

Memorandum

**TO: Envision San José 2040
4-Year Review Task Force**

FROM: Jared Hart

**SUBJECT: August 20, 2020
TASK FORCE MEETING**

DATE: August 13, 2020

This memorandum provides information to assist you in preparation for the August 20, 2020 Envision San José 2040 Task Force meeting. Links to the referenced documents and other resource materials (e.g., reading materials and correspondence) are posted on the Envision San José 2040 4-Year Review website (<http://www.sanjoseca.gov/generalplanreview>).

The following is a summary of agenda items for the August 20, 2020 Task Force meeting:

Agenda Item 2 – Approval of July 30, 2020 Meeting Synopsis

The Task Force will vote to approve the [meeting minutes for the July 30th Task Force meeting](#).

Agenda Item 3 – Reframing Opportunity Housing

In response to Task Force concerns and public comment, staff has further modified aspects of its recommendation on Opportunity Housing. Staff acknowledges that aspects of the prior recommendation, although conceptual, may be too specific for an exploration phase and may require additional studies and outreach before Task Force members, residents and stakeholders, and City Council would be comfortable with specific requirements. Therefore, staff is further modifying the recommendation by moving away from most of the previous specific parameters and towards action items to explore higher-level objectives and future updates to City policies and ordinances that would allow implementation of Opportunity Housing.

Staff recommends continuing to explore allowing up to four units on parcels with a Residential Neighborhood land use designation in areas generally a half-mile walking distance around Transit Urban Villages, taking into consideration natural, human-made, and neighborhood boundaries, and on properties adjacent to existing multifamily housing types or properties designated for multifamily housing. Should City Council direct staff to further explore Opportunity Housing, the following actions will need to be initiated.

1. Conduct a citywide community engagement effort:
 - a. Work with community organizations and leaders to encourage participation and diverse representation reflective of San José in the outreach process.

2. Explore creating an affordable housing incentive to encourage inclusion of units at affordable or moderately-priced levels in Opportunity Housing.
3. Find an approach that would allow Opportunity Housing while also minimizing displacement risk:
 - a. Conduct a Displacement Risk Analysis where Opportunity Housing would be implemented.
 - b. Determine if existing City protections for renters (i.e., just causes for evictions under the Tenant Protection Ordinance, Ellis Act Ordinance relocation requirements) would be sufficient or are additional protections needed to minimize and discourage displacement. Consider additional protections for renters such as not allowing Opportunity Housing on properties that have withdrawn from the market through the Ellis Act Ordinance, are qualifying properties under the Apartment Rent Ordinance, and have been occupied by renters in recent years.
 - c. Consider additional restrictions for use of Opportunity Housing units as short term rentals, beyond the City's existing ordinance.
4. Explore strategies to preserve historic areas and properties while also allowing Opportunity Housing:
 - a. Consider allowing the adaptive reuse of structures that are on or are eligible for inclusion on the City of San José's Historic Resources Inventory.
 - b. Consider an age-based rule for older homes applying for Opportunity Housing if updates to the Historic Resources Inventory are not completed by the time of implementation.
5. Update City policies and ordinances to allow Opportunity Housing:
 - a. Update the Citywide Design Guidelines and Standards to include Opportunity Housing design standards that ensure that Opportunity Housing projects are designed to be compatible with existing neighborhoods.
 - b. Revise the General Plan and Zoning Code to allow and facilitate Opportunity Housing while maintaining the intent for Opportunity Housing to blend in with the existing neighborhood.

As a reminder, the Task Force recommendation on Opportunity Housing will be packaged with all other recommendations on the General Plan 4-Year Review Scope of Work and presented to Council in spring 2021. Should the Task Force take action to recommend that City Council move forward with Opportunity Housing conceptual policy framework, staff will also conduct a Cost Effectiveness Analysis to determine the feasibility and cost of Opportunity Housing types and present the results to the City Council in spring 2021. Should the City Council approve the recommendation on Opportunity Housing, then staff would initiate the actions listed in items 1 through 5 above. Upon completion, these items will be presented to City Council for their approval.

Environmental analysis of the Opportunity Housing conceptual policy framework will be conducted programmatically as part of the General Plan 4-Year Review process. However, an in-depth

environmental analysis would be completed as part of the General Plan Housing Element update which will be initiated in 2021. The Opportunity Housing action item work plan and the General Plan Housing Element update will run concurrently. Staff anticipates the Opportunity Housing work plan to be aligned with the mandated General Plan Housing Element update completion by December 2022.

Next Meeting

The next meeting is scheduled for Monday, September 21, 2020 at 6:00 p.m.

If you have any questions, please contact either myself or Kieulan Pham. I can be reached by phone at (408) 535-7896 or by email at: Jared.Hart@sanjoseca.gov. Kieulan can be reached by phone at (408) 535-3844 or by email at: Kieulan.Pham@sanjoseca.gov.

Jared Hart
Division Manager

Recommended Reading Materials

“Portland Just Passed the Best Low-density Zoning Reform in US History” by Michael Anderson, Sightline Institute, August 11, 2020
<https://www.sightline.org/2020/08/11/on-wednesday-portland-will-pass-the-best-low-density-zoning-reform-in-us-history/>

“This is What a Street Looks Like 39 Years After Legalizing Fourplexes” by Michael Anderson, Sightline Institute, June 21, 2019
<https://www.sightline.org/2019/06/21/this-is-what-a-street-looks-like-39-years-after-legalizing-fourplexes/>