

**Board of Directors**

Kevin Zwick, Chair  
*United Way Bay Area*

Gina Dalma, Vice Chair  
*Silicon Valley Community Foundation*

Candice Gonzalez, Secretary  
*Sand Hill Property Company*

Andrea Osgood, Treasurer  
*Eden Housing*

Shiloh Ballard  
*Silicon Valley Bicycle Coalition*

Bob Brownstein  
*Working Partnerships USA*

Amie Fishman  
*Non-Profit Housing Association of Northern CA*

Ron Gonzales  
*Hispanic Foundation of Silicon Valley*

Javier Gonzalez  
*Google*

Poncho Guevara  
*Sacred Heart Community Service*

Janice Jensen  
*Habitat for Humanity East Bay/Silicon Valley*

Janikke Klem

Jan Lindenthal  
*MidPen Housing*

Jennifer Loving  
*Destination: Home*

Mary Murtagh  
*EAH Housing*

Chris Neale  
*The Core Companies*

Kelly Snider  
*Kelly Snider Consulting*

Jennifer Van Every  
*The Van Every Group*

**STAFF**  
Leslye Corsiglia  
*Executive Director*

Transmitted via email

August 10, 2021

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, and Councilmembers Arenas, Carrasco, Cohen, Davis, Esparza, Foley, Jimenez, Jones, Mahan, and Peralez,

**Re: 8.1 - Housing Crisis Workplan Update**

When the City Council approved the Housing Crisis Workplan (HCWP) in June of 2018, it took on an ambitious and wide-ranging effort to reach the goal of 15,000 market-rate and 10,000 affordable residential units by 2022. The HCWP included a range of policy actions to respond to San Jose's affordability crisis, which has been exacerbated by the lack of housing development over the years. The HCWP explicitly acknowledges that the crisis is most acute for lower-income families and that proactive steps must be taken to respond to the need for income-restricted affordable homes. **This latest update shows that, while significant progress has been made in reaching the goals for market rate development, the city is falling far short of its affordable housing targets.**

While we are pleased to see that progress is being made and understand that it can take time for changes to take place, we believe far more can be done. The City must dig into some of the work items that have foundered or are unlikely to realize their potential without adjustments. The range of solutions is broad – from making more land available, to additional streamlining of affordable applications, to more local funding – but today we want to draw attention to four items that we believe are particularly deserving of attention:

- **North San Jose** – Originally, the promise of a large number of new homes in North San Jose was at the center of the concrete capacity items in the HCWP because there was significant additional housing planned for the area, and because 20% of the new homes were required to be affordable. This was a critical action since the vision of the North San Jose plan was not met during Phase 1, and only 4% of the anticipated new homes built were affordable. Council continuously directed staff to meet these goals, most recently in November 2020. The unwinding of the current North San Jose Development Plan must include policies that ensure that the affordability requirements dating back to the beginning of Phase I are achieved, and that the 20% requirement is supported as additional new homes are built.
- **Explore changes to Commercial Space Requirements for Affordable Developments** – The original HCWP acknowledged that ground floor commercial requirements are often infeasible for 100% affordable developments. This item was referred to the General Plan Four-Year Review Task Force for consideration. The staff work to date has not addressed

August 10, 2021

Re: 8.1 - Housing Crisis Workplan Update

Page 2 of 2

this item in a substantive way, and the Task Force recommendation to eliminate these requirements will be returning to council in the fall. We strongly recommend that the Council support these recommended change, which may be the most consequential action that can be taken to ensure affordable development moves forward in planned development areas around the city.

- **The adoption of a Commercial Linkage Fee** – While a fee was adopted by council last year, the action was taken in the early stages of the pandemic and was significantly below fee levels identified through the feasibility study commissioned by the city. This must be considered an active work item, and there should be clear expectation that when the item returns to council for review, fees will be increased across geographies to appropriate levels so that the resources needed to meet the affordable housing demand created by new jobs are commensurate to the need.
- **Advocate for State legislation that supports housing development** – This must continue to be a priority for the city as the need has only grown more acute in the past years, and the State Legislature continues to consider critical tools to meet local needs. This item was included in recognition that many local jurisdictions throughout the State have opposed housing development. San Jose has been and can continue to be a leader in supporting much needed solutions to housing needs locally and throughout the State. It would be a terrible mistake to take a step away from this work plan item as the depth and complexity of the need continues to worsen.

Updates of the HCWP have become sobering items over the years. Much has been accomplished, but we are still falling short. We ask that the City renew its commitment to these past actions and that it double down on efforts to improve our shared response to the affordable housing crisis. As we have learned over the last year and a half, the vulnerabilities in our communities are not evenly distributed. Supporting the housing needs of all the City's residents—particularly those most impacted by the pandemic-- requires a renewed commitment. We cannot allow our city to grow further apart.

Sincerely



Executive Director

