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**TRANSMITTED VIA EMAIL**

November 28, 2017

Mayor Sam Liccardo and Members of the City Council  
City of San Jose  
200 East Santa Clara Street, 18<sup>th</sup> Floor  
San Jose, CA 95113

Dear Mayor Liccardo, Vice Mayor Carrasco, and Councilmembers Arenas, Davis, Diep, Jimenez, Jones, Khamis, Nguyen, Peralez and Rocha:

**Re: Item 4.1-- Report on the Implementation of the Urban Village Component of the Envision San José 2040 General Plan**

On behalf of our members, we write today to encourage the City Council to take proactive action to activate Urban Villages in a way that results in much needed housing development.

Mayor Liccardo has challenged San Jose to address the housing needs of its residents, calling for the addition of 25,000 new homes (40% of which are affordable) over the next five years. As the GP 2040 envisions the vast majority of housing growth in Urban Villages, activating the Villages is the only way to ensure that the City can meet this goal.

The bottom line is that very few homes have moved forward in Urban Villages since the City Council took action to approve the GP 2040 in November of 2011. There are a number of reasons for this, including the requirement for jobs before housing—which often doesn't reflect market demand—the timing of the horizons—which also doesn't match the market, and the changing retail environment. Another reason is that the Council directed staff to develop a policy for Urban Village Infrastructure Financing prior to approval of new market-rate development. This action has been delayed due to Planning Department staffing capacity, which also has impacted the number of villages that have been activated.

We know that it has been challenging to develop a policy for UV Infrastructure Financing. We appreciate that the staff has met with the development community to hear feedback, and that they have worked to respond to concerns raised.

In response to the staff memo now before the Council, we have the following comments and concerns:

1. **Timing**—the proposed timeline suggests that Urban Village Financing Plans would not be in place until 2019—two years from now. Those projects in

Honorable Mayor Liccardo and Members of the City Council

**Re: November 28, 2017 City Council Agenda Item 4.1 – Report on the Implementation of the Urban Village Component of the Envision San José 2040 General Plan**

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Urban Villages that are ready to start construction should be allowed to start now. We never know what might happen to the housing market, and we can't wait two years to get started building when we have a housing crisis. The policy should also clarify that Signature Projects, which by their definition provide significant additional amenities, will not be subject to this policy and can continue to move forward.

2. **Rezoning**—the proposal would rezone all sites to Urban Village Commercial and require that a developer who wants to build a mixed-use project request that the land be rezoned to Urban Village Mixed Use. Staff has indicated that this two-step process is necessary because the City may decide to adopt a Community Facilities District in some locations. We ask that the staff rethink this process, which results in longer development timelines and added expense. What's needed is a streamlined, clearly-defined process that gives a green light to developers to activate Urban Villages.
3. **Cost**—it is unclear where the 2% figure came from and whether this would have a chilling effect on development moving forward. There are also concerns about how the policy will deal with geographic differences between the Urban Villages, how the value of amenities will be determined, and how soft costs will be factored in. It is clear that more work is needed to arrive at a workable policy.
4. **Affordable Housing**—including affordable housing as an amenity, over and above existing requirements, is a positive way to move development forward and add to the supply of homes affordable to lower- and moderate-income residents.

The City's GP 2040 centers housing growth in three main places—Downtown, North San Jose, and Urban Villages. Right now, only the former is activated. We urge the Council to take an aggressive approach to opening up Urban Villages to development. These mixed-income communities, revitalizing underutilized and outdated commercial centers, were the vision when the GP 2040 was designed.

We also urge the Council to provide the needed funding during the upcoming budget process for Planning Department staff to provide them with the capacity to move Urban Villages forward, as well as to implement the other important provisions included in the Mayor's Housing Plan.

Thank you for the opportunity to provide comments. We look forward to working with the City as it moves forward to meet the affordable housing needs of San Jose residents.

Sincerely,



Leslye Corsiglia  
Executive Director

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Shasta/Hanchett Park Neighborhood Association  
P.O. Box 28834 • San José, CA 95159 • info@shpna.org • www.shpna.org

November 28, 2017

Mayor Liccardo and Members of City Council  
City of San Jose  
200 East Santa Clara St  
San Jose, CA 95113

Re: November 28, 2017 Council Agenda Item 4.1: "Report on the Implementation of the Urban Village Component of the Envision San Jose 2040 General Plan"

Dear Honorable Mayor Liccardo and Honored Members of City Council,

On behalf of the Shasta / Hanchett Park Neighborhood Association, I would like to thank you for the opportunity to comment on the Report on the Implementation of the Urban Village Component of the Envision San Jose 2040 General Plan.

The Shasta/Hanchett Park Neighborhood Association represents 1,400 households in neighborhoods immediately West of Diridon Station, encompassing the entirety of The Alameda Urban Village boundary. The group was founded in 1984 to protect the interests of our historic and beloved community. Over the years, we have worked with the City of San Jose, developers, builders, and our neighbors to create a balanced neighborhood. Since the first public outreach for The Alameda Urban Village Plan, current and former S/HPNA Board members have been intimately involved in providing feedback, design direction, and community input. S/HPNA has demonstrated a lasting commitment to the promotion and well-being of The Alameda, through efforts such as the Rose, White, and Blue Parade, Stroll The Alameda, and The Beautiful Way Plan. Working in concert with The Alameda Business Association, we helped initiate, design, and secure funding for the renovation of The Alameda.

We are therefore very concerned regarding the verbiage in the Supplemental Memorandum before you today. The process by which the Urban Village plans were created was a collaborative effort. In the case of The Alameda Urban Village, this meant years of meetings, wherein City staff would sit down with community leaders, concerned citizens, and developers to generate cohesive development guidelines that addressed the concerns of all the stakeholders. To abandon some of the basic tenets of these conversations by attaching the Staff memorandum to an agenda Urban Village report two working days after the Thanksgiving holiday, when all but the most fervent advocates are understandably occupied elsewhere, sends a very disconcerting message, and seems to clearly devalue public input.

In addition to wholly encompassing The Alameda Urban Village, S/HPNA is severely underserved in parks, per the City's requirement of 3.5 acres of parkland per 1,000 residents. In February, the City Council bemoaned the state of the City's parks, and the numerous areas where the City's own acres-per-resident threshold is not met. Aggressive measures, and an uptick in funding, were both seen as prerequisites to addressing the current parkland and parkland fund deficiencies. Now you have before you a proposed development fee structure that would not only fail to address the existing inequities, but could further exacerbate the problem. The Urban Village Implementation Framework Policy would create a single percentage fee for all amenities, potentially eliminating the separate and distinct requirement for park funds. Based on the examples contained within the Report, the 2% fee would, in some instances, be less than what is currently required for park fees alone. Taken at face value, the proposed Framework before you would allow money that would have otherwise been earmarked for parks to be spent on additional commercial space (a source of revenue for the developer), art installations, traffic improvements, and upgrades to interior private roads. This is not hyperbole; the report before you states, in so many words, that fees could go towards the creation of additional commercial space in a private development, in lieu of parks and public open spaces.

The report is vague regarding the fate of the current park impact fees and transit impact fees. Will these be eliminated when the new fee structure is put into place? Any framework worth discussion should clearly state what new fees are being proposed, and what will become of any and all existing fees. This is a convenient omission, which, if implemented, would be a direct benefit to the developer, at the expense of the quality of life of not only the proposed project's residents, but that of the neighborhood's existing residents as well.

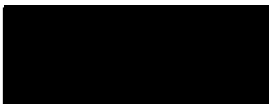
Troublesome vagaries aside, the explicitly-stated lower expectations for the number and quality of amenities in neighborhoods with low land value is a direct insult to those residents of San Jose not fortunate enough to live in the toniest of the City's zip codes. There should be a consistent high bar for the parks and amenities of all the City's Urban Villages; not a sliding scale based upon the perceived value of the dirt on which the amenities are built. The report makes clear that the health, happiness, and welfare of Urban Village residents in less-affluent parts of San Jose is of less concern to the City; rather than potentially embracing this deliberate stratification of amenities, the City Council should be appalled by it.

The Supplemental Memorandum is misleading, at best, when discussing Stakeholders Outreach and Feedback. At the time of the March 17, 2017 community meeting, the proposed percentage fee structure was not under consideration. Therefore, the meeting cannot be considered an appropriate or sufficient form of outreach. The Development Community Outreach and Feedback portion of the Supplemental Memorandum makes clear that an amenities fee structure was a result of the feedback from the August 16, 2017 meeting with developers, and the July 27, 2017 meeting of the Building Industry Association (South Bay). If the basic tenets of the fee structure are cited as feedback from those two meetings, then attempting to pass off a community meeting that took place almost five months earlier as sufficient community outreach is disingenuous at best.

Therefore, we strongly urge you to reject those portions of the proposed Framework that seem to lighten the financial commitment of developers, at the expense of the City's parks and community services. Rather than potentially reducing the financial allocations for parks and neighborhood services, please take this opportunity to make a strong statement in favor of the social, economic, and health benefits of a properly maintained Parks system. In the face of recent difficult budget cuts, PRNS staff has struggled valiantly to maintain our parks at a level well-beyond the staffing and resources allotted to them. Now is the time to correct those deficiencies, and make clear that the Mayor and Council's vision for a vibrant, growing San Jose include parks and recreation facilities worthy of the Capital of Silicon Valley.

We take pride in our neighborhood; S/HPNA Board members and volunteers have been diligent advocates and volunteers in our parks for many years, and will continue to do so. Therefore, we ask you to match this dedication. Our community can only benefit from your support today. We look forward to being a part of the process to address quality urban planning, public safety, and truly livable amenities for our diverse community.

Respectfully submitted,

A solid black rectangular box used to redact the signature of Edward Saum.

Edward Saum

President, Shasta/Hanchett Park Neighborhood Association