

Blair Beekman. SJ Council Sept. 1, 2020. Item 8.2. Commercial Linkage Fees.(1).

b. beekman <[REDACTED]>

Mon 8/31/2020 9:16 AM

To: Agendadesk <Agendadesk@sanjoseca.gov>;

[External Email]

Dear San Jose community, and city govt,

Item 8.2, commercial linkage fees, is a long time, important issue, in San Jose.

In this time of Covid-19, the stock market itself, is continuing to know how to develop, incredibly vast, money making systems.

From this, developers & corporate entities, are currently amassing, and then sitting on, large corporate reserves, at this time.

It should be an important question, at this time, how the creative ideas, in continually making money, can help with, the day to day needs, of everyday communities, local govt. and human services.

And that can work with, all parts of the economy. And not be at odds.

Hopefully, in the next few years, we will be moderating & slowly reducing the threat, of Covid-19.

At this time, how can there be, the simple, open dialogue, from all sides - city govt, union, developers, real estate & other parts, of the community.

And towards, the interesting, progressive ideas, that were developing in Santa Clara Co. and the South Bay, pre-Covid 19.

The ideas, to plan how everyone within a city, can be accounted for & taken care of, are important reminders, of our human capabilities, and ideas of community sustainability.

I think these are the responsible, decent, honest ways, to work through, our current questions, of a major recession & depression.

And how to work, when times are good, as well.

Sincerely,
Blair Beekman

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**SAN JOSE DOWNTOWN
ASSOCIATION**

Aug. 28, 2020

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

RE: Commercial Linkage Impact Fee, Council Item 8.2

Dear Mayor Liccardo and City Councilmembers,

On behalf of The San Jose Downtown Association (SJDA), we are submitting this letter to share our comments of the proposed Commercial Linkage Fee (CLF). We appreciate the staff's time and acknowledge their fee proposals in reference to the Nexus and Feasibility Study.

We understand and support the need for affordable housing throughout the city and downtown. In fact, this is why Measure E, primarily a tax on the transfer of San Jose commercial property, was endorsed and passed just six months ago, in March.

We also strongly support the need to generate new jobs in San Jose through commercial development and business growth. To that end, the proposed Commercial Linkage Fee must remain as low as possible for San Jose to help create the jobs needed to address its structural budget imbalance.

As indicated in the studies, the CLF referenced is using a pre-COVID-19 economy, thus based on data that is no longer relevant to current conditions. Another crucial factor to consider is San Jose's ever-increasing stack of fees, taxes and costly policies such as Measure E, REACH code, new infrastructure fee and other policies -- all of which add up and add risk to the viability of development in our city. Furthermore, the timing of this fee could not be worse as we collectively face a health pandemic and economic fallout with an uncertain future for office, hotel and other commercial uses impacted by the proposed CLF.

Lastly, there is blatant unfairness to how the fees are proposed to be enacted. Even after the city staff report and studies conclude downtown is "an unproven office market," the fee structure in the staff report is assessing downtown 100 percent higher than the rest of the city (\$10/ft downtown, \$5/ft elsewhere for office over 100,000 sq. ft) when construction costs and rents are

similar in North San Jose, West Valley and Santana West for Class A office. This CLF should reflect the true market citywide and not impose an artificial construct on downtown simply in order to extract double the fee.

We highly recommend amending the proposed staff recommendation on CLF to:

1. Ensure the fee applies only to net new commercial construction. We should not penalize developers for demolishing a building to build a new, net positive growth building.
2. Direct staff to conduct commercial feasibility analysis within two years to consider a fee adjustment, depending on the study data. As aforementioned, downtown is an “unproven office market” and needs to be reassessed accordingly.
3. Ensure the downtown office fee is in alignment with the citywide office fee.
4. Reduce hotel fee citywide to \$0/sf. The Transient Occupancy Tax generated from hotels represents a large portion of city revenue that supports the arts and future TOT funding should not be potentially jeopardized by the CLF.
5. Allow CLF funds to be used for the developer’s project (affordable housing on-site).
6. Allow a percentage of CLF funds to be used for improving public space connections between the developer’s project and nearby affordable housing and parks.

Thank you for your consideration and leadership during these turbulent times.

Sincerely,



Scott Knies
Executive Director

Dave Sykes, City Manager, City of San José
Kim Welsh, Deputy City Manager, City of San José
Jacky Morales-Ferrand, Director of Housing, City of San José
Katia McClain, SJDA, Board President

August 31, 2020

San José City Council
City of San José
200 E. Santa Clara Street
San José CA 95113

Comments for Item 8.3 File 20-969 – Commercial Linkage Impact Fee

Dear Mayor Liccardo, Vice Mayor Jones and Councilmembers:

SPUR believes strongly in San José and embraces a dynamic, forward-looking vision for the city that reinforces downtown as its economic and social hub. Downtown development is not only an opportunity to grow San José's job base and housing supply, but also to build a great city.

SPUR generally supports a commercial linkage fee for San José and has consistently supported funding for affordable housing. However, given the impact of the pandemic on our economy, the current levels of unemployment, and resultant uncertainty, we do not support adopting a fee at this time.

While SPUR supported San Francisco's original commercial linkage fee to generate funding for affordable housing, we also believe that the math matters and that such fees must not be excessive and deter commercial development by rendering many projects infeasible.

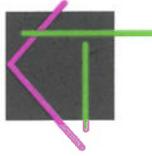
We do not know at this point if the economic recovery will be V-shaped, U-shaped, or otherwise. It is also unclear if and to what extent the demand for office space and corresponding rents will be altered by factors such as work-from-home corporate policies and social distancing requirements that may need to be taken into account as part of the new normal.

The Keyser Marston Associates (KMA) nexus and feasibility studies were completed prior to the impact of COVID-19 and undertaken in a very different environment and under pre-pandemic economic assumptions. While adjustments have been made by both KMA and City staff in an attempt to compensate, there simply aren't sufficient and relevant data yet available to make determinations about the appropriate fee levels. SPUR believes it will be necessary to conduct a new feasibility study that fully captures the state of the economy and real estate market realities post-pandemic.

Thank you for your consideration of these comments as well as your commitment to public service and the well-being of our community under such difficult circumstances.

Sincerely,


Michael Lane, San José Director
SPUR



KT URBAN

August 31, 2020

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

Re: Commercial Linkage Fee

Dear Mayor and Council,

Downtown San Jose's emergence as a vibrant, urban center is critical to the future of the Bay Area. The adverse economic impacts of the Commercial Linkage Fee on urban development in our downtown core cannot be ignored. Instead of penalizing new construction in our City and limiting the ability of employers small and large to expand or relocate into our city center, we should be doubling down on our economic development efforts to take advantage of the current turbulence in the economy.

This fee runs counter to proven, viable economic development strategies. The City of San Jose has literally invested billions of dollars into downtown San Jose in both physical and transit infrastructure over the last 40 years. The return on these investments is critical to our City's fiscal condition which has deteriorated due to rising pension obligations and decades of government malfeasance. The CLF is nothing more than a head tax disguised as an impact fee. A tax that caused companies like Amazon to shift its operations to neighboring cities out of Seattle. Adopting the CLF will result in fewer projects getting built and a significant loss of potential property tax increment. At the end of the day, we're taxing jobs here and taxing jobs is simply bad economic policy. How many employers will elect to relocate or expand elsewhere because the required rents to support the fee are no longer competitive in the market? How many construction workers will lose the opportunity to provide for their families?

Furthermore, San Jose should be taking advantage of other communities that tax employment at much higher rates, not joining them. Having no commercial linkage fee in San Jose is a competitive regional advantage. Reversing San Jose's poor jobs-to-housing ratio has long been a pillar of our City's economic development goals for years. Yet, we appear ready to abandon our principles. According to the American Community Survey from 2017, San Jose's job-to-housing ratio is 1.25 compared to 3.54 in Palo Alto, 2.58 in Santa Clara and 2.51 in Mountain View. How will adopting the CLF help the City to achieve its jobs-to-housing objectives?

Last, the timing of adopting the fee is irresponsible. We are in the midst of one of the largest, historic reduction in GDP. In the second quarter alone, GDP decreased by 35% and the unemployment rate in Silicon Valley now exceeds 10%. COVID is calling into question the need for new office construction, hotels remain vacant and retail in our downtown has been decimated. We cannot fully understand the economic implications of COVID until large employers who have been driving new commercial construction like Google, Apple and others return to the office.



The real barrier to producing affordable housing is a lack of political will and misguided housing policies. Decades of undersupply have caused San Jose to be one of the most expensive real estate markets in the US. The displacement caused by government's failure to build housing is real. However, the answer isn't a tax on jobs. We need to build market rate housing at an unprecedented scale. Thinking that we can build subsidized housing alone and solve our housing crisis, as State Senator Weiner has said, is "a no growth trope." The only way to build housing at this scale is to stimulate private development through CEQA reform and the liberalization of land use policies.

Based on memorandums from various councilmembers, the veritable ship appears to have sailed despite the protests from many in the development community. When nothing gets built in downtown, developers will be back in front of the council asking for the elimination of the CLF and community groups will characterize the removal of the fee as an incentive (a fee that never had any basis in economic reality).

However, if the Council elects to move forward in adopting the fee, we recommend the following provisions:

- The fee burden should be shared equally between downtown and other parts of the City.
- The fee should be significantly lower than surrounding communities to maintain the City's regional economic competitiveness.
- Projects already in the pipeline should be exempted from the fee.
- The fee should be collected upon certificate of occupancy or phased with tenant improvements since the majority of new office projects are constructed on a speculative basis with no tenant in toe.

Thanks for your consideration.

Sincerely,

Kenneth S. Tersini
Mark E. Tersini
Shawn A. Milligan



2001 Gateway Place, Suite 101E
 San Jose, California 95110
 (408)501-7864 svlg.org

CARL GUARDINO
 President & CEO

August 31, 2020

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 RAQUEL GONZALEZ, Treasurer
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The Honorable Mayor and Council
 City of San José
 200 E. Santa Clara St.
 San José, CA 95113

RE: Sept. 1, 2020 Agenda Item 8.2 – Commercial Linkage Impact Fee

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 Bay Area News Group
 TOMI RYBA
 Regional Medical Center San Jose
 JEFF THOMAS
 Nasdaq
 JED YORK
 San Francisco 49ers
 ERIC YUAN
 Zoom
 Established in 1978 by
 David Packard

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

On behalf of the Silicon Valley Leadership Group I am pleased to convey our support for the memo co-authored by Mayor Liccardo, Vice Mayor Jones, Councilmembers Diep, Davis and Foley on the Commercial Linkage Impact Fee. This memo thoughtfully takes into account equity while balancing the need for economic recovery and creation of good paying jobs.

The Silicon Valley Leadership Group was founded in 1978 by David Packard, Co-Founder of Hewlett Packard. Today, the Leadership Group is driven by more than 350 CEOs/Senior Executives to proactively tackle issues to improve our communities and strengthen our economy, with a focus on education, energy, the environment, health care, housing, tax policy, tech & innovation policy, and transportation.

The city council is charged with a difficult task - to determine whether to impose a commercial linkage fee during an unprecedented health and economic crisis while the city continues to face a serious jobs-to-housing imbalance that may be exacerbated by post-COVID decisions related to increased remote work. This task is made even more difficult because the council has **no valid feasibility study** determining what amount of fee would be viable.

In light of all these challenges, Mayor Liccardo called together the Silicon Valley Recovery Roundtable, co-chaired by Labor, Non-Profit and Business leaders to come up with solutions to chart a path for a “better normal” for all members of the community. The report highlights the need to rapidly create affordable housing to support vulnerable communities who are experiencing homelessness or are at risk of homelessness. To accomplish this, the report highlights the need to provide sources of funding and streamline affordable housing production.

The proposed commercial linkage fee would be considered misguided **given the uncertainty in the economy**; however, with the serious housing crisis faced by our region and the implications on racial and economic equity in our community, we are convinced **some fee is appropriate**.

By helping pass Propositions 1 and 2 in 2018 the Leadership Group has supported statewide and regional sources of funding so that housing rich and jobs poor cities such as San Jose do not bear the brunt of financing new affordable housing development on its own. We also understand that all cities must do their part. **While the City of San Jose has recently secured funding through the recently successful Measure E** transfer tax this past March, the balanced approach in the Mayor’s memo shows that San José continues to step up.

To ensure future prosperity for all, the City must also re-evaluate the fees set forth in the memo in two years to ensure they remain feasible. If we stifle economic growth, we will lose good paying jobs as well as any additional tax revenue we would have gained. The current Commercial Linkage Fee Feasibility study is already woefully out of date in this economic recession and global pandemic. We support redoing the study in order to better ground it in the facts of a post-COVID economy.

With that, we recommend that you adopt the memo co-authored by Mayor Sam Liccardo, Vice Mayor Jones, and Councilmembers, Davis, Diep, and Foley.

Please feel free to reach out to me should you have any questions about our position. Thank you for taking our comments into consideration.

Sincerely,



Vince Rocha
Senior Director, Housing and Community Development
Silicon Valley Leadership Group



Mayor Liccardo and City Council
City of San Jose
200 E. Santa Clara St.
San Jose, CA 95113

September 1, 2020

RE: Item 8.2 COMMERCIAL LINKAGE FEE

Honorable Mayor Liccardo and City Council Members,

Focused on making San Jose the best city in the country to start and grow a local business, the Business San Jose Chamber PAC is the only San Jose-based organization focused exclusively on improving the business climate for small and medium enterprises, and the only one 100% founded and run by local businesspeople.

We would like to take this opportunity to express our opposition to the proposed commercial linkage fee, and the outdated report that is being presented to you.

In 2016, Santa Clara County and the City of San Jose worked tirelessly to pass a mega-\$1 Billion-bond (Measure A) to address the need for more affordable housing in and around San Jose. When the mega-bond was being sold to the voters, it was sold as the answer to all of our affordable housing issues and that it would further address the issues around homelessness. But wait, that wasn't enough. In March of 2020, The City, yet again, placed another tax on the ballot, Measure E. This tax (that passed) punishes property owners who want to sell their property and again, it was sold to the community as more government revenue for affordable housing (same messaging as Measure A).

Now, in the midst of a global pandemic and a historic shift in the model in which commercial and office space will be used, built or needed in the future, the city is at it yet again, following the lead of a report that was put together in what now seems to be another world called "Pre-COVID", only to raise more government taxes for affordable housing. Why would you even consider the results of a report that was put together pre-COVID? And even if you consider the report valid, why wouldn't a developer just take their jobs-creating development to a neighboring city?

Business San Jose Chamber PAC Board of Trustees

Tracey Infantino * Jeff Cristina * Phil Boyce * Dan Bozzuto * Nicole Goehring * Steve Lopes
Suzanne Salata * Jan Schneider * Bernie Vogel * John Davis * Jim Campagna



In addition to this new tax on jobs, we have another tax-bomb looming in November; Proposition 15 (split-roll Tax Initiative), a tax on property owners; of investment, commercial tenant occupied buildings. The increased tax burden, should Prop 15 pass, will ultimately be passed on to tenants, as increases in rent, fees, and other costs. Recent polling indicates that the initiative has a high chance of passing. If so, should you not take a step back, wait for the results of the Proposition and additionally, hire a new firm to prepare a CLF study based on our current COVID climate?

We believe that at this time the City should take a step back, and rethink of how COVID has impacted the way we do business before you punish developers and drive more business away from San Jose. Mayor, you and your fellow councilmembers, hold the future development of San Jose's downtown, and in fact its fate in your hands. Will you be remembered for inspiring and encouraging opportunity & business expansion in San Jose? Or will you be remembered for ending it?

Sincerely,

Tracey

Tracey Infantino

Business San Jose Chamber PAC Board of Trustees

Tracey Infantino * Jeff Cristina * Phil Boyce * Dan Bozzuto * Nicole Goehring * Steve Lopes
Suzanne Salata * Jan Schneider * Bernie Vogel * John Davis * Jim Campagna



**SAN JOSE DOWNTOWN
ASSOCIATION**

Aug. 28, 2020

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City of San José
200 East Santa Clara Street
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RE: Commercial Linkage Impact Fee, Council Item 8.2

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Lastly, there is blatant unfairness to how the fees are proposed to be enacted. Even after the city staff report and studies conclude downtown is "an unproven office market," the fee structure in the staff report is assessing downtown 100 percent higher than the rest of the city (\$10/ft downtown, \$5/ft elsewhere for office over 100,000 sq. ft) when construction costs and rents are

similar in North San Jose, West Valley and Santana West for Class A office. This CLF should reflect the true market citywide and not impose an artificial construct on downtown simply in order to extract double the fee.

We highly recommend amending the proposed staff recommendation on CLF to:

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Thank you for your consideration and leadership during these turbulent times.

Sincerely,



Scott Knies
Executive Director

Dave Sykes, City Manager, City of San José
Kim Welsh, Deputy City Manager, City of San José
Jacky Morales-Ferrand, Director of Housing, City of San José
Katia McClain, SJDA, Board President

FW: San Jose Commercial Linkage Fee (Item 8.2)

City Clerk

Mon 8/31/2020 11:35 AM

To: Agendadesk <[REDACTED]>

From: Kelly Castellon [mailto:[REDACTED]]

Sent: Monday, August 31, 2020 10:59 AM

To: The Office of Mayor Sam Liccardo <[REDACTED]>

<[REDACTED]> District2 <[REDACTED]> District3 <[REDACTED]> District4
<[REDACTED]> District5 <[REDACTED]> District 6 <[REDACTED]> District7
<[REDACTED]> District8 <[REDACTED]> District9 <[REDACTED]> District 10
<[REDACTED]> act [REDACTED] City Clerk <[REDACTED]>

Subject: San Jose Commercial Linkage Fee (Item 8.2)

[External Email]

Dear Mayor Liccardo, Vice Mayor Jones, and Councilmembers,

A commercial linkage fee will be critical to providing the funding we need to solve our affordable housing and homelessness crisis - and San Jose must seize this opportunity to enact a robust fee.

Unfortunately, the City staff has recommended a fee that is much too low. Not only is it significantly lower than most of our neighboring cities, it will also only cover a fraction of the additional demand for affordable housing created by these new developments.

I urge you to adopt a significantly higher fee that is commensurate with the fee levels that were outlined in the City's feasibility study.

Far too many of our neighbors are struggling to find safe, stable and affordable housing in our community. We must adopt a robust Commercial Linkage Fee that will help us meet the affordable housing needs of our residents. The time to act is now.

Thank you!

-Kelly Castellon
[REDACTED]

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FW: San Jose Commercial Linkage Fee (Item 8.2)

City Clerk

Mon 8/31/2020 11:36 AM

To: Agendadesk <[REDACTED]>

From: Katherine Arias [mailto:[REDACTED]]
Sent: Monday, August 31, 2020 10:03 AM
To: City Clerk <[REDACTED]> The Office of Mayor Sam Liccardo
<[REDACTED]> District1 <[REDACTED]> District2 <[REDACTED]>
District3 <[REDACTED]> District4 <[REDACTED]> District5 <[REDACTED]> District 6
<[REDACTED]> District7 <[REDACTED]> District8 <[REDACTED]> District9
<[REDACTED]> District 10 <[REDACTED]> acti [REDACTED]
Subject: San Jose Commercial Linkage Fee (Item 8.2)

[External Email]

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Thank you!

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FW: Support a stronger Commercial Linkage Fee

City Clerk

Mon 8/31/2020 11:41 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Sahithi Madireddy [mailto:[REDACTED]]

Sent: Saturday, August 29, 2020 3:30 PM

To: District4 <[REDACTED]>

Subject: Support a stronger Commercial Linkage Fee

[External Email]

Dear Mayor Sam Liccardo and Councilmember Lan Diep,

As a constituent of District 4, I am writing to urge you to support a robust commercial linkage fee to meet our community's dire need for affordable housing.

San Jose's working families and communities of color need your support. Wealthy developers are planning 30 million square feet of high rise office towers and tech campuses across San Jose, all of which will lead to rising housing costs for renters unless we act now.

These developments could create a need for over 20,000 new affordable homes in San Jose, as much as \$150 of need per square foot of office space. But the City's recently proposed fee (between just \$5-\$10) doesn't come close to addressing the needs created by these high tech offices.

How can we justify such a lowball fee, costing us nearly 5,000 desperately-needed affordable homes, when we know wealthy developers and tech companies can afford much more? Especially when neighboring cities continue to charge much higher fees. Certainly, the pandemic is a concern, but the potential for the housing crisis to swell anew after eviction moratoriums expire if we do nothing will have a far greater impact on our city than any lost developments. At the end of the day, economic development cannot come at the cost of displacement.

Please support Silicon Valley Rising's recommendations for a strong Commercial Linkage Fee! I particularly believe that high-tech companies, who can likely absorb the higher cost and drive much of the displacement we see, should be charged a higher rate.

Sincerely,

Sahithi Madireddy

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FW: San Jose Commercial Linkage Fee (Item 8.2)

City Clerk

Mon 8/31/2020 11:42 AM

To: Agendadesk <[REDACTED]>

From: Juleighanne Gurganus Philips [mailto:[REDACTED]]
Sent: Saturday, August 29, 2020 12:58 PM
To: City Clerk <[REDACTED]> The Office of Mayor Sam Liccardo
<[REDACTED]> District1 <[REDACTED]> District2 <[REDACTED]>
District3 <[REDACTED]> District4 <[REDACTED]> District5 <[REDACTED]> District 6
<[REDACTED]> District7 <[REDACTED]> District8 <[REDACTED]> District9
<[REDACTED]> District 10 <[REDACTED]> act[REDACTED]
Subject: San Jose Commercial Linkage Fee (Item 8.2)

[External Email]

Dear Mayor Liccardo, Vice Mayor Jones, and Councilmembers, A commercial linkage fee will be critical to providing the funding we need to solve our affordable housing and homelessness crisis - and San Jose must seize this opportunity to enact a robust fee. Unfortunately, the City staff has recommended a fee that is much too low. Not only is it significantly lower than most of our neighboring cities, it will also only cover a fraction of the additional demand for affordable housing created by these new developments. I urge you to adopt a significantly higher fee that is commensurate with the fee levels that were outlined in the City's feasibility study. Far too many of our neighbors are struggling to find safe, stable and affordable housing in our community. We must adopt a robust Commercial Linkage Fee that will help us meet the affordable housing needs of our residents. The time to act is now. Thank you!

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FW: If corporations will be here, they need to help the communities they're affecting

City Clerk

Mon 8/31/2020 11:43 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Constance Button [mailto:[REDACTED]]

Sent: Saturday, August 29, 2020 11:26 AM

To: The Office of Mayor Sam Liccardo <[REDACTED]>

Subject: If corporations will be here, they need to help the communities they're affecting

[External Email]

To Sam Liccardo and Raul Peralez,

I'm a constituent of District 3. I am writing because we absolutely NEED a strong commercial linkage fee to meet our community's immediately pressing need for affordable housing.

San Jose's working families and communities of color need your support. We work hard and pay our taxes, and we need to know that that will have some return for us. Our efforts for our community should be reflected back, as all good things do. Wealthy developers are planning 30 million square feet of high rise office towers and tech campuses across San Jose, all of which will lead to rising housing costs for renters unless we act now.

These developments could create a need for over 20,000 new affordable homes in San Jose, as much as \$150 of need per square foot of office space. But the City's recently proposed fee (between just \$5-\$10) doesn't come close to addressing the needs created by these high tech offices. And let's be honest, you're welcoming these developers into our city because they have deep, deep pockets with plenty of money. That's why you want them here. So I'm pretty sure those deep pockets can give more than \$10 per square foot.

How can we justify such a lowball fee, costing us nearly 5,000 desperately-needed affordable homes, when we know wealthy developers and tech companies can afford much more? Especially when neighboring cities continue to charge much higher fees.

If you can't think about it in terms of doing the right thing, I'll put it into terms you can understand — optics. If your goal is ultimately to attract wealthy businesses who in your mind will bring their respectively wealthy employees, think of what they like: clean and "pleasant" cities. If you continue to drive people out of their homes by way of eliminating

affordable housing, homelessness will only continue to be a problem for San Jose. Rich people don't like being around homeless people. If you make the city affordable for ALL people, they won't be cornered into homelessness. If people are properly housed, it's safer for everyone.

Rich people also don't like doing things for themselves. They like to hire people to do the hard or inconvenient work for them. They hire drivers, nannies, maids, gardeners, personal chefs, and personal trainers. Guess who all of those people are? Working class people in YOUR city who need your support. Wealthy people will not want to live and invest in your city (as we can already tell from the EMPTY luxury condos near San Pedro Square) if it isn't a leisurely and "beautiful" experience for them. If you take care of the workers, that will in turn benefit the people who rely on workers. If you can't see things from a perspective of genuinely wanting to ensure security of your constituents, surely you can see it from this perspective (warped as it is) — if people are cared for, the city looks good; if the city looks good, comfort and optics-obsessed rich people will feel comfortable putting down roots in your city.

Please support Silicon Valley Rising's recommendations for a strong Commercial Linkage Fee!

Sincerely,

Constance Button

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

FW: Support a strong Commercial Linkage Fee

City Clerk

Mon 8/31/2020 11:44 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Elizabeth Lane [mailto:[REDACTED]]

Sent: Saturday, August 29, 2020 9:17 AM

To: Mayor Sam Liccardo <jeff+[REDACTED]>

Subject: Support a strong Commercial Linkage Fee

[External Email]

Dear Mayor Sam Liccardo and Vice Mayor Charles "Chappie" Jones,

As a constituent of District 1, I am writing to urge you to support a strong commercial linkage fee to meet our community's dire need for affordable housing.

San Jose's working families and communities of color need your support. Wealthy developers are planning 30 million square feet of high rise office towers and tech campuses across San Jose, all of which will lead to rising housing costs for renters unless we act now.

These developments could create a need for over 20,000 new affordable homes in San Jose, as much as \$150 of need per square foot of office space. But the City's recently proposed fee (between just \$5-\$10) doesn't come close to addressing the needs created by these high tech offices.

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Please support Silicon Valley Rising's recommendations for a strong Commercial Linkage Fee!

Sincerely,

Elizabeth Lane

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

FW: Support a strong Commercial Linkage Fee

City Clerk

Mon 8/31/2020 11:45 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Elizabeth Lane [mailto:[REDACTED]]

Sent: Saturday, August 29, 2020 9:17 AM

To: District1 <[REDACTED]>

Subject: Support a strong Commercial Linkage Fee

[External Email]

Dear Mayor Sam Liccardo and Vice Mayor Charles "Chappie" Jones,

As a constituent of District 1, I am writing to urge you to support a strong commercial linkage fee to meet our community's dire need for affordable housing.

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Sincerely,

Elizabeth Lane

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FW: Support a strong Commercial Linkage Fee

City Clerk

Mon 8/31/2020 11:45 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Elizabeth Lane [mailto:[REDACTED]]

Sent: Saturday, August 29, 2020 9:16 AM

To: The Office of Mayor Sam Liccardo <[REDACTED]>

Subject: Support a strong Commercial Linkage Fee

[External Email]

Dear Mayor Sam Liccardo and Vice Mayor Charles "Chappie" Jones,

As a constituent of District 1, I am writing to urge you to support a strong commercial linkage fee to meet our community's dire need for affordable housing.

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Sincerely,

Elizabeth Lane

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FW: Support a strong Commercial Linkage Fee

City Clerk

Mon 8/31/2020 11:45 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Charles Witschorik [mailto:[REDACTED]]

Sent: Friday, August 28, 2020 9:02 PM

To: District7 <[REDACTED]>

Subject: Support a strong Commercial Linkage Fee

[External Email]

Dear Mayor Sam Liccardo and Councilmember Maya Esparza,

As a constituent of District 7, I am writing to urge you to support a strong commercial linkage fee to meet our community's dire need for affordable housing.

San Jose's working families and communities of color need your support. Wealthy developers are planning 30 million square feet of high rise office towers and tech campuses across San Jose, all of which will lead to rising housing costs for renters unless we act now.

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Sincerely,

Charles Witschorik

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FW: Support a strong Commercial Linkage Fee

City Clerk

Mon 8/31/2020 11:45 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Charles Witschorik [mailto:[REDACTED]]

Sent: Friday, August 28, 2020 9:02 PM

To: The Office of Mayor Sam Liccardo <[REDACTED]>

Subject: Support a strong Commercial Linkage Fee

[External Email]

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Sincerely,

Charles Witschorik

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

FW: San Jose Commercial Linkage Fee (Item 8.2)

City Clerk

Mon 8/31/2020 11:45 AM

To: Agendadesk <[REDACTED]>

From: Juleighanne Gurganus Philips [mailto:[REDACTED]]

Sent: Friday, August 28, 2020 8:41 PM

To: City Clerk <[REDACTED]> The Office of Mayor Sam Liccardo

<[REDACTED]> District1 <[REDACTED]> District2 <[REDACTED]>

District3 <[REDACTED]> District4 <[REDACTED]> District5 <[REDACTED]> District 6

<[REDACTED]> District7 <[REDACTED]> District8 <[REDACTED]> District9

<[REDACTED]> District 10 <[REDACTED]> act[REDACTED]

Subject: San Jose Commercial Linkage Fee (Item 8.2)

[External Email]

Dear Mayor Liccardo, Vice Mayor Jones, and Councilmembers, A commercial linkage fee will be critical to providing the funding we need to solve our affordable housing and homelessness crisis - and San Jose must seize this opportunity to enact a robust fee. Unfortunately, the City staff has recommended a fee that is much too low. Not only is it significantly lower than most of our neighboring cities, it will also only cover a fraction of the additional demand for affordable housing created by these new developments. I urge you to adopt a significantly higher fee that is commensurate with the fee levels that were outlined in the City's feasibility study. Far too many of our neighbors are struggling to find safe, stable and affordable housing in our community. We must adopt a robust Commercial Linkage Fee that will help us meet the affordable housing needs of our residents. The time to act is now. Thank you!

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

FW: San Jose Commercial Linkage Fee (Item 8.2)

City Clerk

Mon 8/31/2020 11:46 AM

To: Agendadesk <[REDACTED]>

From: Kenneth Douglass [mailto:[REDACTED]]
Sent: Friday, August 28, 2020 7:56 PM
To: City Clerk <[REDACTED]> The Office of Mayor Sam Liccardo
<[REDACTED]> District1 <[REDACTED]> District2 <[REDACTED]>
District3 <[REDACTED]> District4 <[REDACTED]> District5 <[REDACTED]> District 6
<[REDACTED]> District7 <[REDACTED]> District8 <[REDACTED]> District9
<[REDACTED]> District 10 <[REDACTED]> act [REDACTED]
Subject: San Jose Commercial Linkage Fee (Item 8.2)

[External Email]

Dear Mayor Liccardo, Vice Mayor Jones, and Councilmembers, A commercial linkage fee will be critical to providing the funding we need to solve our affordable housing and homelessness crisis - and San Jose must seize this opportunity to enact a robust fee. Unfortunately, the City staff has recommended a fee that is much too low. Not only is it significantly lower than most of our neighboring cities, it will also only cover a fraction of the additional demand for affordable housing created by these new developments. I urge you to adopt a significantly higher fee that is commensurate with the fee levels that were outlined in the City's feasibility study. Far too many of our neighbors are struggling to find safe, stable and affordable housing in our community. We must adopt a robust Commercial Linkage Fee that will help us meet the affordable housing needs of our residents. The time to act is now. Thank you!

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FW: Support a strong Commercial Linkage Fee

City Clerk

Mon 8/31/2020 11:47 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Gilne Desales-Tosco [mailto:[REDACTED]]

Sent: Friday, August 28, 2020 5:31 PM

To: Mayor Sam Liccardo <jeff+[REDACTED]>

Subject: Support a strong Commercial Linkage Fee

[External Email]

Dear Mayor Sam Liccardo and Councilmember Magdalena Carrasco,

As a constituent of District 5, I am writing to urge you to support a strong commercial linkage fee to meet our community's dire need for affordable housing.

San Jose's working families and communities of color need your support. Wealthy developers are planning 30 million square feet of high rise office towers and tech campuses across San Jose, all of which will lead to rising housing costs for renters unless we act now.

These developments could create a need for over 20,000 new affordable homes in San Jose, as much as \$150 of need per square foot of office space. But the City's recently proposed fee (between just \$5-\$10) doesn't come close to addressing the needs created by these high tech offices.

How can we justify such a lowball fee, costing us nearly 5,000 desperately-needed affordable homes, when we know wealthy developers and tech companies can afford much more? Especially when neighboring cities continue to charge much higher fees.

Please support Silicon Valley Rising's recommendations for a strong Commercial Linkage Fee!

Sincerely,

Gilne Desales-Tosco

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FW: Support a strong Commercial Linkage Fee

City Clerk

Mon 8/31/2020 11:47 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Gilne Desales-Tosco [mailto:[REDACTED]]

Sent: Friday, August 28, 2020 5:31 PM

To: District5 <[REDACTED]>

Subject: Support a strong Commercial Linkage Fee

[External Email]

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As a constituent of District 5, I am writing to urge you to support a strong commercial linkage fee to meet our community's dire need for affordable housing.

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Sincerely,

Gilne Desales-Tosco

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FW: Support a strong Commercial Linkage Fee

City Clerk

Mon 8/31/2020 11:47 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Deborah St Julien [mailto:[REDACTED]]

Sent: Friday, August 28, 2020 5:30 PM

To: Mayor Sam Liccardo <jeff+[REDACTED]>

Subject: Support a strong Commercial Linkage Fee

[External Email]

Dear Mayor Sam Liccardo and Councilmember Johnny Khamis,

As a constituent of District 10, I am writing to urge you to support a strong commercial linkage fee to meet our community's dire need for affordable housing.

San Jose's working families and communities of color need your support. Wealthy developers are planning 30 million square feet of high rise office towers and tech campuses across San Jose, all of which will lead to rising housing costs for renters unless we act now.

These developments could create a need for over 20,000 new affordable homes in San Jose, as much as \$150 of need per square foot of office space. But the City's recently proposed fee (between just \$5-\$10) doesn't come close to addressing the needs created by these high tech offices.

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Please support Silicon Valley Rising's recommendations for a strong Commercial Linkage Fee!

Sincerely,

Deborah St Julien

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FW: Support a strong Commercial Linkage Fee

City Clerk

Mon 8/31/2020 11:47 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Deborah St Julien [mailto:[REDACTED]]

Sent: Friday, August 28, 2020 5:30 PM

To: District 10 <[REDACTED]>

Subject: Support a strong Commercial Linkage Fee

[External Email]

Dear Mayor Sam Liccardo and Councilmember Johnny Khamis,

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Sincerely,

Deborah St Julien

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FW: San Jose Commercial Linkage Fee (Item 8.2)

City Clerk

Mon 8/31/2020 11:49 AM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Tim O'Rorke [mailto:[REDACTED]]

Sent: Friday, August 28, 2020 4:52 PM

To: City Clerk <[REDACTED]> The Office of Mayor Sam Liccardo

<[REDACTED]> District1 <[REDACTED]> District2
<[REDACTED]> District3 <[REDACTED]> District4 <[REDACTED]> District5
<[REDACTED]> District6 <[REDACTED]> District7 <[REDACTED]> District8
<[REDACTED]> District9 <[REDACTED]> District10 <[REDACTED]>

Subject: San Jose Commercial Linkage Fee (Item 8.2)

[External Email]

Dear Mayor Liccardo, Vice Mayor Jones, and Councilmembers,

A commercial linkage fee will be critical to providing the funding we need to solve our affordable housing and homelessness crisis - and San Jose must seize this opportunity to enact a robust fee.

Unfortunately, the City staff has recommended a fee that is much too low. Not only is it significantly lower than most of our neighboring cities, it will also only cover a fraction of the additional demand for affordable housing created by these new developments.

I urge you to adopt a significantly higher fee that is commensurate with the fee levels that were outlined in the City's feasibility study.

Far too many of our neighbors are struggling to find safe, stable and affordable housing in our community. We must adopt a robust Commercial Linkage Fee that will help us meet the affordable housing needs of our residents. The time to act is now.

Regards,
Tim O'Rorke

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

FW: Support a strong Commercial Linkage Fee

City Clerk

Mon 8/31/2020 2:55 PM

To: Agendadesk <[REDACTED]>

-----Original Message-----

From: Edgar Palominos [mailto:[REDACTED]]

Sent: Monday, August 31, 2020 2:51 PM

To: Mayor Sam Liccardo <jeff+[REDACTED]>

Subject: Support a strong Commercial Linkage Fee

[External Email]

Dear Mayor Liccardo,

I am writing to urge you to support a strong commercial linkage fee to meet our community's dire need for affordable housing.

San Jose's working families and communities of color need your support. Wealthy developers are planning 30 million square feet of high rise office towers and tech campuses across San Jose, all of which will lead to rising housing costs for renters unless we act now.

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Please support Silicon Valley Rising's recommendations for a strong Commercial Linkage Fee!

Sincerely,

Edgar Palominos

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

FW: September 1 Council Meeting - Agenda Item #20-969

City Clerk

Mon 8/31/2020 3:59 PM

To: Agendadesk <[REDACTED]>

Importance: High

From: Gerber, Andrew (Andy) [mailto:[REDACTED]]
Sent: Monday, August 31, 2020 3:55 PM
To: City Clerk <[REDACTED]>
Subject: September 1 Council Meeting - Agenda Item #20-969
Importance: High

[External Email]

Good afternoon. This is literally my third attempt to get my comments posted among the letters to the public for agenda items #20-969. My first request was a week ago and in the intervening week plenty of other comments have been posted. It is difficult to educate the public if it goes up an hour before the meeting tomorrow.

Can you please get this up there??!!

From: Morales-Ferrand, Jacky <[REDACTED]>
Sent: Sunday, August 30, 2020 12:21 PM
To: Gerber, Andrew (Andy) <[REDACTED]>
Cc: Foley, Pam <[REDACTED]> Liccardo, Sam <[REDACTED]> Jones, Chappie <[REDACTED]>
<[REDACTED]> Davis, Dev <[REDACTED]> Diep, Lan <[REDACTED]> Burton, Chris <[REDACTED]>
<[REDACTED]> Klein, Nanci <[REDACTED]> VanderVeen, Rachel <[REDACTED]>
Subject: RE: STAFF RECOMMENDATION: Commercial Linkage Fee

Good morning,

We have forwarded your letter to the City Clerk for posting and we have followed up with her to ensure she has received it and that it will get posted. Again, thank you for bringing your concerns to our attention. We are working on providing greater clarity for Residential Care facilities.

Thank you,

Jacky Morales-Ferrand
Director, Housing Department

From: Gerber, Andrew (Andy) [mailto: [REDACTED]]
Sent: Sunday, August 30, 2020 7:04 AM
To: Morales-Ferrand, Jacky < [REDACTED] >; Klein, Nanci < [REDACTED] >; Burton, Chris < [REDACTED] >; VanderVeen, Rachel < [REDACTED] >
Cc: Foley, Pam < [REDACTED] >; Liccardo, Sam < [REDACTED] >; Jones, Chappie < [REDACTED] >; Davis, Dev < [REDACTED] >; Diep, Lan < [REDACTED] >
Subject: Re: STAFF RECOMMENDATION: Commercial Linkage Fee

[External Email]

Ms. Morales-Ferrand, Ms. Klein, Mr. Burton, and Ms. VenderVeen,

This morning I revisited the agenda item for the Commercial Linkage Fee to be taken up by Council this coming Tuesday. I noticed that my letter below has yet to be posted among the letters from the public on the matter, despite it having been submitted prior to many of the ones posted currently.

I'm curious as to why legitimate critique of the staff report and the proposed ordinance/ resolution would not be submitted into the record for all to see. Isn't it the law that if I write to staff and City Council about a matter to be addressed City Council, and explicitly request that it be entered into the record, that it be entered into the record?

Also, I have yet to receive any sort of response from you attempting to answer my questions below. I understand you may not like the pushback, but my letter from last week reveals major flaws in your methodology that must be addressed. I wish to again respectfully request that you enter my objections into the public record and provide an explanation for your proposed disproportionate treatment of residential care facilities under the proposed Commercial Linkage Fee Ordinance and Resolution.

Sincerely,

Andy Gerber
[REDACTED]

On Aug 24, 2020, at 9:00 PM, Gerber, Andrew (Andy) < [REDACTED] > wrote:

Good evening Ms. Morales-Ferrand, Ms. Klein, Ms. VanderVeen and Mr. Burton.

I have reviewed the staff report and draft resolution and ordinance for the proposed commercial linkage fee, and I understand they will be taken up by City Council next Tuesday. As someone in the residential care industry with a residential care project set to break ground next week on Union Avenue I have some questions and concerns over the way residential care is treated in both your analysis and the resulting draft legislation:

1. The resolution states that the fee will be based on the gross square foot age of a project. This means that residential care projects will be assessed fees by the City to pay for affordable housing twice: once via the Inclusionary Housing Ordinance in-lieu fees (IHO) and then again via the Commercial Linkage Fee (CLF). I'm not aware that you are proposing to hit any other class of project twice this way. Why would a residential care facility be subject to fees as both a residential and a commercial use? The staff report includes brief discussion acknowledging that residential care facilities are already assessed (at

least partially) by IHO, but the resulting Linkage Fee ordinance and resolution do not appear to make any consideration for fees already paid under IHO. The way it is currently written a residential care facility will pay both IHO on their “residential units” and then the Linkage Fee on the entire gross square footage of the building. Using our own project on Union Avenue as an example, were we to have to pay both IHO and CLF the combined total obligation on our 152 unit, 123,000 sq. ft. project would come to approximately \$5.1 million. I’ll revisit this number below.

2. In your discussion of the KMA nexus study in your staff report you illustrate in several ways how various non-residential uses generate the need for affordable housing, including a table of Maximum Fee Conclusions and a discussion of how many units of new affordable housing are needed to support each 100,000 square feet of new commercial development of various types. Consistent across these analyses is that Residential Care generates the lowest need for new affordable housing units relative to the other types of commercial development studied, and the lowest maximum fee. Yet you are proposing a linkage fee for residential care that is between 3x and 6x the rate proposed for every other use other than Downtown office, and residential care is still 80% higher than that rate. You attempt to address this in your fee recommendations on Page 30 of the staff report, but all you do is explain that residential care is already assessed for affordable housing fees under the IHO. There appears to be no attempt to account for fees paid under the IHO before assessing the CLF on the entire building on top of that. The boldfaced sentence that reads **“To remain in line with Council direction on the Inclusionary Housing Ordinance in lieu fee, staff recommends setting the Commercial Linkage Fee for residential care uses at \$18.70/sq. ft. City-wide”** is not a rationale for anything. You are ignoring all of the previous analysis and simply saying that the fee should be that much because that’s how much you are already charging under the IHO. What? How is that a rationale for assessing one particular use at rates completely out of proportion both relative to other uses and relative to the need for new affordable housing generated by that use?
3. In the “Relationship to Feasibility Study” section you analyze the proposed fee on every non-residential use proposed to be subject to the fee except for residential care. Why was residential care omitted from the analysis? I note that the % of total development cost for the proposed fees range from 0.7% to 2.0%, depending on use. Let’s revisit that \$5.1 million dollar figure that noted above. That figure comprises \$2.8 million for IHO plus \$2.3 million for the CLF. I cannot share exact development costs for our project on Union but I can tell you that the CLF portion alone of that number is in excess of 3% of our development cost. Add in the double hit for paying both IHO and CLF and the fees exceed 6% of total development cost. And we don’t build cheap. . .our project is Type I but not required by code to be so. Considering your own analysis indicates that residential care generates the lowest need for new affordable housing among all of the non-residential uses, what is the rationale for imposing affordable housing fees on residential care that are many times in excess of what will be imposed on the other uses – uses that by your own analysis will generate more need for new affordable housing?

I would appreciate if you would please enter this into the record of the City Council deliberations related to the matter, but meanwhile I would also appreciate a response to these questions. Thanks.

Sincerely,

Andy Gerber

[REDACTED]

[REDACTED]