



## *San Jose Parks Advocates*

September 9, 2019

RE: Council Agenda September 9, 2019, Item 4.3

Honorable Mayor and City Council,

San Jose Parks Advocates opposes the proposal to eliminate the park in-lieu fees for ADU units indicated in Item 4.3 September 10, 2019 Council agenda.

Park in-lieu fees are collected to mitigate the impacts of new housing unit residents on the current parks system. The regulations were adopted so that current residents could be certain that their level of service did not drop as the city grew in population. The City should not break its promise to residents. Building ADUs in backyards reduces a traditional source of green open space needed for the health of city residents further exacerbating the shortage of accessible green space for recreation.

We support the densification of the city but believe it is critical that the city provide quality park and open space available to all residents.

We disagree with the staff memo characterization that these park in-lieu fees would provide “marginal” benefit because they are distributed. We argue the importance of these fees by using the example of Councilmember Lan Diep’s BD #66 request this last spring. Councilmember Diep understood that small dollars combined with existing park in-lieu fee reserves can make measureable impacts. The Mayor agreed and funded the Councilmember’s request in the June budget message. Specifically, Councilmember Diep wrote,

“The infrastructure across all our city parks are aging and in need of improvement. While these capital improvements are resource-intensive, small upgrades can go a long way in helping a park feel renewed. One such marginal change is upgrading water fountains to include water bottle fillers and/or spigots for pets. There are 19 parks across District 4, each with at least one water fountain in need of upgrading. PRNS has already allotted \$60,000 to this endeavor, but is short. To complete the task and upgrade at least one

fountain in each park in District 4, \$40,000 is sought in this budget cycle to be dedicated to District 4 parks. “

Councilmembers throughout the city could follow Councilmember Diep’s lead and use the distributed ADU fees to provide new water fountains with new water bottle fillers that support the city’s policies to reduce use of single use plastic and to promote Healthy Living through the availability of clean, potable water for all residents. It may take two ADUs or an ADU with other CIP money to provide this amenity, but these new water fountains provide a measureable –not marginal- benefit to the citizens.

We believe the ADU park in-lieu fee makes a very little difference in the decision to build or not build an ADU. The average fee of \$3300 represents less than 1.5% of the total cost of building an ADU. Given the overall expense and cash outlay required, it is not believable that this discount will make a serious difference in the number of units proceeding to construction.

Prior to the hearing on the change to the park ordinance, we ask that

- Parks staff provide information on how prior dollars collected from ADUs was combined with other CIP and in lieu fees from other projects to serve the citizens and their parks’ needs.
- The change in the ordinance go to a meeting of the Parks and Recreation Commission for comment.
- The city council receive data on yield, that is the number of units that actually progress to construction.
- If the city council goes forward with a pilot loan program, we ask that the city staff collect data on yield for the loan participants and non-participants and to compare it to yield numbers among those who were required to pay fees. It is not acceptable to use an interview with customers about whether a discount made a difference. (Everyone says “Yes” to that question!)

The Ad Hoc Development Services Committee received a report in August 2019 of prior year applications received, permits issued, and construction completed. The yield was remarkably low, dropping by 50% from stage to stage, to less than 25% of original applicants completing the process. Such a significant drop cannot be explained by the marginal cost of the park in-lieu fee.

The Ad Hoc Committee asked staff to investigate reasons for this low yield but the results of that investigation are not included in today’s staff memo. Instead staff is proposing a solution—eliminating the park in-lieu fee without any sort of analysis of the reasons for low yield. Good government is based on analytics. By way of example. In 2019 from the report to Ad Hoc Committee in August:

Applications Submitted	350
Permits Issued	190
Units Constructed	70 approximately (verbally presented)

Moving forward, staff should decide on the format for its analytics. As the City moves to implementation of “OKR” (Objectives and Key Results), it is critical that analytics are done so that there is alignment. For example, we are confused by the different data provided to the ad hoc committee and to the council in the current memo. Even accounting for fiscal year vs. calendar year, the data is not comparable.

Staff Memo	FY	Number of Collections	AD Hoc Committee	Year	Applications Submitted	Permits Issued
	2018-19	352		2019 to June	288	191
	2017-18	132		2018	350	190
	2016-17	43		2017	200	91
	2015-16	25		2016	40	39

In contrast the research on health benefits on parks and green open space is unequivocal. Daily access to quality open green space brings measureable benefits impacting the immune system, levels of anxiety and depression, cognition, and memory. Park deficient areas have the least health; the correlation is striking and observable in San Jose and cities throughout the country. This is an equity issue. More dense cities must provide these green spaces for the health of their residents and they must provide amenities that attract users. Even a simple water fountain with a water bottle spigot helps. Don’t turn away from those opportunities. Retain the park in-lieu fee for ADUs.

Great cities have great parks. Great cities maintain and improve their parks to benefit the health and well-being of all of their residents.

Sincerely,

/s/

Jean Dresden  
San Jose Park Advocates

cc.

Jacky Morales-Ferrand  
Roselyn Hughey  
Jim Shannon  
Jon Cicirelli  
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September 8<sup>th</sup>, 2019

The Honorable Sam Liccardo and City Councilmembers  
San José City Hall  
200 E. Santa Clara St.  
San José, CA 95113

**RE: Agenda Item 4.3: Actions Related to the Agreement with Housing Trust Silicon Valley for the Accessory Dwelling Unit Forgivable Loan Program**

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

I am writing on behalf of the Silicon Valley Leadership Group to express our organization's support for awarding a \$5 million contract to Housing Trust Silicon Valley for the creation of the Accessory Dwelling Unit Forgivable Loan Program. We are excited by this unique opportunity to support the creation of a housing program that will help both renters and homeowners as well as aid in alleviating the effects of the housing crisis in the region.

The Silicon Valley Leadership Group, founded in 1978 by David Packard of Hewlett-Packard, represents more than 330 of Silicon Valley's most respected employers in issues, programs, and campaigns that affect the economic quality of life in Silicon Valley; including energy, transportation, education, housing, health care, tax, and environmental policy. Collectively, Leadership Group members provide nearly one out of every three private sector jobs in Silicon Valley.

More than half of California renters, and 80% of low-income renters, are rent-burdened, meaning they pay more than 30% of their income on rent, forcing hard choices to forgo food, medicine, and necessary services because there is not enough after paying rent. The Leadership Group is deeply committed to advocating and supporting policies that reduce the rental burden on our region's workforce through innovative solutions.

The proposed program would bring hundreds of new high quality affordable homes online across San Jose whilst providing extra income for homeowners and alleviating the severe housing shortage the region faces. For these reasons, the Leadership Group urges the Council to move forward with the award of \$5 million to Housing Trust Silicon Valley to create the Accessory Dwelling Unit Forgivable Loan Program.

We look forward to working with you to ensure that the Accessory Dwelling Unit Forgivable Loan Program is able to move forward and on other issues that are important to the Silicon Valley and our state. Please contact our Health and Housing policy senior associate Kathleen Wortham at 408.501.7854 or at [kwortham@svlg.org](mailto:kwortham@svlg.org) with any questions.

Sincerely,

Kat Wortham  
Senior Associate, Health & Housing Policy  
Silicon Valley Leadership Group