

December 6, 2005

The Honorable Mayor and City Council  
200 E. Santa Clara Street  
San Jose, CA 95113

**RE: COYOTE VALLEY SPECIFIC PLAN – AFFORDABLE HOUSING STRATEGY**

Dear Mayor and City Council:

On October 25, 2005 the Housing Advisory Commission (HAC) held a Special Meeting to discuss and recommend key elements for an Affordable Housing Strategy in Coyote Valley. The Departments of Housing and Planning, Building and Code Enforcement provided the Commission with an overview of the Housing Focus Group's discussion and work, along with an explanation of the objectives set by the Mayor and City Council.


Based on this meeting, the Commission developed parameters for an Affordable Housing Strategy and at its November 10, 2005 regular meeting, approved a list of six objectives for consideration by the City Council and Coyote Valley Specific Plan Task Force.

The objectives unanimously adopted by the Housing Advisory Commission are attached. The Commission feels strongly that there should be an appropriate balance of truly affordable housing and, secondly, that these units should be distributed throughout the Coyote Valley and built alongside market rate units.

The Commission urges the City Council to ensure that these objectives are incorporated into the final development of a Specific Plan. The hallmark of the Coyote Valley vision has been sustainability, environmental sensitivity and design that integrates development with the natural landscape. An equitable social vision will also be critical to the success of the new community. We think these objectives help to further those goals.

Please don't hesitate to contact me at (408) 386-8907 if you have any further questions. Thank you for your consideration.

Sincerely,



**TOM FINK**  
Housing Advisory Commission, Chair

Attachment (1)

**COYOTE VALLEY SPECIFIC PLAN**  
**Affordable Housing Strategy**  
**Approved by the HAC November 10, 2005**

**Housing Advisory Commission**

**Policy Objectives and Issues:**

1. The Commission stresses the importance of providing housing to workers at all income levels, in order to enhance the community's economic diversity and prospects for sustainability. By creating opportunities for residents of all incomes, Coyote Valley will be a stronger, healthier and more dynamic area in which to live. To achieve this goal, the Commission supports the following targets for low-income, very-low income, and extremely-low income households:

<b>Affordability Level</b>	<b>Rental</b>	<b>Ownership</b>
	<b>80%</b>	<b>20%</b>
<b>ELI</b>	1,500	0
<b>VLI</b>	1,400	100
<b>LI</b>	1,100	250
<b>MOD</b>		650
<b>Totals</b>	4,000	1,000

2. In order to ensure that this vibrant community is sustained for future generations, the Commission supports the use of long-term affordability restrictions in Coyote Valley and encourages the City Council to seek ways to ensure that there is no net loss of affordable rental housing over time and that the geographic distribution and affordability levels are kept intact.
3. The Housing Advisory Commission strongly advises the City Council to require that the affordable units built within Coyote Valley are integrated geographically throughout neighborhoods and housing types in Coyote Valley to assure that lower income households have equality of location within its community.
4. Consistent with the Plan's goal of achieving fiscal self-sufficiency, the Commission recommends that all the funding needed to provide for the affordable housing goals, including ELI and VLI, be generated from within the Coyote Valley. Furthermore, the Commission recommends that the City Council request a study to determine the feasibility of generating funds for affordable housing in Coyote Valley through a fair-share contribution from nonresidential development. The Commission opposes the use of Redevelopment Agency affordable housing funds (20% Housing Funds) for the purpose of financing these units. It is important that San Jose continue to concentrate its 20% Housing Funds on infill production in the downtown and other City neighborhoods.
5. In order to ensure that the ELI and VLI affordable units are built, it is important that the development of affordable units should be built concurrently with the market rate units. This will ensure that the goals of building an integrated community are achieved.
6. The Commission supports flexibility in meeting the affordable housing goals in Coyote Valley and integrating moderate and low-income rental and for-sale units throughout market rate developments (i.e. Standard Inclusionary Policy). For more deeply affordable units, VLI and ELI, the Commission recommends allowing a range of options through an Inclusionary policy, payment of in-lieu fees, with the preferred option of land dedication, which provides greater opportunity for accessing affordable housing financing sources.