

San Jose All District Leadership Group
Council Districts
D1 - D2 - D3 - D4 - D5 - D6 - D7 - D8 - D9 - D10
San Jose, California

Community and Economic Development Committee
Councilmembers Foley (Chair), Torres, Kamei, Ortiz, and Batra
200 E. Santa Clara St., San José CA 95113
via email, sent 4/18/24

re: CED Committee's April 22nd Agenda, item (d) 5: "Development Fee Framework Status Report" and the "consideration of the analysis of the Parks Development Impact Fee Study."

Dear Committee Members,

The San Jose All District Leadership Group (SJADLG) is a consortium of the leadership of the active San Jose leadership groups. The purpose of the SJADLG is to strengthen two-way communication between neighborhoods and government agencies and representatives and build a stronger sense of community within all Districts in the City of San Jose.

Parks are important to us! They profoundly impact the quality of life for our residents.

Parks depend almost exclusively on only two sources of funding, Construction and Conveyance (C&C) Taxes and the Park Trust Fund, for all major maintenance and repairs. Our members report missing playgrounds and damaged basketball courts; some neighborhoods don't even have a park nearby.

We have a number of concerns and questions regarding the Fee Framework Report you are receiving: it boasts of benefits to the development community, but what are the benefits to the residents?

The discussion of changes to the fee collection system heightens our concerns about the City's commitment to its park system:

- Will this Fee Framework lead to a single fee? Who will manage this fee? Will the fee be fairly distributed to the various departments (e.g., Parks, Transportation, Planning, etc.) by a fixed and transparent process, or will Council be free to allocate fees differently each year?
- Will the proposed changes to the fee framework be evaluated against the current set of fees? Will the proposal result in even less funding for park maintenance? Will an analysis of predicted changes be reported to the community in advance of Council adoption?
- Page 6 of the Report discusses a draft Parks Development Fee Study Report: when will it be made public? Will the report contain an analysis of how the infrastructure backlog and equity concerns will be addressed? Will a Parks Commercial Impact Fee be included? Now that the Housing Element is complete, when will the feasibility analysis be complete? What public outreach is planned? When will the Park Commission review it?

We are concerned that this new Development Fee Framework could be a precursor to lowering or eliminating fees to developers: developers are always pressing for reductions in fees.

However, as the report notes,

On October 26, 2023, the City Council held a study session on the Report on the Cost of Residential Development. That report demonstrated the current extremely challenging economic conditions that are stalling new residential construction. This includes high interest rates, high labor costs, and high materials costs.

The construction market is cyclical and presently is in a predictable slump, and a change in the Park Trust Fund fee or the C&C Tax will not make or break a project's financial feasibility — they are too small relative to the overall size of the projects. Fees to us residents are climbing annually; developers should pay their fair share.

We support our parks and our residents' quality of life. We look forward to Council and Staff bringing forward proposals that will address our deteriorating park system.

Thank you,

Greg Peck
Chair, San Jose All District Leadership Group

District 1 – Gary Cunningham
District 2 – John Leipelt
District 3 – Joan Rivas-Cosby
District 4 – Linda Locke
District 5 – Juan Estrada
District 6 – Bill Rankin
District 7 – Alie Victorine
District 8 – Pat Waite
District 9 – Bobbi Pena-Atak
District 10 – David Heindel

Cc: Councilmembers, City Clerk, City Manager