



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo

SUBJECT: SEE BELOW

DATE: April 30, 2020

DIGITAL SIGNATURE

APPROVED: *Sam Liccardo*

April 30, 2020

SUBJECT: UNIVERSAL EXTENSION OF DEVELOPMENT AND CONSTRUCTION DEADLINES DUE TO COVID-19

RECOMMENDATION

Direct the City Manager and City Attorney to review the universe of applicable development and construction deadlines impacted by COVID-19 and return to Council with recommendations for an ordinance that addresses the following:

1. PBCE has already extended building permit deadlines by 6 months in April 2020. Please provide an update and recommendation on extending deadlines for an additional 6 months, for a total of 12 months, to correspond with expected supply chain and labor delays, as well as the potential for a second wave of infections this fall.
2. Provide an extension of all entitlements from 2 to 4 years for all projects due to the impacts of COVID-19 on construction timelines due to factors listed above, with the additional factor of significantly diminished investor activity.
3. Evaluate the forbearance of permit and entitlement fees to ensure that these universal extensions will not have unintended consequences.
4. Provide extensions for all fee waivers and reductions to, at a minimum, correspond to the duration of the COVID-19 shelter in place order(s).

BACKGROUND

During this time of emergency, most construction and development activities were deemed non-essential by the shelter in place order from March 19 through May 4. Furthermore, the transition to remote work conditions led to additional capacity constraints at the City, which impacted the backlog in plan review and project inspections.

Construction jobs plays a vital role in the local economy, employing more than fifty thousand workers in San Jose alone. As a result of the shelter in place orders that halted construction of

most housing and all commercial projects, the industry has been devastated. These orders and their strict enforcement displaced thousands of workers off hundreds of job sites, impacting all segments of a complex ecosystem that delivers the essential housing our city and region so desperately need to combat the ongoing housing crisis. Ensuring that these construction jobs get moving again could literally be the difference between families surviving and being on the streets.

To facilitate and expedite the return of this vital industry, it is necessary to relieve any additional pressure on development as a result of the lapse in construction due to COVID-19. This proposal will make up for lost time by providing universal extensions on construction deadlines within the City of San Jose.

Without these extensions, applicants and city staff would be required to spend significant hours and resources to extend deadlines one-by-one, with costs upwards of \$800 per extension. Any additional time and resources spent on re-processing paperwork, filing for extensions, or paying additional fees will slow the provision of new homes and new job sites as our economy returns to the “new normal.” At a time when every dollar in a project can make or break a deal, increasing project costs will impact an industry already pummeled by delays and fragile financing.