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Subject: We need to transform the General Plan's approach to housing
Date: Wednesday, October 30, 2019 10:18:38 PM

Attn. Kieulan Pham: You asked me to send my ideas about the General Plan for the review task force. Here they are. Thanks! – Robert Wood

Nothing could be clearer: The General Plan needs transformation to support desperately needed housing for Silicon Valley.

A solution-oriented approach to housing and transportation is possible. But our General Plan is anti-middle class, anti-poor, and anti-environment. By setting unrealistically low limits on housing units, the plan has caused homelessness, poverty, and pollution.

The legislature has passed significant housing bills. Unfortunately, they lack an element that is crucial for cities like San Jose: Help for municipalities that allow housing and experience service costs exceeding the revenues generated. It's unlikely we can fully address housing without further state policy change. But much change **is** possible now. And a plan titled "Envision 2040" should tell what San Jose **ought** to be like, not just what it can do within today's unhelpful state framework.

Our unrealistic Plan and state policies have helped make America's most "progressive" region the highest in homelessness and poverty in the United States. The Plan pushes people who should live in San Jose out, forcing many to move to the Salinas area and the Central Valley and thus causing sprawl, traffic, carbon emissions, and other environmental destruction.

Long-term Policy Failure

Since the 1980s, Bay area governments have sharply limited home building while aggressively promoting business growth. (I'm not a libertarian, but [this history of emergence of recent policies in a 1989 issue of the libertarian magazine Reason is helpful](https://reason.com/1989/08/01/the-growth-brokers/): <https://reason.com/1989/08/01/the-growth-brokers/>.) The results of promoting business and restraining housing are what should have been expected: Business grew, comfortable property owners got richer, but ordinary people suffered.

By 2013, the census bureau had shown that adjusting for living costs California had the highest poverty rate in the U.S. With ridiculous housing prices, the Bay area almost certainly had California's widest rich-poor gap. Yet the plan of the Bay area's largest city made "near term" provision for only 50,000 new housing units. As I read it, the 2016 General Plan revision seems to have made no change on housing though Greater San Jose had added 172,000 jobs between adoption of the original plan and the revision.

I respect the leaders who limited San Jose's growth because of dot-com bust challenges. San Jose has less business per capita than other localities, so we provide services for many whose employers pay tax elsewhere. California needs to give its cities something like the support Massachusetts gives with its Chapter 40S payments to municipalities that allow housing. But why does the plan fail to make clear that San Jose **could** provide great lives for its people if only the state provided the kind of help that other states provide? "Envision 2040" should show what could happen if the state takes appropriate steps and also address what to do if the right policy steps do not occur.

No shortage of land

And much is possible in the near term given rising tax revenue and business development. No shortage of land

prevents solution to the housing problem, and even public transportation currently under development seems nearly adequate for addressing our housing and poverty crises. The amount of land that needs to be developed is modest. Assume roughly that Santa Clara County needs to allow housing for a million more people, then at 20 housing units per acre and 3 people per unit that means development of 26 square miles – about 2% of the county. We all want to keep the South Bay's magnificent natural environment, and this calculation shows we do not need to damage it.

The transit network in place and under development also suggests adequate housing is possible. San Jose planning has allowed so little housing along light rail south of downtown that VTA is actually cutting service for lack of customers. Riding Caltrain, light rail, and bus rapid transit around San Jose suggests many possible development sites. One option might be adding more stops on Caltrain or creating bus rapid transit that parallels Caltrain.

Transit to the Central Valley

To genuinely envision 2040, the plan also needs to include public transportation to the Central Valley and Watsonville at least. We will certainly need that after 2030. For solid analysis of how this can be financed, I recommend San Jose State Prof. Shishir Mathur's [Innovation in Public Transport Finance: Property Value Capture](https://amazon.com/dp/1138250139) (<https://amazon.com/dp/1138250139>).

Solutions are possible. Fresno is only 25% less densely populated than San Jose. Yet rents are 60% lower there. I don't want a system just like Fresno's. We want protection for workers; home building must provide good jobs. But essentially the same processes that produce \$850-a-month apartments in Fresno can produce good \$1300-a-month apartments in San Jose. And such housing can bring tens of thousands of San Jose citizens out of poverty.

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