

May 16, 2007

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

RE: Changes to Inclusionary Housing Policy in Redevelopment Project Areas

Dear Mayor and City Council:

On May 10, 2007 the Housing and Community Development Advisory Commission (HCDC) heard a presentation from Housing Department staff regarding proposed changes to the inclusionary housing policy in redevelopment project areas.

RECOMMENDATION: The Housing and Community Development Advisory Commission recommends that the Mayor and City Council accept the Housing Department and Redevelopment Agency's proposed changes to the Inclusionary Housing Policy in Redevelopment Project Areas.

DISCUSSION: The HCDC recognizes that the proposed changes to the inclusionary housing policy are a step in the right direction because they are aimed at providing housing at deeper levels of affordability. The HCDC believes the City should devote a greater share of available funds and resources to housing units for extremely-low-income households, where the need is the greatest.

In addition, the HCDC recommends that these changes to the inclusionary housing policy serve as an opportunity to begin a discussion regarding a city-wide inclusionary housing requirement. The need for this discussion is especially urgent in light of high-profile commercial/industrial land conversions to housing that result in a dramatic increase in land value. The proposed policy changes will also help remediate the decrease in City revenues and demands on city services that can result from such re-zoning. Lastly, the HCDC believes that restricting an inclusionary zoning policy to redevelopment project areas puts areas such as downtown, at a competitive disadvantage for new development.

Thank you for considering the recommendation made by the Housing and Community Development Advisory Commission. Please do not hesitate to contact me if you have any further questions or concerns.

Sincerely,



Tom Fink
Chair, Housing & Community Development Advisory Commission