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#### Transmitted via email

February 12, 2016

Ms. Shirley Lewis, Co-Chair  
Mr. David Pandori, Co-Chair  
City of San Jose General Plan Task Force  
200 East Santa Clara Street, 3<sup>rd</sup> Floor  
San Jose, CA 95113

Dear Co-Chairs Lewis and Pandori and members of the General Plan Task Force:

#### RE: Task Force Meeting #4—Input and Recommendations to Urban Village Policies and Affordable Housing Strategies

SV@Home is the voice of affordable housing in Silicon Valley, representing a broad range of interests, from leading employers who are driving the Bay Area economy, to labor and service organizations, to nonprofit and for-profit developers who provide housing and services to those most in need.

On behalf of our members and the undersigned partner organizations, we write today to ask that you take a strong position in support of actions that increase the number of affordable homes in San Jose as a part of the four-year review of the San Jose General Plan 2040.

While San Jose has been a leader in developing new affordable housing and approving proactive policies encouraging solutions, in recent years, due to the loss of redevelopment funds and other financing tools, the number of affordable units built in San Jose has dropped precipitously. During the last Regional Housing Needs Allocation (RHNA) period, the City met only 22% of its lower-income affordable housing goals and 2% of its moderate-income affordable housing goals. This was not as a result of lack of effort, but rather a lack of funding and a lack of tools to make affordable housing a reality.

Clearly, the problem is significant. According to the City's own website, San Jose renters must earn \$54/hour (\$112,520/year) to afford the average rent for a two bedroom, two-bath apartment. For sale housing, with a median purchase price of more than \$800,000, is only a dream for the majority of renter households. The result? Homelessness, overcrowding, over payment,

crowded freeways, recruitment and retention problems for employers, and much more.

The General Plan four-year review offers an opportunity to respond. While this Task Force does not have the ability to increase the amount of funding available for affordable housing, it does have the ability to recommend policies that change the outlook for affordable housing in San Jose.

In that vein, we provide the following comments and requested actions:

In order to meet the needs of an increasing population and new job growth, the San Jose General Plan should include a range of housing opportunities across incomes, focusing on providing diverse housing choices in the right locations, which will help advance the City's GP goals of sustainability, GHG reductions, and pedestrian- and transit-oriented development.

To accomplish this, the General Plan should:

1. **Support High-Density Mixed-Income Development Near Transit and Services**—Ensure that sites adjacent to VTA and BART stations can move forward. While these sites present incredible opportunities to provide transit-oriented development that will reduce transportation congestion and take advantage of funding sources like Cap and Trade, these sites are all located in Horizon 2 of the General Plan. The Task Force should take the following actions:
  - a. **Enable** 100% affordable development to move forward by right regardless of horizon.
  - b. **Enable** developments where at least 33% of the homes are affordable to move forward regardless of horizon when the development will provide mixed-income housing in an area where affordable housing options are limited and where the developer can show that the housing will result in Green House Gas (GHG) reductions.
  - c. **Ensure** that the current policy does not hamper the development of good transit-oriented development where we want to see it—at transit hubs.
2. **Approve Policies that Help Developers of Affordable Housing Compete for Land**—Affordable housing developers compete with other developers, both housing developers and commercial and industrial uses, for scarce and expensive land. The Task Force should take the following actions:
  - a. **Re-establish** the Discretionary Alternate Use Policies that were in place prior to the GP 2040 Plan that enabled developers of affordable housing to build by right on small remnant parcels of less than two acres regardless of zoning, as long as the site is surrounded on at least two sides by residential development. If there are concerns that this policy would result in a significant amount of industrial land conversion, limit the amount that could fall under the Discretionary Alternate Use Policy to cap the amount of land is subject to conversion. This

policy helped create hundreds of units of affordable housing in San Jose over the years.

- b. **Recommend** that the staff proactively review small parcels (under two acres) that are currently zoned for non-residential uses to determine the potential for affordable housing development. Due to the affordability crisis, there should be a deadline for the review of these parcels.
3. **Revise Policies Surrounding Urban Villages to Encourage Development**—Since the General Plan was approved four years ago, few development proposals have moved forward in Urban Villages. The fact is that some Horizon 1 Villages are not likely to develop soon. And at the same time, development in some Horizon 2 and 3 Villages is ready to go. Financing plans for some Horizon 1 villages are not complete, stalling development for approved Village Plans. The definition of “Signature Project,” which would allow projects in future horizons to proceed, is unclear. The Task Force should take the following actions:
- a. **Revise** the current Urban Village Horizons to ensure that development ready to go can proceed. While we understand the City’s focus on Urban Villages near Downtown, there are some Urban Villages that may not see much development in the short term. Holding up Horizon 2 and 3 Villages to wait for these Horizon 1 areas that aren’t ready essentially results in growth control. The Task Force can make a few changes that allow good development to move forward now.
  - b. **Establish** a goal in each Urban Village that requires that 25% of the units constructed be affordable, with a minimum of 15% of the units targeting households with income below 60% of Area Median Income. This goal does not have to be project by project, but should be applied to the Urban Village itself. To ensure compliance, there should be requirements in place that only allow a portion of the units in the Village to proceed until affordable requirements are met.

We appreciate that the General Plan Task Force has a big job to do. We respectfully ask that, as you review all of the issues before you, you ensure that affordable housing is a priority.

We are happy to respond to any questions the Task Force may have and thank you in advance for your consideration.

Sincerely,

Pilar Lorenzana-Campo, Policy Director, SV@Home

Keri Lung, MidPen Housing

Kevin Zwick, Housing Trust Silicon Valley

Janice Jensen, Habitat for Humanity East Bay/Silicon Valley

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