

## Legislation Text

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**File #:** 19-993, **Version:** 1

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### **Inclusionary Housing Ordinance Proposed Revisions.**

(a) Accept the staff report and direct the City Attorney to return with an ordinance amending Chapter 5.08 of the San José Municipal Code ("SJMC"), including the following changes as described in the staff memorandum:

- (1) Apply the Inclusionary Housing Ordinance on developments with five units or more;
- (2) Serve a wider range of incomes for rental housing to 5% at 100% of the Area Median Income (AMI), 5% at 60% of the AMI, and 5% at the 50% of the AMI;
- (3) Restructure the in-lieu fee option to apply the fee on a square foot basis and change the amount to \$43 per square foot for rental development and \$25 per square foot for for-sale development;
- (4) Encourage rental developments to choose on-site compliance option by setting the in-lieu fee to \$17.60 per square foot where at least 5% of the units are provided on-site and allowing affordable units to be located in a separate building on-site;
- (5) Update the requirement to locate offsite units within the same redevelopment area to areas of opportunity;
- (6) Ensure units remain affordable as long as practical by extending the period of affordability to 99 years;
- (7) Adjust affordability requirements for co-living units to 90% of studio rents; and
- (8) Update program administration to allow recertification every two years.

(b) Direct the Director of Parks, Recreation and Neighborhood Services to explore an amendment to the Park Fees Ordinance (SJMC 14.25) to clarify that on site deed restricted 100% AMI rental units qualify for a 50% per unit credit towards the payment of park impact in-lieu fees.

(c) Direct staff to develop geographic market areas to phase in the in-lieu fee adjustments over time.

CEQA: Not a Project. File Nos. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action; and PP17-002, Consultant Services for design, study, inspection, or other professional services with no commitment to future action. (Housing)