



SPUR

San Francisco | San Jose | Oakland

October 17, 2017

San Jose Mayor and City Council
San Jose City Hall
200 E. Santa Clara Street
San Jose, CA 95113

Re: Agenda Item 3.6 (City Council Priority Setting Session)

Dear Honorable Mayor and Councilmembers:

This letter is to express SPUR's support for the following items that have been newly nominated as part of the priority-setting process:

- **The Urban Street Pilot Program (#6):** In our 2014 report *The Future of Downtown San Jose*, we recommended retrofitting downtown to be more pedestrian oriented. Part of the pivot towards a more urban future includes making streets attractive, safe and interesting so that people want to linger. The Urban Street Pilot Program directly aligns with this goal, as well as the city's growing focus on "easy urbanism" and enhancing public life. Pairing street closures with regulatory relief—including reducing permitting fees in proposed locations—will encourage activation, foot traffic, and local business support.

Recently, Mayor Liccardo reaffirmed his promise to build more housing and move the needle on our housing shortage. SPUR's latest report, *Room for More*, is a housing agenda for San Jose, and makes over 20 recommendations for addressing the housing crisis. We applaud the Mayor's proposal as it advances the city's commitment to housing.

- **Downtown Zoning Code Update (#14):** In *The Future of Downtown San Jose* and our 2015 white paper, *Cracking the Code*, we recommended a set of zoning code changes for downtown, including changes in parking requirements for downtown and urban villages. We support the proposal to establish minimum residential densities in downtown.

Additionally, we strongly support eliminating parking minimums. Eliminating parking minimums makes more effective use of our land and helps reduce housing costs by making units more affordable by design.

This is especially important for downtown. In *The Future of Downtown San Jose*, we found that the city could not fit the amount of growth that it wants to have in downtown due to the double challenge of height restrictions and high parking minimums. For downtown, we recommend eliminating parking requirements.

As the policy is further discussed, we recommend evaluating the following.

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1. Parking maximums in downtown. In the spring of 2017 as part of our annual downtown update, we found that 11 of 21 downtown hi-rise buildings that we evaluated had parking ratios that were higher than the minimum requirements, which means more space for car storage and less space for people and jobs. Therefore, it might be the right time to consider not only removing parking minimums but also implementing parking maximums.

2. Preservation of key parcels for jobs in the 1/4- mile radius of future BART stations and Diridon. We may be at a turning point, in which the flexibility of the downtown zoning is not as important as it was a few years ago. The recent expansion of Adobe and interest of Google indicates growing demand for downtown employment sites. In order to create more places where jobs can go, it is critical to protect the handful of commercial parcels we have left near transit including the nine available development sites near the future downtown BART stations.

3. Removal of parking minimums citywide. This helps create more naturally affordable housing options and opens up space for housing people instead of cars.

- **Align Zoning with General Plan Designations (#20):** We support the rezoning of land to match existing plans instead of rezoning through the planned development or signature project process. Although rezoning in advance of a development proposal requires resources, it can reduce the time required to review and respond to individual development proposals as well as create certainty for both developers and the city.
- **Identifying Underutilized or Blighted Opportunity Sites for Housing (#21):** Housing is a better land use than vacant lots and underutilized sites, and we support the advancement of this proposal through the priority setting process.

As the policy is further discussed, we recommend evaluating the following.

1. Expand the definition of "housing opportunity sites" to include vacant lots and surface parking lots.

2. Incorporate small sites or unusually-shaped sites seeking subdivision for detached housing units (e.g., flag lots wanting to have multiple detached units) or "missing middle" small multiunit housing (e.g., triplexes or live/work units). It is better to have three or four homes than to leave the site unused. Additionally, this type of housing is often more affordable and adds diversity to San Jose's housing stock.

3. Incorporate parcels that are surrounded on three sides by residential uses (rather than four) as these are already integrated into the residential fabric of communities and create more housing opportunities.

Additionally, SPUR supports the continued advancement of the following key items from the March 2017 priority setting process:

- **Accessory Dwelling Units & Garage Conversion Ordinance (#9):** SPUR strongly encourages San Jose to relax the requirements for secondary units and make the changes necessary to increase the number of potential lots in the R-2 zones. In-law units are a vital opportunity to accommodate new residents with very little neighborhood impact. We encourage San Jose to clear away obstacles that inhibit the success of in-law units.
- **Update Urban Design Guidelines (#14):** We support moving forward with the revisions to the city's urban design guidelines and are pleased that the city, with support from the Knight Foundation, has brought on a chief urban designer. Guidelines are an important step forward.

Although we believe updated urban guidelines are a strong next step, we strongly recommend that these be codified, rather than merely guidelines. The transformation envisioned in the General Plan won't happen without codifying the city's ground rules for good urban design.

Finally, the city must allocate resources to adequately prepare for significant growth projections by supporting the Long-Term Planning Department, the Housing Department, and Office of Economic Development to carry out these priorities in a timely manner. We understand that many of these proposed priorities are accompanied by workload assessments and that the city budget for the next few years is not ideal. However, many of these priorities are the work of local government and are not typically eligible for grant funding, yet still need to be done--especially in a growing city. These investments in planning will reap future economic returns for all San Jose residents.

Thank you for your review and consideration of these comments. We look forward to working with you to advance these priorities. Please feel free to contact us with any questions.

Sincerely,



Teresa Alvarado
San Jose Director

cc: Kim Walesh, Rosalynn Hughey, Jacky Morales-Ferrand