

January 30, 2020

Dear San Jose General Plan 2040 Task Force and Council,

I was Inspired by reading the 2040 General Plan after being appointed to the task force. We are lucky to live during a time when many business people and industry leaders are socially responsible i.e., care about San Jose and the bigger picture (people, environment, community, etc.) not just the bottom line. Mostly, we have the same goals, just different perspectives of what is going to work.

I believe it's helpful to consider the following questions when considering what will achieve the desired results and what will not:

- Can current regulations achieve the building goals? Do these regulations account for the basic economics required for building to happen?
- Do these regulations make housing more affordable?
- Can there ever be enough regulation to compensate for lack of supply?
- Who is responsible for and pays for the public good? Is it a select group of private businesses through regulations or the public through taxes or tax incentives?
- Who can meet the current regulatory requirements? Can local builder/developers survive in this climate of expanding regulations and continue to add to the critically needed housing supply, both market rate and affordable?
- Which works best the "carrot" or "stick" approach for getting results? Regulation being the stick. Rewards and incentives being the carrot.

Answers to these questions are crucial to building affordable housing and have desirable communities. My answers to the above questions include the following:

We need more housing or housing costs will continue to skyrocket. It's basic supply and demand. At 49% of goal, units needed to meet demand, let alone catch up, are not being built. We have a nationwide crisis that is affecting availability for every socioeconomic group. Why else would Governor Newsom sign a bill that allows up to 2 Accessory Dwelling Units on every and any property regardless of size or zoning? The more housing is added for any group, the more supply is increased to meet demand for every group. There is a real trickle-down effect. For example, I had a listing that sold for \$2.7 Million after 300 groups of people attended the open house. These 300 groups will buy what is available which ultimately will "displace" people in less expensive real estate. This will trickle down to all levels of real estate. I am witnessing this in my more affordable rentals.

The City of San Jose is looking to fund and solve a public problem from a small group of smaller private businesses rather than from the larger group of public taxpayers. Imposing restrictive regulations on builders/developers will not solve the problem. Adding the inclusionary housing fees/requirements is only making the affordable housing crisis worse. What we require is for public benefit. These regulations are based on ideals, but are not practical and the reason housing units are not being built.

Even worse, only mega corporations will survive today's regulatory environment. These corporations are creating the homogenization of America. Look at the changing landscape of

the banking, retail, and restaurant industries. For example, how many local book and clothing stores have survived. The reason only mega corporations can survive is they have lower cost in-house staff (administrative and legal) to comply. They also enjoy economies of scale and deep pockets to pay for the added cost of these regulations.

The “stick” approach, using regulation to accomplish the ideals, is not working. For example, only 2 of the 7 Signature projects approved met the requirements. Only 7 of the desired 61 Signature projects were proposed in 8 years.

Restrictive regulation is not the solution. Even in Socialist Sweden, regulation reduced building of rental units by 28% in 10 years.

I believe it is important to change the requirements to create an even playing field for the local companies who care about the quality of San Jose. This can be done by creating an incentive program that rewards the builder/developer with points, that will equate to reduced fees and/or more units, if they execute on the desired goals. One way to improve the public benefit ideals (quality, livability, ratio, and appearance of neighborhoods) is by measuring square feet built and/or preserved and give points and/or reduced fees based on these measurements. Here is a preliminary list to consider with ideas for measurement:

- Reduce Energy Consumption: Build more green. Measure according to LEED’s standards.
- Reuse: Recycle materials from buildings being torn down. Measure volume recycled. Places like Habitat for Humanity can reuse materials. This takes more time and costs more money. The Government has given tax incentives to homeowners for this.
- Support commercial/residential balance. Measure ratio.
- Preserve neighborhood character. Measure square feet copied or preserved. (Refer to Daniel Parolek’s Missing Middle Housing Presentation 12/18/19)
- Preserve intrinsic historic value of neighborhoods (ex: Japan town) Measure square feet preserved.
- Preserve trees and open space. Measure number of trees preserved or planted and square feet of open space (nature) that remains. High density in-fill goals help. Extend this.
- Create communities. Places to meet and play. Measure square feet.
- Reduce greenhouse emissions and support transit use. Measure distance to public transit built and planned.
- Build affordable housing. Measure number of bedrooms. Create minimum standards for size of bedroom.

Something has to change or San Jose will continue to have an affordable housing crisis at all socioeconomic levels. With respect, I hope you will consider these ideas.

Regards,

Roberta Moore

Compass, Broker Associate, Realtor® DRE License # #00791365

4-plex, Owner

Cell: 408.425.5611 (preferred)

roberta.moore@compass.com