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*Executive Director*

**TRANSMITTED VIA EMAIL**

March 5, 2019

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 Jones, and Councilmembers Arenas, Carrasco, Davis, Diep, Carrasco, Esparza, Foley, Khamis, and Peralez,

**Re: Item 3.3--Council Priority Setting**

On behalf of our members, we write today to provide our comments as the Council sets its priorities for the coming year.

The need for affordable housing in the City remains at crisis levels. It is therefore critically important that the 2019 priorities focus on tools and policies that increase housing opportunities and help the city meet its goal of creating 25,000 new homes, with 10,000 of them affordable to low- and moderate income households over a five-year period.

**Accessory Dwelling Units**-- We applaud the greenlighting of actions that simplify development of ADUs and decrease the administrative and financial burden on homeowners who seek to construct an ADU. Recent experience in cities such as San Francisco have shown that streamlining the process and lowering costs can result in hundreds of new ADUs moving from application to completion. Councilmember Foley's proposal to streamline the permit process and reduce fees for ADUs along with Councilmember Carrasco's proposal to develop ADU plan sets are worthy actions. In addition to these actions and the actions included in the 2018 priorities to launch an educational and promotional campaign for ADUs, we strongly support: (1) identifying an ADU Ombudsman who can help homeowners navigate through the complicated building approval and construction processes, (2) enabling homeowners to use modular units rather than stick-built construction, and (3) pursuing the prior Council priority to legalize illegal non-conforming ADUs, particularly garage conversions.

**Development Streamlining**-- We are also supportive of Councilmember Foley's proposals to explore reducing or eliminating parking requirements for new development within ¼ and ½ mile of transit, and to undertake a regional comparison of San Jose's CEQA process to look at ways of simplifying and speeding up the development process. We also support Councilmember Diep's proposal to align the city's zoning with the Envision San José 2040 General Plan. The current process requires developers to go through additional steps that result in additional cost and delay. Any actions the city can take to reduce the cost of development and remove hurdles will help move projects from permits to construction.

**Development Taxes and Fees**—We support Mayor Liccardo’s proposal to sunshine the fees and taxes the city charges for development and to consider consolidating them into a single fee. Certainty is extremely important to housing developers. Currently, there is no way to know precisely what all the fees are that will apply to a development, and the Council and public don’t know the total amount being charged. We have concerns, however, over conducting an annual feasibility study. If changes to the fees are made every year, then that certainty goes away. We are supportive of all ways to reduce development costs and looking at fees is an important step. However, to truly consider how the city can reduce the cost of development, it should look at other policies that it has in place that impact cost—this includes requirements for retail, the city’s Employment Lands Framework, and how the city zones its residential land. Much of the city’s land mass is zoned single family. There are significant housing opportunity and environmental benefits of up-zoning single-family neighborhoods, an action that several major cities have taken in recent months.

**2018 Priorities**—We remain supportive of the carry over housing actions and are hopeful to see more progress this year. In addition to the ADU work already mentioned, this includes: (a) finalizing a Mobile Home Conversion ordinance that acknowledges the value of these naturally occurring affordable homes and protects mobile home owners from the disruption of displacement, (b) developing of a soft-story retrofit program, and (c) reviewing the current development framework for North San Jose, which will begin to backfill the required affordable units not built during the first round.

Over the past year the city has made significant progress on a number of priorities that respond to the affordable housing crisis. We appreciate the opportunity to share our perspective on the council’s priorities and look forward to future opportunities to help inform both policy development and implementation.

Sincerely,



Leslye Corsiglia  
Executive Director