



## Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Councilmember Raul Perez

**SUBJECT:** Housing Crisis Work Plan

**DATE:** March 19, 2019

Approved by:

Date:

3/19/19

### **RECOMMENDATION**

Approve memos on the Housing Crisis Work Plan by Mayor Liccardo and Councilmember Esparza, and direct the City Manager to bring forward a progress report to City Council on the Workforce Standard Agreement which was directed by City Council on April 3, 2018.

### **BACKGROUND**

I understand that incentives spark development as we have seen with the Downtown High-Rise Incentive<sup>1</sup>, which is why I supported this with Mayor Liccardo in 2016. However, I am concerned that the approach proposed in the Mayor's current memo could be interpreted as contrary to the Workforce Development Standards the City Council approved on April 3, 2018. In the Workforce Development Standards Council approved to "Direct the City Manager and City Attorney to draft an ordinance requiring specific workforce standards for construction employment on private development projects, in those circumstances where the City is subsidizing the project<sup>2</sup>." As of today, no such draft ordinance has yet been brought forward to City Council.

<sup>1</sup> Extension of Downtown High-Rise Incentive Program (2016)  
[http://sanjose.granicus.com/Viewer.php?meta\\_id=603149](http://sanjose.granicus.com/Viewer.php?meta_id=603149)

<sup>2</sup> Memorandum from Mayor Liccardo on Private Development Workforce Standards (2018)  
<http://sanjose.legistar.com/gateway.aspx?M=F&ID=5f51051d-6638-4c2a-9822-3845d99a335e.pdf>

Additionally, it is important that before we move forward with a new set of incentives we reaffirm the direction Council approved in the Workforce Standards agreement on the process of the infeasibility analysis that, "the parties will agree to a list of potential consultants as part of this negotiation, but City staff will be responsible for selecting and retaining the consultant from the list." Currently, there has not been an agreed list of potential consultants, which does not ensure a proper feasibility or infeasibility study.

It has been over a year since the City Council adopted the Workforce Standards Agreement, any further delays could be detrimental to the City's goals of building more housing and it is important for Council to be provided an update from staff to reaffirm the agreement prior to approving further incentives.