

**SPECIAL MINUTES OF THE CITY COUNCIL STUDY SESSION
COST OF DEVELOPMENT IN SAN JOSE**

SAN JOSE, CALIFORNIA

THURSDAY, APRIL 26, 2018

The Council of the City of San José convened in Special Session at 1:38 p.m. in the Council Chambers at City Hall.

Present: Council Members - Arenas, Carrasco, Davis, Diep, Jimenez, Jones, Khamis, T. Nguyen, Peralez, Rocha; Liccardo.

Absent: Council Members - All Present.

Staff: Assistant City Attorney Ed Moran; City Manager, David Sykes; City Clerk Toni J. Taber, CMC; Deputy City Clerk, Ruth Krantz.

Documents Filed: Presentation: Cost of Development, dated April 26, 2018.

INTRODUCTION

Mayor Sam Liccardo provided an introduction and appreciation to those builders present for offering their insights. He further addressed the housing crisis San José is facing.

Senior Business Development Manager Chris Burton discussed the City's partnership with the development community. He noted that there will be a follow-up discussion May 1, then again on May 22 to continue...June 5 continuation of conversation. Basics of mixed use development.

Drew Hudacek and Libby Seifel, representing the Urban Land Institute (ULI) San Francisco District Council, discussed their participation as the local leadership for the Urban Land Institute, which is composed of leading real estate and land use professionals who volunteer their time to build a strong Bay Area presence for ULI. They offered a presentation on residential real estate economics, further discussed the development process, key real estate trends and offered a San José case study. They responded to extensive questioning from the Council.

Mayor Sam Liccardo opened the floor for public comment.

Public Comments:

- (1) Kirk Vartan, Catalyze, Silicon Valley, discussed vehicle parking an impediment;
- (2) Alice Kaufman, Committee for Green Foothills, expressed environmental concerns;
- (3) Kurt Anderson, Anderson Architects, urged minimizing fees to lessen construction expenses;
- (4) Erik Schoennauer, the Schoennauer Company, opined the need to be bullish on housing;
- (5) Ron Johnson, representing Sacred Heart discussed lowering the cost of development
- (6) Mark Tersini and Shawn Mulligan, KT Urban, discussed rising cost of development;
- (7) Bob Brownstein suggested spreading out a portion of the fees across the life-cycle of the property;
- (8) Tim Woloshyn, Z&L Properties spoke to the difficulties of getting projects financed and constructed in the current climate;
- (9) Aboubacar Ndiaye, Working Partnerships spoke on increasing the development pipeline, but not at the cost of funding parks, streets and schools;
- (10) Harvey Darnell urged that community needs not be forgotten and the creation of healthy communities;
- (11) Pete Seaberg, IBEW 332, noted construction workers pay has remained stagnant as developers profits have soared;
- (12) Josh Burroughs discussed making the numbers work for financing new development;
- (13) David Bini, Building Trades Council and Josue Garcia, MEPS noted that the solution to increasing development is not to exploit construction workers;
- (14) John S. Leyba, representing San José Parks Advocates spoke in support of the creation of parks and controlling blight;
- (15) Don Peterson spoke to the impact of tariffs on construction costs;
- (16) Bruce Roberts spoke of the need for rapid transit in this equation;
- (17) Robert Aguirre spoke to reducing the costs of development and the plight of the homeless;
- (18) Brendan Hayes, Fairfield Residential, discussed surety of development and ways to incentivize more development.

ADJOURNMENT

The Council Study Session adjourned at 4:36 p.m.

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Minutes Recorded, Prepared and Respectfully Submitted by,

Toni J. Taber, CMC
City Clerk

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