



Memorandum

TO: Honorable Mayor and City Council

FROM: Councilmember Jimenez

SUBJECT: SEE BELOW

DATE: December 19, 2017

APPROVED

DATE

12/19/2017

SUBJECT: Actions Related to the Implementation of the Affordable Housing Impact fee and Inclusionary Housing Ordinance programs.

RECOMMENDATION

1. Approve the comprehensive study session on the aggregate impact of all development fees proposed in the December 15, 2017 memo from the Mayor, Vice Mayor, and Councilmembers Davis, Nguyen, and Arenas and include the following as additional topics for discussion and review:
 - a. Discuss aggregate impact of “incentives” San Jose has provided to its housing and commercial developers;
 - b. Assess and compare “incentives” provided by San Jose and comparable cities in the region and state;
 - c. Provide clarity on whether the purported positive financial impacts of projects come to fruition as is often stated by proponents of “incentives”;
2. Extend the timeline for staff to bring back the analysis in the form of a Study Session to a date no later than June 30, 2018.

ANALYSIS

I support our efforts to thoroughly analyze how fees make building in San Jose more expensive. However, I am also interested in learning the converse: Are we giving away too much? I do not want San Jose to be known as the “Discount City.” We must hold ourselves in high esteem and not cower under pressure from developers that tell us, “you must give _____ incentive, or we will not build because it just does not pencil out.”

In thinking about this topic I am reminded of the vigor, energy, and boldness by which we presented our case to Amazon. In the brochure that staff produced it presented a city that was sure of itself, a city that needed no assurances as to how great it is and will continue to be. We celebrated our people, our places, and everything else we offer, yet we seem to forget this when

dealing with developers and instead are of the mindset that we should be lucky they want to build here.

With regard to giving staff more time to prepare for the study session, I have concerns about the staff workload that is needed to analyze the impacts of cross departmental fee reductions and would want to allow the appropriate amount of time needed for feedback and solicitation of community input.