



Memorandum

TO: CITY COUNCIL

FROM: Councilmember Devora “Dev” Davis
Councilmember Raul Peralez

SUBJECT: Vehicle Miles Traveled Update

DATE: 11/23/2022

Approved:

Date: 11/23/2022

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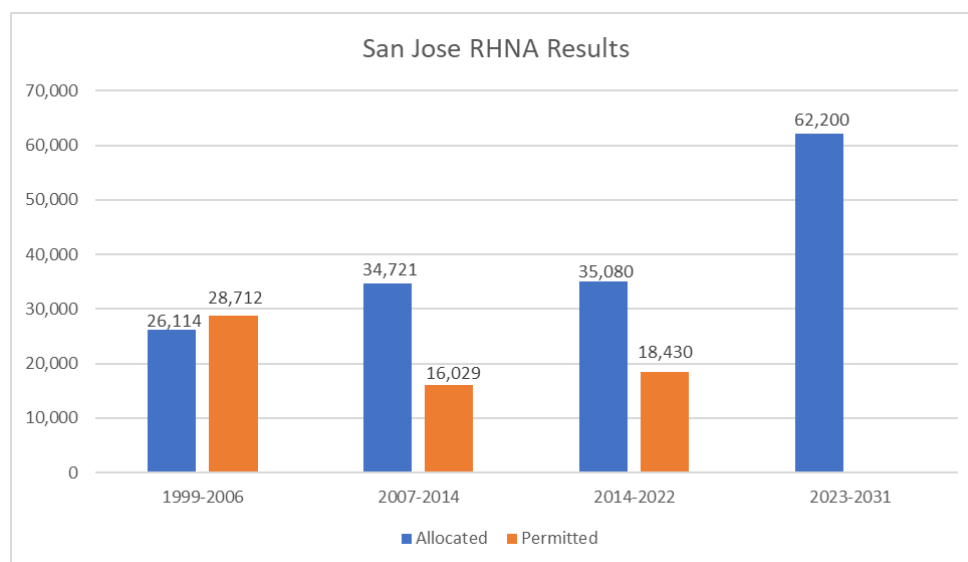
RECOMMENDATION

1. Accept Staff’s memorandum and approve the Resolution: T&E COMMITTEE
RECOMMENDATION WITH ADDITIONAL STAFF EDITS with the following change:
 - a. Delete existing section (b) language on page A-5 and replace with: Provides significant benefit to neighborhood vibrancy in some way, such as by including appropriate neighborhood-serving commercial space as part of the project.
2. Direct staff to ensure that proposed projects conduct extensive community outreach in all prominent languages of the proposed project area consistent with “Projects of Significant Community Interest” under Public Outreach Council Policy 6-30.
3. Direct staff to ensure that before the approval of a privately initiated General Plan Amendment, the applicant shall submit a proposed project as part of a zoning application so that it can be heard concurrently with the General Plan Amendment by the Planning Commission and City Council.

BACKGROUND

The state of California has declared a housing crisis and, to add to the housing supply, has recently approved several state laws to promote the production of housing. The state is currently considering new laws to further streamline the approval process and facilitate the production of all housing types. The City of San Jose has also declared a housing crisis and has created a housing crisis workplan to facilitate the production of more affordable and market-rate housing to add to the housing supply. Although the city has made recent changes to promote more housing, it has not done enough to keep up with the demand and has failed to meet the past two Regional Housing Needs Assessment housing unit allocation cycles.

Since 1969, California state law has required all local governments (cities and counties) to plan for their share of the state’s housing needs. Each jurisdiction’s share is determined through the Regional Housing Needs Assessment (RHNA) process, which occurs every eight years. Until the 2007-2014 RHNA cycle, the City was consistently meeting its RHNA allocation, having permitted 28,712 new housing units in excess of the 26,114 units allocated to the City during the 1999-2006 RHNA cycle.¹ However, the City has failed to meet its RHNA allocation in the last two cycles, having only permitted 16,029 of the 34,721 housing units allocated in the 2007-2014 cycle² and 18,430 of the 35,080 housing units allocated in the 2014-2022 cycle.³ The chart below shows the steep dropoff of permitted housing units between the 1999-2006 and 2007-2014 RHNA cycles.



California is now in its fifth “housing-element update cycle”, which covers the years 2023 through 2031. The RHNA Draft Methodology for the San Francisco Bay Area, 2023-2031 was approved by the ABAG Executive Board on January 21st, 2021. Per Appendix 4 of the RHNA Draft Methodology for the San Francisco Bay Area, 2023-2031, San Jose has preliminarily been required to update its Housing Element to allow for the construction of 62,200 new housing units, including:

- 15,088 very low-income units (<50 percent of area median income (AMI))
- 8,687 low-income units (50-80 percent AMI)
- 10,711 moderate income units (80-120 percent AMI)
- 27,714 above moderate-income units (>120 percent AMI)

We need to do more during the next Regional Housing Needs Assessment housing unit allocation

¹ San José Department of Housing and Community Development. *2006 Status Report on the Implementation of the San José 2020 General Plan Housing Element*. November 20, 2006.

² San José Department of Housing and Community Development. *Annual Housing Element Progress Report*. February 24, 2014.

³ San José Department of Housing and Community Development. *Annual Housing Element Progress Report*. March 15, 2021.

cycles so we can meet the housing allocation goal, which is approximately 62,000 housing units. This is a daunting task, but we believe we can reach it if we recognize the severity of the problem and get serious about implementing changes to the approval process that can make a significant impact to the housing production.

ANALYSIS

In the update to VMT, staff proposes to allow only market-rate housing consistent with the City's General Plan land use designations as of November 29, 2022. Staff's recommendation precludes any privately initiated General Plan Amendments for housing. This recommendation deprives any future City Council of a framework to be responsive to changing market conditions and to exercise their state-given authority to make a statement of overriding considerations for projects they deem to have merit.

As members of the Transportation & Environment Committee, we requested that staff develop criteria to be considered for a Statement of Overriding Considerations. We also requested staff to modify the housing requirement to be less prescriptive and more flexible on the amount of affordable housing that should be provided, while establishing an objective that proposed projects contribute significantly towards achieving RHNA goals. Finally, Councilmember Davis also said park needs should be considered, especially in areas underserved by parkland.

The goal of our committee recommendations was not to make the VMT measure too prescriptive, but rather to provide a framework or suggestions for future Council considerations given the specific needs of the neighborhood where projects are being proposed and the specific needs of the City at the time of consideration. Our recommendations above, including the Resolution that incorporates our committee's edits to Policy 5-1, strikes the balance between allowing a Council statement of overriding considerations for infill properties where city services already exist while preserving our scarce industrial and public/quasi-public lands. By implementing our recommendations, the Council will make a significant impact towards the city's 2023-2031 Regional Housing Needs Assessment housing unit allocation and ensure that our employment and potential park lands are not converted into housing.