



# Memorandum

**TO: HONORABLE MAYOR &  
CITY COUNCIL**

**FROM: Councilmember Johnny Khamis**

**SUBJECT: SEE BELOW**

**DATE: October 22, 2019**

**APPROVED:**

*Johnny Khamis*  
by *DF*

**DATE:**

*10.22.2019*

**SUBJECT: ACTIONS RELATED TO THE CALIFORNIA ELECTRIC VEHICLE  
INFRASTRUCTURE PROJECT (CALeVIP)**

**RECOMMENDATION:**

Accept Staff Recommendation with the following modification: Direct the Administration to negotiate to allow CALeVIP funds to be used for all new multi-family housing construction subject to Reach Code provisions regarding electric vehicle charging infrastructure and, once approved, to inform the builders of multi-family housing subject to the Reach Code of the availability of grant funding availability.

**BACKGROUND:**

The City of San José has, over the past eight years, added more fees to the cost of construction and more costs to those placing rental units on the market. We have recently added new environmental mandates on builders through changes to the Building Code – via the Reach Code - that will also add to the cost of construction. The added costs for housing construction are ultimately borne by renters and homebuyers in the form of higher rents or higher home prices.

Another impact of new fees, taxes, and regulations on construction in San José is that it makes the City less attractive to private-sector housing builders that will help housing supply catch up with the massive regional housing deficit we face. Supply restrictions also translate to higher costs for renters and buyers. To improve our chances of attracting investment, we must use every opportunity to bend the cost curve downward on housing projects. One tool we could use to help defray the costs of new construction are CALeVIP grants.

It is important for the City to negotiate to allow for CALeVIP grants for all new multifamily residential construction - not only for retrofits of existing properties or for construction of affordable housing. Once negotiated, it is the City's responsibility to ensure we actively communicate CALeVIP grant opportunities ahead of time, so that developers may timely apply for available grants that will help reduce the high cost of construction.

I respectfully ask for my colleagues to support this effort intended to help us achieve both our Climate Smart goals and our Housing goals.