



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Raul Peralez

SUBJECT: 802 S. First Street

DATE: February 19, 2021

Approved

Date: 02/19/21

RECOMMENDATION

Approve planning commission's recommendation and strongly recommend that the applicant develop the project at the following affordability levels or higher:

- 10% at 30% AMI
- 10% at 50% AMI
- 50% at 60% AMI
- 20% at 70% AMI
- 10% at 80% AMI

This should not prevent the project from having higher rents from what is listed above, including operating as a fully market-rate residential development.

DISCUSSION

For years, the Guadalupe Washington and Spartan Keyes neighborhoods have embraced and welcomed several affordable housing projects in and around the Martha Gardens specific area. (*See Attachment A*). Though the community continues to show their support for affordable housing, they have also asked, and rightfully so, that future residential projects contemplate higher rental rates to create a truly balanced mixed-income neighborhood.

In my conversations with the applicant, they have proposed the above rental levels with the intent to target populations such as teachers, medical personnel, food service workers, etc. While my understanding is that the City cannot legally bind the applicant to these rental levels as long as they comply with the Inclusionary Housing Ordinance, I hope the developer will agree and hold to developing no lower than the recommended affordability levels or even ideally, at a full market-rate housing project. Regardless, we ask that the applicant work with their future neighbors and if feasible, strive to include amenities that will benefit the community at-large.

ATTACHMENT A

Affordable Housing Units within 0.5 miles from Project Site (802 S. 1st St.)

Project	Address	Type	Units
Art Ark	1058 S. 5th St.	Family	146
Guadalupe Apartments	76 Duane St.	Family	23
Market Gateway Apartments**	535 S. Market St	Family	22
Plaza Maria**	115 East Reed St.	Family	52
Second Street Studios	1150 S 2nd St.	PSH*	134
Troy Apartments	714 S. Almaden	Family	29
Villa Torre	955 S 6th St.	Family	102
Willow Pointe	1010 S. 3rd St.	Family	36
Total			544

*PSH = Permanent Supportive Housing / ** = Projects north of HWY 280

