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Leslye Corsiglia
Executive Director

June 7, 2018

Honorable Mayor Sam Liccardo and Members of the City Council
City of San Jose
200 East Santa Clara Street, 18th Floor
San Jose, CA 95113

Dear Mayor Liccardo, Vice Mayor Carrasco, and Councilmembers, Arenas, Davis, Diep, Jimenez, Jones, Khamis, Nguyen, Peralez and Rocha,

RE: Item 4.4 -- Housing Crisis Workplan

On behalf of our members, we are pleased to share the following comments in response to the Housing Crisis Workplan scheduled for discussion at the June 12th Council Meeting.

First, we want to express our appreciation for the considerable work that went into development of the many proposals included in the staff memo, which both responds to the housing crisis we face—many now call it a disaster or emergency—and to the City Council's plan to create 25,000 new homes, including 10,000 that are affordable.

We are concerned though, that while the memo is entitled the "Housing Crisis Workplan," many of the activities suggest action in 2019 or studies that would begin months or even more than a year from now. **We encourage the City Council to take concrete action now to respond to the crisis, especially given the time that we all know it takes to add new units to the housing stock.**

While we are in support of all of the many positive actions included in the memo, we want to highlight a few:

Increasing Development Opportunities—acquiring land is challenging in our land-constrained region. Actions that increase opportunities for residential development are extremely important. We ask that the Council take action to:

- **Activate Urban Village Plans.** SV@Home supports opening up as many Urban Villages as possible, particularly those where there is current demand for development or that are adjacent to transit.
- **Incentivize Mixed-Income Development in Urban Villages.** SV@Home supports allowing mixed-income developments with at least 35% affordability to proceed ahead of Urban Village growth horizons.
- **Identify and Make Available More Land for Housing**—SV@Home supports proactive action to identify potential sites for new affordable development, including mapping surplus and underutilized parcels. We also support

several of the actions identified as “low priority” by staff that would increase residential land opportunities, including reimagining underutilized business corridors, revising the General Plan to allow infill on problem properties, allowing infill housing on isolated employment lands, and identifying non-viable commercial or office properties.

Identifying a Source of Revenue for Affordable Housing—As the companion memo on the June 12th agenda illustrates, the City does not have sufficient funding available to meet its 10,000 unit goal. We ask that the Council take action to:

- **Conduct a City-wide Commercial Linkage Fee (CLF) Nexus Study.** SV@Home supports the study of a City-wide CLF. In addition to the nexus study, we support conducting a feasibility study to better inform the Council in setting a fee level. We encourage the Council to take this action now and not wait until 2019, recognizing that it will take time to conduct the studies and even more time for an ordinance to take effect.

Removing Barriers and Streamlining the Development of Housing for All—The development process can take years, and we know that costs rise over time. As a result, removing barriers to development and streamlining the process for development to move a project from idea to reality is critical to development feasibility. Additionally, we know that increased requirements add to increased cost and reduced feasibility. We ask the Council to take action to:

- **Establish a Housing Concierge Service Team.** SV@Home supports the proposal to establish a team that is focused on facilitating both market-rate and affordable development. This action supports the City’s Community and Economic Development CSA priority to “ensure that the City speaks with ‘one voice’ on development issues while improving the speed, consistency, and predictability of the development review process.” Additionally, we are very supportive of the staffing additions for the Planning Department included in Manager’s Budget Addendum #20.
- **Create a 100% Affordable Zoning Code Amendment.** SV@Home supports removing barriers to the construction of affordable housing. We agree strongly with staff that amending the zoning code to allow affordable development to move forward by right with a Site Development Permit would reduce development time, reduce costs, and increase certainty.
- **Revise Requirements for Ground Floor Retail**-- SV@Home supports eliminating requirements for ground floor retail in affordable housing developments unless the development is in a prime retail area. In those cases, given the difficulty affordable developers have in financing and leasing commercial development, we suggest that the City consider creating a small fund to help offset the cost. For market rate development, we ask that the City study where retail space is viable (i.e., within a certain distance from a major commercial arterial or on a strip where commercial is prevalent).

In addition to our support for the staff recommendations highlighted above and others outlined in the staff memo, we recommend that the City develop strategies to respond to the needs of the “missing middle.” One solution is to proactively upzone selected R1 neighborhoods to allow for townhomes,

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row houses, duplexes, and four-plexes. In addition to providing housing for teachers, nurses, and construction workers, these housing types can respond to concerns about gentrification, enabling people who are being priced out of their homes to stay in the neighborhood and community where they grew up.

In recent years, the term affordable housing has taken on new meaning. It no longer just means income and deed restricted housing, but also just housing that is affordable to our residents. We see reports and articles every day that highlight the region's housing challenges. The Bay Area Council's recent survey found that nearly 50% of Bay Area residents are considering a move, and an astounding 75% said that the housing shortage "threatens to undermine a Bay Area economy that has led the nation in creating jobs." In response, it is critical that all jurisdictions step up to take bold action to address this situation.

In closing, we thank the staff for their thorough and thoughtful recommendations and urge the Council to approve the Housing Crisis Workplan.

Sincerely,



Leslye Corsiglia
Executive Director

