affordable housing projects that maximize unit count within the constraints of the municipal code, zoning, land use plan, and the City's published design guidelines.
2. Direct the Housing Department to communicate clearly to all affordable housing builders seeking city financing that reductions of project unit count for reasons unsupported by City policy will result in their project being deprioritized for City funding.

BACKGROUND

Some affordable home builders have obtained tentative commitments of City funding, and due to political pressures, have subsequently reduced building densities and unit count. Doing so results in less affordable housing, higher per-unit costs, and less efficient use of our tax dollars.

The very high costs of development make it wasteful for our affordable housing funding to be utilized on low-density projects, and ultimately undermines our efforts to maximize our public

dollars to address this housing crisis. Above all, land is scarce. By reducing the number of homes we fund on our finite land zoned for this type of development, we do a disservice to our taxpayers and to the thousands of families in search of more affordable housing options.

The time to debate densities and heights is through the very public process that accompanies General Plan updates, General Plan amendments, and Urban Village Plans, not in back-room discussions with developers. Once we set the rules, we should encourage housing development that maximizes housing within that envelope.

We subject all builders to objective standards prescribed by San Jose's municipal code, land use plans, and design guidelines. Our code clearly delineates constraints for building heights, setbacks, and other various building characteristics. We must not subject builders to "off-book" height and setback regulations that satisfy only the loudest voices, at the expense of those who critically need affordable housing.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.