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Leslye Corsiglia
Executive Director

TRANSMITTED VIA EMAIL

February 24, 2019

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

Dear Mayor Liccardo, Vice Mayor Jones, and Councilmembers Arenas, Carrasco, Davis, Diep, Carrasco, Esparza, Foley, Khamis, and Peralez,

Re: Item 4.2 Amendment to Title 20 (The Zoning Ordinance) of the San José Municipal Code to Add Co-Living Facilities as a New Use in the Downtown

We write today to express our support for the addition of a new land use designation for co-living developments in San Jose's Downtown. In recent years, co-living has become a popular product type as developers respond to changing views from the public about the kind of housing they need and desire. With their smaller units and increased density, co-living projects are both more affordable to build and can be more affordable for renters than typical multi-family residential development.

Finding innovative solutions to the need to increase the housing supply is critically important and is the only way that the City will be able to meet the goals of the Housing Crisis Workplan, with its goal of 12,500 new homes downtown by 2022.

However, we do need to acknowledge that this is not affordable housing in the true sense. Average rents for a one-bedroom apartment in San Jose exceed \$2,500 a month—requiring an annual income of \$100,000. Co-living space at several developments in San Francisco start at about \$2,000 a month. Less expensive, yes. But not affordable.

As a result, it is important to ensure that affordable homes are included as these projects move forward. We support the recommendation included in the Supplemental Memo from Planning Director Rosalyn Hughey and Housing Director Jacky Morales-Ferrand to clarify that a bedroom in a co-living development is classified as a unit for both Regional Housing Needs Allocation purposes and under the City's Inclusionary Housing Ordinance.

As Downtown expands its role as a regional jobs center, adding tens of thousands of

Honorable Assemblymembers David Chiu and Tim Grayson

Re: Support for AB 2923

June 20, 2018

Page 2 of 2

jobs in the Diridon Station Plan Area and surrounding areas, planning for housing must be a priority. Like the Bay Area as a whole, San Jose faces a severe need for more housing for all its residents. Exploring and supporting high-density housing options for residents with a range of incomes, located near jobs and transit and in areas that promise a vibrant walkable mix of uses, is a solution.

We applaud these efforts and look forward to working with you as the City proposes new and bold ideas for responding to the need for more affordable housing.

Sincerely,



Leslye Corsiglia
Executive Director



February 25, 2019

Honorable Mayor and City Council
San Jose City Hall
Santa Clara Street
San Jose, California 95112

Re: City Council Agenda for 2/26/2019, Item 4.2
Comments on Proposed Co-Living Ordinance

Mayor Liccardo, Vice-Mayor Jones and Members of the San Jose City Council:

I understand that you will be taking up the proposed co-living ordinance on the council agenda this Tuesday. I only very recently learned of the new ordinance, but have spent time reviewing it closely.

I support providing this type of housing in the downtown. I agree that the city is facing a housing crisis and that new and innovative solutions need to be pursued. Co-Living or dormitory style housing is one of the solutions. I believe these new developments can provide needed housing and contribute to a vibrant and successful downtown.

These new market-based projects should be designed to provide efficient, yet high-quality housing. San Jose has followed a long tradition of building affordable housing, but never low quality housing. I am concerned that the profit motive associated with co-living projects is not always consistent with the fundamental needs of the people who may live there. That's why the co-living ordinance is important, so that it establishes basic standards this housing type should meet.

I don't know if I'll be able to attend the council meeting on Tuesday afternoon, but I wanted to take the time to share my perspective as someone who has long had an interest in the planning of the city. I offer the following suggestions.

1. The Council Should Defer Action on the Proposed Co-Living Ordinance and Invite More Participation Consistent with the Council's Policy on Public Outreach.

The Co-Living Ordinance that is being presented to you is a good starting point, but it has had little public review. The first draft was recently published. The notice of the ordinance was published in the San Jose Post Record – a newspaper that meets legal requirements and serves no other purpose. The ordinance, I just found out, had been posted on the Planning Department website, but there has been little outreach aside from that. Apparently there was a mailing that went out to certain individuals in January. I don't know how they were identified.

I don't believe the spirit and intentions of Council Policy 6-30 – Public Outreach Policy for Pending Land Use and Development Proposals – have been met. The goal of the Outreach Policy is to involve “interested parties in the development process through early notification and accessibility of information.”

The proposed co-living ordinance will set the development standards for all future co-living projects and then delegate to the Planning Director the authority to approve individual projects that conform to the ordinance. The Co-Living Ordinance is intertwined with pending projects. If a proposed project complies with the new ordinance, the Planning Director lacks discretion to deny or modify it.

The Planning Commission considered the proposal less than a month ago on January 30, 2019 at a 6:30 pm meeting. A total of four people spoke to the Commission -- a registered lobbyist and three representatives associated with the proposed StarCity Co-Living Project.

StarCity is proposing an 800 unit co-living project on Bassett Street. Under council policy this is considered a "large development proposal." The city has not yet mailed notices of the proposed project, yet the key requirements that will determine the design of the project are in the Co-Living Ordinance which is set to be approved by the council before any residents near the project will be mailed about the project.

It is respectfully requested that the council defer action on the proposed law, conduct some community meetings, and refer the proposed ordinance back to the planning commission. We all want these projects to succeed and work well after they are built. More involvement, not less, will help achieve that goal.

2. For now, the City Council Should Not Delegate Review and Approval of this New Type of Housing.

Co-living is a new type of housing resource that can fulfill unmet housing needs of our city. But it is a new type of housing that the city has little experience with. These projects can be sustainable and successful over a long period of time, but like all things new, there likely will be lessons to be learned. Co-living projects should be designated conditional uses until the city has more experience with them.

Under the current proposal, very large co-living projects will be permitted simply through the approval of city staff, without involvement of elected representatives or an opportunity for residents to be heard by their elected representative.

The proposal to delegate authority to approve large scale projects to a single, non-elected staff member is contrary to transparency. It encourages stakeholders to contact the Mayor or the council representative to influence the planning director. Public decisions should occur publicly and transparently and at hearings where input is considered in an open, democratic process.

One large scale co-living project, The Graduate, is under construction. A second one is proposed by StarCity. Star City is about a two-year old company. It's founder is a former commercial real estate broker with no prior experience building this type of housing. The company has a short track record of operating a handful of small co-living projects and has no experience operating a project of the scale proposed in San Jose – 800 units.

The city needs innovative ideas like co-living housing to deal with its housing crisis. At the same time, the city should carefully review and oversee these new projects to ensure their success. A conditional use permit process allows the council to determine the conditions of operation for this project, which will help ensure long-term, successful operation of the project. It is important that the StarCity project is successful. The goal should be to make it a model of success for other projects to meet.

3. Co-Living Projects Should Not Be Designed to Exclude Adults with Children

It is unlawful to discriminate against households with children. Co-living projects should be designed and planned to accommodate households with children. The proposed co-living ordinance fails to set forth any requirements or standards for design that plans for households with children.

Co-living projects need to incorporate bedrooms and sleeping arrangements that meet the needs of children as well as shared play space for children. Certainly, multi-story large scale co-living projects can incorporate designs that accommodate adults with children.

The ordinance defines a “co-living community” as “a residential facility where individual secure bedrooms rented to one or two persons, are provided for an established period of time with a lease agreement ...” Co-living should encompass a broader community. Co-living facilities offer alternatives to individuals who currently rent bedrooms or live in a garage. This population is not limited to single adults. The population includes households with children. Co-living should be an alternative open to more other than adults without children.

The ordinance contemplates that adjoining units could be leased in tandem or jointly by two or more individuals. Some adjoining units should be designed to permit joint use.

It is important to remember that the co-living projects being considered are market-rate projects. It has never been the policy of the city for market rate projects – other than senior housing -- to exclude children, either intentionally or by design. Developers of co-living projects are able to build projects without city subsidy because the projects triple the number of people that would normally occupy the same amount of space in conventional housing projects. These gains occur through the use of common kitchens, eating and living spaces. The gains should not be achieved based on a plan of excluding children.

4. The Co-Living Ordinance Should Require Efficient, but High Quality Living Spaces.

Co-living provides affordable housing by providing smaller units but achieves economies through common, shared living spaces. The council should consider amendments to the co-living ordinance that provide high quality living standards through ample common facilities and functional private space.

a. Kitchen to Bedroom Ratios

The Planning Commission has recommended requiring a kitchen for six or more bedrooms, while staff had recommended one kitchen for 10 or more bedrooms. This discussion appears focused on smaller co-living projects. The ordinance is poorly worded because it fails to establish the minimum number of kitchens required in large projects. The council should fix this by changing the language that kitchen facilities shall be provided for every 6 bedrooms in large co-living projects.

b. Dining Space

The ordinance fails to establish any standards for common dining space. Staff should be directed to develop a proposed ratio of dining area per bedroom.

c. Bathrooms

Every bedroom unit should have its own bathroom. “The Graduate” project, currently under construction, has separate bathrooms for virtually every unit. The StarCity project lacks an individual bathroom for every unit and would require some units to share the same bathroom. The ordinance should require individual bathrooms for each unit, unless two units sharing the bathroom are leased jointly.

d. Closets

Every bedroom space should have a closet. The staff memo states the ordinance permits either a closet, a piece of furniture or storage bins. The actual language of the ordinance proposes something less: “A closet or designated storage space is required in every bedroom.” (See Section 20.80.290(B)(8).) A designated storage space is vague – it could be a corner of a room.

A closet is a basic amenity that should be included in a market rate project. Most every dorm room at San Jose State has a closet. A dresser or a storage bin does not provide enough storage space for the average individual. Closets were included in the design of every unit in “The Graduate” project. Furniture can be removed from units. Closets provide permanent storage space.

e. Laundry Facilities

The proposed ordinance only requires one washer and dryer for every 20 bedrooms or fraction thereof. The StarCity project has approximately 50 bedrooms on most every floor. Bedrooms may be occupied by one to two persons. Even assuming only one person lives in every bedroom, the ordinance would require only 3 washers and dryers for 50 people. Laundry facilities should be provided at the same ratio as commonly required in apartment projects.

5. Common Interior Space

The staff memo states that this new use of co-living will be required to provide “ample common living space for residents,” but the ordinance fails to implement that standard. The ordinance requires only 20 square feet of interior common space per bedroom and permits the space to be on a different floor than the corresponding bedroom.

The council should require that each floor have ample common space for the corresponding bedrooms on the same floor. The standard of 20 square feet is not ample in large developments. For example, a floor plan that has 50 units on a single floor would only require 1000 square feet of common space. The ordinance allows that 1,000 square feet to include kitchen and dining space. Residents should be afforded common living space outside a kitchen and dining area – places to sit, read, meet, watch TV, etc. For example, in a large co-living project with 50 units on a floor, if the council accepts the Planning Commission recommendation, approximately eight kitchen facilities would be required as well as dining space. The space needed for 8 kitchen facilities and associated dining would easily exceed 1,000 square feet. Under the ordinance, a co-living project would not need to provide any additional living space or common space.

The council should require the common living space to be in addition to already required kitchen and dining areas. To understand whether the 20 square foot standard is “ample”, the council should direct staff to present conceptual plans that illustrate the minimum standard with and without kitchen and dining areas included.

6. Operations Management Plan

The ordinance requires that a co-living community application have an “operations management plan” approved by the Departments of Planning and Housing. The ordinance fails to establish any of the areas of that need to be addressed by the operations management plan. The council should direct staff to identify the basic elements that the plan needs to address and include them in the ordinance. It is suggested that

these minimum areas should be addressed in the plan: a designated operations manager, a maintenance plan for the building, security, and tenant rules. Also, a condition of approval should include the right of city officials to inspect the building interior with or without notice to ensure compliance with all city permit conditions and conformance with the operations management plan.

7. Parking

I have reviewed the joint memorandum by the Mayor, Vice-Mayor and councilmembers, which propose a maximum parking ratio of 0.6 spaces per bedroom unit that may be reduced through TDM measures. It is quite likely this ratio will fail to accommodate the number of vehicles owned by future residents of these projects.

The U.S. Census has collected data regarding vehicle ownership by household size in the San Jose metropolitan area. Based on U.S. Census data and estimates developed by the American Community Survey in 2017, 68.8% of one person households in the San Jose metropolitan area had one vehicle. Only about 15.6% of one-person households were without a vehicle. The remaining percentage had more than one vehicle.

https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_SYR_B0820

B08201 HOUSEHOLD SIZE BY VEHICLES AVAILABLE
Universe: Households
2013-2017 American Community Survey 5-Year Estimates

Table View

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Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates and estimates of housing units for states and counties

	San Jose city, CA; San Jose-Sunnyvale-Santa Clara, CA Metro Area	
	Estimate	Margin of Error
Total:	319,598	+/-1,849
No vehicle available	16,939	+/-813
1 vehicle available	84,601	+/-1,775
2 vehicles available	126,632	+/-1,766
3 vehicles available	55,712	+/-1,275
4 or more vehicles available	35,674	+/-964
1-person household:	62,645	+/-1,440
No vehicle available	9,772	+/-720
1 vehicle available	43,128	+/-1,222
2 vehicles available	8,046	+/-579
3 vehicles available	1,083	+/-213
4 or more vehicles available	616	+/-163
2-person household:	90,122	+/-1,690
No vehicle available	3,359	+/-364
1 vehicle available	21,675	+/-1,005
2 vehicles available	50,398	+/-1,216
3 vehicles available	11,404	+/-632
4 or more vehicles available	3,286	+/-384
3-person household:	58,414	+/-1,470
No vehicle available	1,635	+/-222
1 vehicle available	9,510	+/-676
2 vehicles available	25,855	+/-966
3 vehicles available	16,838	+/-702
4 or more vehicles available	4,576	+/-359
4-or-more-person household:	108,377	+/-1,384
No vehicle available	2,173	+/-289
1 vehicle available	10,288	+/-622
2 vehicles available	42,333	+/-1,232
3 vehicles available	26,387	+/-877

This means that the proposed parking ratio of 0.6 parking spaces per bedroom unit proposed in the Co-Living Ordinance would be insufficient to accommodate the expected number of cars. It should be noted that Co-Living projects allow up to 2 people per bedroom and without doubt, the average number of people per bedroom in such projects will be more than 1 person per bedroom.

Regardless of the parking ratio ultimately adopted, the council should require the operators of co-living projects to provide annual reports to the city on the number of vehicles owned by tenants. This data will be helpful in mitigating any existing parking issues that may occur and provide valuable data for planning future projects.

Conclusion

Thank you for the opportunity to present these comments. Please accept them in the spirit of support of co-living projects in San Jose. Please support design standards that welcome and attract adults with children. Please support standards that combine efficient living with high quality housing .

Sincerely,

David Pandori
San Jose Resident



February 26, 2019

Honorable Mayor Sam Liccardo and City Council
City of San José
200 East Santa Clara Street
San José, CA 95113

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The silicon valley organization

Re: Item 4.2 Adding Co-Living Facilities as a New Use in the Downtown (Support)

Dear Mayor Liccardo and City Council:

On behalf of The Silicon Valley Organization (The SVO), I would like to communicate our strong support for creating a new zoning ordinance as recommended by City staff to add co-living facilities as a new use in downtown San José. By way of background, The SVO is Silicon Valley's premier business advocacy organization representing 1,400+ companies that employ nearly 300,000 workers and we represent our membership as the region's largest Chamber of Commerce.

Co-living facilities, also known as micro-units, are an innovative and smart planning design that not only increases density in housing developments, but also improves sustainable practices through changes in living habits that reduce consumption and incentivize shared living spaces. We believe that this type of design is in alignment with the City's Housing Crisis workplan and specifically can be geared towards meeting the City's missing middle housing production goals.

We appreciate the memorandum submitted by Mayor Liccardo, Vice Mayor Jones and Councilmembers Peralez and Carrasco that specifically focuses on parking and transportation demand management plans (TDM). However, we believe that co-living facilities are a type of transit oriented development that will attract tenants who do not rely on driving. Thus we support the Planning Commission and City staff's recommendation for a 0.25 per unit parking requirement as to increase the viability of housing production in the downtown core by helping projects to reduce costs while also increasing the reliance on greener forms of transportation like public transit, ride sharing, electric assist, biking and walking. We believe that the long-term future of downtown San José depends on green transportation solutions like Caltrain and the BART Phase II extension. The broader goal should be to incentivize innovative developments that utilize public transit, through the elimination of parking minimums in the downtown core.

For these reasons and more, we urge the Mayor and Council to support the new zoning ordinance as recommended by City staff. Thank you for your consideration and if you have any questions on our position, please contact Eddie Truong, Director of Government & Community Relations, at [REDACTED]

Sincerely,

[REDACTED]
Matthew R. Mahood
President & CEO



February 22, 2019

RE: Co-living bike parking requirements

Dear Mayor and Council,

On behalf of Silicon Valley Bicycle Coalition, I am writing to raise concerns about the staff and developer proposed reduction in bike parking requirements of the co-living ordinance.

First, Silicon Valley Bicycle Coalition is thrilled at the investments that San Jose is making in its downtown bike infrastructure. They now serve as a model for other cities, and SVBC will be bringing neighboring city leaders to San Jose, by bike, to learn about these cutting edge street treatments. Thank you to the City for leading the way.

That said, we were dismayed to hear that in response to developer requests, staff, has amended its recommendation to support a reduction in bike parking requirements.

For context, it is important to acknowledge that the mobility world is rapidly evolving. Five years ago, bike share was a pipe dream, a dream in which only the public sector was willing to invest. A year after the bike share system was established, the private sector dropped dockless bikes onto Bay Area streets, signaling a recognition that people are ready to adopt new ways of transporting themselves. Not long after that and to the great surprise of many, scooters came onto the scene. Then last week, Lime Bikes decided to pull out all its bikes in the Bay Area. Couple that with the fact that self-driving autonomous vehicles are on the horizon and the future is both undetermined and full of promise.

All that is to say, we're in a state of mobility flux making it difficult to predict bike parking requirements, (and many other requirements.)

With that as a back drop, SVBC believes that any suggestion to reduce bike parking be approached with caution and a data driven approach. And, while areas such as San Francisco provide a sense for what is needed in an urban area, San Jose is not San Francisco. For example, to say that high bike share usage in San Francisco makes bike parking requirements lower is accurate. But to then suggest that San Jose, an area where the number of bike share bikes and usage is significantly less, should have the same bike parking requirement as San Francisco, is questionable.

In the meantime, SVBC sees no harm in erring on the side of caution, to potentially overpark future co-living complexes. We also suggest that entitlements be granted with the ability to revisit bike parking requirements once the current shake-up in our transportation ecosystem settles out. SVBC is

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Shiloh Ballard

SVBC is a 501(c)(3) non-profit
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Shiloh Ballard

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confident our very smart development community can figure out how to build bike parking in a way that can be transformed if it is found to be unneeded.

SVBC also strongly encourages the City to require, from developers, more than a bricks and mortar approach to sustainable transportation. It is not enough to reduce parking for cars and cross our fingers, hoping that people will not try to stash a car somewhere. It is not enough provide bike parking and assume if we build it, they will come. Programmatic active transportation elements should be a requirement of new buildings. For example, SVBC works with affordable housing developers to teach residents how to use the bike share system, how to ride safely and even takes residents out for rides as a way of learning through pedaling. SVBC would welcome a programmatic partnership with property management companies that helps the City achieve its modeshift goals.

Thank you for your consideration of our comments and we would be happy to answer any questions.

Sincerely,

Shiloh Ballard
Executive Director and President