

Memorandum

TO: RULES AND OPEN GOVERNMENT
COMMITTEE

FROM: Leslye Krutko

SUBJECT: STATUS REPORT ON CITYWIDE
INCLUSIONARY POLICY OUTREACH

DATE: October 8, 2008

Approved *Vilcin Rodriguez for Norberto Duenas* Date *10/10/08*

COUNCIL DISTRICT: City-Wide
SNI AREA: N/A

RECOMMENDATION

It is recommended that the Rules and Open Government Committee accept this report on the progress of the Housing Department's outreach efforts in formulating a proposed Citywide inclusionary housing policy.

OUTCOME

With direction from the Rules and Open Government Committee, the Housing Department will proceed with its outreach and community meeting process to present a draft Citywide inclusionary policy recommendation for comment and feedback.

BACKGROUND

On August 6, 2008, the Housing Department reported to the Rules and Open Government Committee on the Department's proposed Framework for Formulation of a Citywide Inclusionary Housing Policy. The Committee accepted the Framework, but directed staff to report back after the stakeholder sessions concluded and prior to proceeding with outreach to the general public.

ANALYSIS

Prior to the facilitated meeting process, the Housing Department and Redevelopment Agency met with thirty-three individuals representing for-profit and nonprofit developers, affordable housing advocates, lenders, and trade association representatives. From these individual meetings, several guiding principles for policy formulation emerged:

- **Simplicity** – An inclusionary housing policy should be straightforward to understand for the development community, lenders, realtors, and the public. In addition, the policy should be easy for the City to administer.
- **Flexibility** – An inclusionary housing policy should give developers as many alternatives as possible for compliance.
- **Consistency and Fairness** – The Inclusionary Housing Policy should be consistent and contain the same requirements Citywide.
- **Certainty** – The rules and process of the inclusionary housing policy should be clearly defined so that developers, affordable housing advocates, and the City can have assurances of the requirements and options.

In addition to these individual meetings, the Housing Department held three facilitated stakeholder meetings with affordable housing advocates and developers. The affordable housing advocate stakeholders met on September 23rd. The developer stakeholders met on September 25th and October 6th. The stakeholder groups discussed eight policy topics relevant to creating an effective and efficient Citywide inclusionary housing ordinance. The eight topics included: alternative means of compliance; regulatory offsets; pipeline issues; administrative issues; a pressure valve for downturns in the housing market; small projects exemption; the percentage of units required to be affordable; and affordable income levels as a percentages of Area Median Income to be required in rental and ownership housing developments.

On October 14th the Housing Department will host a listening session at San José City Hall from 6:00 PM – 8:00 PM. The public is invited to attend to share ideas on ways to produce affordable housing in San José. One additional meeting is scheduled for October 23rd from 6:00 PM – 8:00PM at San José City Hall in Wing Rooms 119 + 120. The purpose of this meeting is to solicit final input before a policy recommendation is presented at four community meetings. The general public will be asked to share comments, ideas, and input, on the policy considerations outlined in the previous paragraph that were discussed with the stakeholder groups.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The action recommended in this memorandum does not meet any of the above criteria. Nonetheless, this report will be posted on the Rules and Open Government Committee website for the October 15, 2008 agenda.

Upcoming Outreach Efforts

The locations for the upcoming community outreach meetings, which are targeted throughout the City, were selected based on future growth and anticipated housing development.

Public Outreach Meetings

- **October 14, 2008**- Listening Session on Ways to Produce Affordable Housing at San José City Hall from 6:00PM – 8:00PM in City Hall Wing Rooms 118, 119 +120
- **October 23, 2008** –Community Meeting on Inclusionary Housing at San José City Hall from 6:00PM – 8:00PM in City Hall Wing Rooms 119 + 120.

The Housing Department will hold a series of additional meetings with the general public at which a draft policy recommendation on a Citywide inclusionary housing policy will be presented. The community meeting dates are listed below:

- **November 3, 2008** – 6:00 PM– 8:00 PM at the Willow Glen Branch Library, located at 1157 Minnesota Ave. San José, CA 95125
- **November 6, 2008** – 6:00 PM – 8:00 PM at the Edenvale Branch Library, located at 101 Branham Lane East San José, CA 95111
- **November 10, 2008** – 6:00 PM – 8:00 PM at San José City Hall Public Wing Rooms 118 and 119, located at 200 East Santa Clara Street San Jose, CA 95113
- **November 12, 2008** – 6:00 PM-8:00 PM at the Berryessa Branch Library, located at 3355 Noble Ave San José, CA 95132

Outreach for all of the above meetings will include the following means of communication:

- Using the Housing Department's list of about 700 e-mail addresses of individuals who have expressed interest in the issue.
- An announcement on the Housing Department's website.
- Sharing the information with the Housing and Community Development Advisory Commission.
- Sharing meeting announcement with City library branches and community centers.
- Requests that the following forward the announcement of these public meetings to their respective constituents/membership:
 - City Councilmembers and their chiefs of staff
 - United Neighborhood
 - Neighborhood Development Center

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- Homebuilders Association of Northern California.
- Silicon Valley Leadership Group
- Silicon Valley Chamber of Commerce
- Affordable Housing Network
- Silicon Valley Council of Nonprofits

Additionally, the Department will seek media coverage on inclusionary housing and opportunities for public input.

Commission Meetings

- **November 13, 2008** - Housing and Community Development Advisory Commission Meeting at 5:30 PM San José City Hall, City Hall Wing Rooms 118 +119.
- **November 19, 2008** – Planning Commission Meeting at 5:30 PM in San José City Hall Council Chambers

City Council Committee Meetings

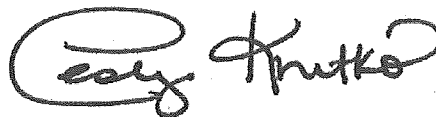
- **November 24, 2008** – Community and Economic Development Commission at 1:30 PM at San José City Hall Wing Rooms 118 +119
- **November 25, 2008** – Neighborhood Services and Education Committee (tentative date; time TBD)
- **December 9, 2008** - City Council Meeting, 1:30 PM in City Council Chambers

COORDINATION

The preparation of this memorandum has been coordinated with the Department of Planning, Building and Code Enforcement, the Redevelopment Agency and the City Attorney's Office.

CEQA

Not a project.



LESLYE KRUTKO
Director of Housing

For questions, please contact LESLYE KRUTKO, DIRECTOR OF HOUSING, at (408) 535-3851