

ATTACHMENT B

Policy Considerations for Small Project Inclusionary Housing Ordinance

Issue	Options	Initial Feedback from Developers
Applicability	New or additional dwelling units	Do not subject: <ul style="list-style-type: none"> • ADUs • Rehabilitated units
Tenure	<ul style="list-style-type: none"> • For-Sale • Rental 	It will be easier for larger, for-sale homes to comply with an inclusionary housing obligation
Minimum/Maximum Threshold	<ul style="list-style-type: none"> • One (1) to Nineteen (19) Units 	No comments.
Incentives	<p>If a Developer opts to build the affordable units on-site, the development should have the same access to the incentives noted in the Inclusionary Ordinance (5.08.450):</p> <ul style="list-style-type: none"> • Density Bonus • Flexible Parking Standards • Reduction in Minimum Setback Requirements • Alternative Unit Type • Alternative Interior Design Standards • City Process Assistance • Financial Subsidies 	Keep incentives.
Base Requirement	<p>15% on-site – Moderate Income</p> <ul style="list-style-type: none"> • For-Sale priced at 100% AMI, sold at or below 120% AMI • Rented to households at or below 80% AMI 	No comments.
Term of Affordability	<ul style="list-style-type: none"> • For-Sale: 45-years • Rental: 55-years 	No comments.

Alternative Requirement	<p>All alternative requirements are based upon 20% of the Market Rate units:</p> <ul style="list-style-type: none"> • In Lieu Fee (Square Feet vs. Affordable Unit) • Combination of build on-site/pay In Lieu Fee* • Land dedication* • Credits/Off-site* <p>(*For all of the above alternatives, the City of San Jose has the right to approve the option chosen by the developer)</p>	<p>Keep alternatives.</p>
Calculation of Fee Collected	<ul style="list-style-type: none"> • Consistent with the Inclusionary Ordinance (5.08.410) where traditional rounding applies for 5 plus units. • Unrounded fee applies to developments of 4 units and under. 	<p>Per square foot fee is easier to manage rather than a per inclusionary unit fee.</p>
Timing of Payment	<ul style="list-style-type: none"> • Prior to the project's building permits being pulled 	<p>No comments.</p>
Operative Date of the Ordinance	<p>January 1, 2019, any project that can pull its building permits prior to this date will not be subject to the Small Project IHO</p>	<p>No comments.</p>