

**Response to February 12, 2018 cover letter from San Jose Residents for Senior Homes**

This memorandum responds to the February 12, 2018 letter from San Jose Residents for Evergreen Senior Homes (“Proponent”) relating to the City’s Elections Code 9212 Report on the “Evergreen Senior Homes Initiative” petition (“Initiative”) that was presented to the Council on February 13, 2018.

Staff’s purpose in presenting the Council with the 9212 Report was to provide Council with an objective evaluation of the impacts of the proposed Initiative on the City. The Initiative Proponent complains that the Report is biased; however, its February 12 letter fails to accurately attribute or refer to any sections from the 9212 Report that it describes as “key facts” from the 9212 Report. Staff simply does not find factual support for the eight points made by the proponents on the first and second pages of its letter, and directs the Council and the public to the full text of the 9212 Report, which reasonably describes the potential impacts of the Initiative and staff and consultant methodology for evaluation of the Initiative.

But with regard to issues raised in the Proponent’s letter regarding provision of housing in San Jose, it is important to note that the Initiative specifically states that the City is prohibited from using any senior housing developed under the Initiative towards the 120,000 unit housing goal in its General Plan. So, the Initiative creates a shuffle between jobs and housing, with a two-pronged impact.

First, it requires the City to authorize construction of more housing than needed under the current General Plan because the Initiative’s senior housing overlay units will not count towards that General Plan goal.

Second, the Initiative will either reduce the amount of employment land in the City exacerbating the jobs-housing imbalance in San Jose, or will require the conversion of residential land to employment uses reducing the amount of land available for residential development that can be counted towards the City’s housing goals required by state law.

It is also doubtful that low-margin industrial businesses could compete for land with senior housing developers or businesses that normally occupy higher-density (and more expensive) environments. This jobs-housing issue and difficult balance is discussed further in the Expected Changes to Land Values section of Chapter IV of the 9212 Report.

Attached hereto is staff’s response to other points made by the Proponent in the spreadsheet attached to its February 12 letter.