COUNCIL AGENDA: 05/17/2022
FILE#: 22-707
ITEM: 10.2

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Councilmember Matt Mahan

SUBJECT: SEE BELOW

DATE: May 17, 2022

Approved

Date: 5/17/2022

Matt Mahan

SUBJECT: NORTH SAN JOSÉ POLICY

RECOMMENDATION

Accept the recommendations set forth in the memo authored by Mayor Liccardo, Councilmember Cohen and Councilmember Peralez, the recommendation outlined in staff's supplemental memo dated 5/13/2022, and direct the City Manager and the City Attorney to request a meeting with the County Executive and County Counsel for the purpose of resolving the County's stated objections to the Amended Settlement Agreement between the City of Santa Clara and the City of San Jose, and where no agreement appears imminent, to define and commit to an accelerated schedule to engage in mediation or arbitration to rapidly resolve any remaining issues.

BACKGROUND

I want to thank city staff and my colleagues for their tireless efforts in recent years to forge an agreement with the City of Santa Clara and County of Santa Clara that would resolve the longstanding legal impasse that has blocked homebuilding and job creation in North San Jose. With thousands of San Jose families facing economic insecurity and climate risk accelerating, we could hardly face a more urgent need for resolution of old disputes that prevent the very kind of housing construction that we know is the path to a more affordable and sustainable future for all.

This impasse is especially vexing given that our historical disagreements largely hinge on outdated, car-centric projects that do not represent a compelling reason to block smart infill development near jobs and transit. If anything, our collective failure to resolve these issues has pushed far less sustainable and traffic-inducing residential development to distant bedroom communities, tragically adding to the growing ranks of so-called "super commuters" who spend more than 90 minutes per day commuting to work by car.

Amid the many who have cheered on the recent progress toward a settlement, I was disheartened to see the letter from Santa Clara County Counsel, James Williams, objecting to the tentative agreement reached between the City of Santa Clara and City of San Jose. This agreement would

require San Jose to make substantial investments in regional transportation infrastructure in exchange for resolution of past litigation that has prevented the construction of even one new home in North San Jose over the past decade.

City staff has worked in good faith for years with both the County and the City of Santa Clara to collaboratively identify a balanced and pragmatic path forward, as represented by the draft agreement currently under consideration. In his letter, the County Counsel requests further delay and claims that the County has not had sufficient opportunity to understand the proposed settlement terms. In reality, City staff have met with their County counterparts to discuss related issues 18 times since August of 2018, in addition to several additional conversations. Listed below is only a partial list of the numerous times City staff has communicated with County staff on this topic:

Date	Meeting title
8/10/18	NSJ Rephrasing Discussion w/ County
10/17/2018	North San Jose Policy meeting with County of Santa Clara
01/11/2019	Draft North San Jose Re-Phasing Plan
05/10/2019	City of Santa Clara - RE: North San Jose Policy update
05/28/2019	North San Jose Policy update with the City of Santa Clara and County
10/1/2019	North San Jose Transportation Plan
10/30/19	NSJ ADP Update Negotiations
10/13/2020	Montague Expressway & North San Jose (city/county)
05/26/2021	North San Jose ADP retirement discussion San Jose and County
8/20/21	CSJ/SCC:NSJ
09/24/2021	North San Jose ADP retirement meeting
11/23/2021	NSJ settlement and Close out
11/23/21	NSJ settlement and close out
1/21/22	NSJ Area Development Policy
2/14/22	NSJ Agreement (confirmed)
3/23/22	Briefing for Supervisor Lee on NSJ Plan
4/19/22	North San José Meeting
4/27/22	North San Jose Meeting (county staff cancelled)

At every turn, City staff have sought to engage their County counterparts and propose solutions that would move our city and region forward. Given the stakes, I would hope for a comparable level of urgency and constructive engagement from County leadership. Collectively, we have an obligation to stay focused on the big picture, which is very clearly that continued inaction blocks affordable housing, harms our most economically vulnerable residents and worsens our climate crisis. We have already endured a decade-long housing crisis, during which we have not been able to break ground on a single one of the 24,000 homes that could have been built in North San Jose. The cost of further delay is simply too great, which is why I recommend that the City Manager and City Attorney immediately request a meeting with the County Executive and County Counsel to establish a shared commitment to the timely resolution of this dispute and a process through which we will achieve it.