



Memorandum

**TO: RULES & OPEN GOVERNMENT
COMMITTEE**

FROM: Councilmember Sam Liccardo
Councilmember Judy Chirco

SUBJECT: SEE BELOW

DATE: September 24, 2007

Approved

Date

**SUBJECT WORKLOAD ASSESSMENT FOR THE STUDY OF A POTENTIAL
INCLUSIONARY HOUSING ORDINANCE IN SAN JOSE**

RECOMMENDATION

Recommend that Rules & Open Government Committee:

- (1) Approve staff's workload assessment associated with exploring the potential for an inclusionary zoning ordinance.
- (2) Approve staff's recommendation to schedule a November study session.
- (3) Recommend to Council an outreach approach that will employ focus groups.

BACKGROUND

The recommended process and timeline outlined in the staff memorandum appropriately allows for ample time to consider input from relevant stakeholders as to whether and how the City should pursue a broader inclusionary housing policy. As the staff memorandum makes clear, the "task force" model has previously failed to produce a recommendation. This past failure suggests that a task force is not the most effective method of outreach for this issue. If only hard-line opponents or proponents of inclusionary policies join a future task force, it will similarly fail to reach a consensus. In addition, developers experienced in building in jurisdictions with inclusionary policies typically prefer not to take the time away from their businesses to sit on task forces and commissions. Therefore, we request that Council consider a model more likely to bring forward a recommendation.

Accordingly, we encourage the Rules & Open Government Committee to follow the staff recommendation to bring the matter to the full Council for a November study session. At that study session, we will urge our colleagues to adopt a focus group outreach approach which will allow staff to collect ideas and suggestions from a broad range of stakeholder groups without the risk of a stalemated task force.

Council should also articulate some basic principles or goals that should guide the shape of any inclusionary housing policy, such as:

- Incorporate flexibility needed to allow developers to continue to invest and build profitably in San Jose
- Minimize adverse impacts on the quality or quantity of housing production
- Accommodate the unique challenges of high-density and in-fill development, where appropriate under the General Plan
- Reflect the General Plan's "dispersal policy," to site affordable units throughout the city, rather than exclusively building them in poorer neighborhoods

Outreach to the development community should reflect the diversity within the industry. Developers have substantially different views about inclusionary housing, and how it can best be implemented. Outreach should target smaller groups of developers to fully understand those disparities, rather than limiting the discussion to large panels or politically active organizations. For example, publicly traded companies and privately held developers may have different viewpoints, while developers who focus on in-fill or high-rise development have different needs than tract-home developers. The nuances of the policy and process should reflect those unique needs.

By the end of this process, we should feel content that this policy—and the residents of San Jose—have benefited from the best thinking in the community on this subject.