

JRG:EJM
8/18/97

RESOLUTION NO 67604

**A RESOLUTION OF THE COUNCIL OF THE CITY
OF SAN JOSE APPROVING A REVISED
DISPERSION POLICY FOR AFFORDABLE
HOUSING**

WHEREAS, in 1989 the City Council approved the Mayor's Task Force Report on Housing which included a dispersion policy for financing of affordable housing in the City; and

WHEREAS, the staff is recommending that the City Council revise the City dispersion policy to promote affordable housing throughout the City and reflect the current available data regarding areas of disproportionate number of lower-income households.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of San Jose that the revised dispersion policy set forth in Exhibit A attached hereto is approved.

ADOPTED this 26th day of August, 1997, by the following vote:

AYES: DANDO, DIAZ, DIQUISTO, FERNANDES, FISCALINI, JOHNSON,
PANDORI, POWERS, SHIRAKAWA, WOODY; HAMMER

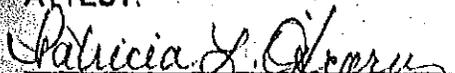
NOES: NONE

ABSENT: NONE



SUSAN HAMMER, Mayor

ATTEST:



PATRICIA L. O'HEARN, City Clerk

EXHIBIT A

Dispersion Policy Statement

City-financed affordable housing projects contribute to any existing neighborhood in which they are located due to the quality of their design and construction, the attributes and amenities required by the City, the strong on-site management, and the infusion of new investment into the community. City-financed affordable housing is often more attractive than the market rate housing, and has the effect of raising or stabilizing property values. Because of the benefit City-financed affordable housing has on the community, it should be encouraged throughout the City.

The Dispersion Policy applies to newly-constructed City-financed housing that is affordable to very low- and low-income units. It does not apply to moderate-income developments or projects involving rehabilitation or the acquisition and rehabilitation of existing buildings. Nor does it apply to housing projects not financed by the City.

In some locations, City-financed housing developments provide lower-income households with a broader housing choice and increases the heterogeneity of the population. In other areas, City financed developments contribute to maintaining the existing socio-economic stratification. The Council's approval of City-financed affordable development shall be made in the context of the goal to balance and promote economic integration. The Council's decision to finance any given housing project must take into consideration other City policies and strategies. On a case-by-case basis, the Council must consider: the proposed project's proximity to other City-financed affordable housing developments; the project's relationship to Council-adopted development plans and strategies; the project's contribution to neighborhood improvement or revitalization; and the existing income mix of the Census Tract in which it is to be located.

No area of the City should be arbitrarily precluded from consideration as a site for affordable housing. However, the City recognizes that certain Census Tracts contain a disproportionate number of lower-income households, especially in Districts 3 and 5, which already have a high percentage (more than 50%) of households with low- and very low-incomes. Projects proposed to be located in any Census Tracts adjacent to these "impacted" Tracts should be considered carefully, in the same way that projects within the "impacted" Tracts are reviewed.

The performance of the City's affordable housing programs should be reviewed on a periodic basis to ensure the equitable distribution of affordable housing throughout the City. The policy will be reviewed on a five-year cycle consistent with the Five-Year Housing Investment Plan and the General Plan.