



September 18, 2007

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

RE: SUPPORT FOR INCLUSIONARY HOUSING AND SUPPORT TO CONDUCT
STUDY OF AN INCLUSIONARY HOUSING POLICY IN SAN JOSE.

AGENDA ITEM: RULES AND OPEN GOVERNMENT COMMITTEE:
SEPTEMBER 26, 2007.

Dear Mayor and City Council:

RECOMMENDATION: At its September 13, 2007, regular meeting, the Housing and Community Development Advisory Commission voted 6-0 (two absences and one recusal) to express support for the general concept of inclusionary zoning. We also urge the Mayor and City Council to support the memo issued by City Council members Liccardo, Chirco, Ngyuen and Campos to direct city staff to prepare a workplan assessment and return to the Community and Economic Development Committee and the Transportation Committee with an analysis of three options for increasing the supply of affordable housing through an enlarged inclusionary policy. Furthermore, the HCDC strongly recommends that discussion of a possible inclusionary zoning policy commence as soon as possible, and that it take place separately from the process of updating the city's General Plan.

BACKGROUND: There is a pressing need for housing affordable to citizens of all income levels, and inclusionary zoning is among the most promising policies for increasing its availability.

In June, 2007 the City Council passed the Five-Year Housing Investment Plan. One of its provisions was a commitment to study policy changes regarding inclusionary zoning, including expanding its reach beyond Redevelopment and SNI areas. By approving the memo under consideration, the City Council would reaffirm its position by directing the Housing Department to proceed with a study of the issue. Specifically, the Housing Department will study three options: 1) A city-wide policy; 2) A policy directed at industrial and commercial lands conversions and special project areas; and 3) A policy which targets development at or near transit stations.

It is important and appropriate that the discussion of inclusionary zoning options take place separate from the General Plan Task Force. The General Plan addresses how San Jose will adjust its balance of industry, commerce, housing, recreation, and open space. The financing, specific

placement, and the types of affordable housing developments needed, is not the primary purpose of a General Plan. Additionally, it should be noted that the Housing Element, a portion of the General Plan, does use housing policies to demonstrate how we will meet our affordable housing component and will be due to the State Department of Housing and Community Development by January 2009, a year earlier than the General Plan update is scheduled to be completed. It is therefore, imperative that the inclusionary discussion take place outside of the General Plan Task Force, given the likely inability of the Task Force to sufficiently handle the inclusionary housing issue in a timely fashion and because the General Plan is not the appropriate placement for housing policies.

The *San Jose Mercury* summed up the need for a separate process most succinctly in a Septemeber 4, 2007 editorial: "...the [general plan] task force already is being asked to do far too much in too little time. It needs to concentrate on how much industry and housing the city needs, and where it should go. This financing question [inclusionary zoning] could be considered separately in a parallel study." Folding discussion of inclusionary zoning into the general plan taskforce would delay it, possibly for years. The community need to increase the supply of affordable housing is too urgent to justify such a delay.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Fink", with a long horizontal flourish extending to the right.

Tom Fink
Housing & Community Development Advisory Commission, Chair