

Subject: Council Agenda 6/11/24 Item 8.1 Downtown Highrise Incentive

Honorable Mayor Mahan and Councilmembers,

Parks are critical to the quality of life in our City. A coalition of District 1 neighborhood leaders oppose the continued reduction of the development fees required to purchase and maintain our parks. Parks contribute to our physical and mental wellbeing. Parks enhance our economic vitality by increasing neighboring property values thereby increasing tax revenues. Parks make for a desirable environment that attracts both businesses and residents. Investing in parks more than pays for itself.

We oppose a reduction in Downtown Residential High-rise fees.

A compromise was made in 2017 to reduce downtown's high-rise impact fees. The agreement was expected to be permanent. The agreement stated that there would be no more discounts. This current proposal can be seen as renegeing on the 2017 agreement. In 2017 the fees were reduced from \$22,600 to \$14,600 with the expectation the fees would rise every year based on inflation. Unfortunately, the fees have never increased and are still based on 2017 property values. The current agreement proposes we reduce the already discounted fees collected by another 50%. The new fee would be approximately 25% of what was agreed to in 2017 and less than 10% of the fees the General Plan indicates is needed to mitigate the impacts of a new development.

We oppose the development of a program of park fee reductions for low rise, mid-rise and high-rise development outside the Downtown Core.

Our Parks department is already terribly underfunded. The Department has over a \$500 million maintenance backlog and doesn't even come close to the general plan's goal of providing 3.5 acres of new parkland for every 1000 new residents. The Parks Department already has too few resources. Why are we considering further reducing its funding?

The reduction of park fees is an equity issue. Individuals without yards are those most impacted by the reduction of fees. Apartment dwellers depend upon parks for exercise and to escape to the outdoors. During the COVID pandemic, Santa Clara County Parks saw a 300% increase in park usage. Apartment dwellers' quality of life depends on the availability of parks.

The individuals moving into these downtown high-rises. The individuals currently living downtown and the individuals working downtown are all negatively impacted by this reduction in fees. The goal of City government is to facilitate the building of a livable, equitable City. A city that residents and businesses will want to call home in 10, 20, 50 years.

Current market conditions are limiting housing production. The reduction of fees will likely have no impact on high-rise housing starts. City government should not be making decisions based on current market conditions that negatively impact the livability of the City for decades and increasing fees back to a sustainable level once they have been reduced is nearly impossible.

The Parks department is in crisis with far too little money to fulfil its mission. Proposals such as this make a clear statement to Parks staff that the work they do is not valued. The proposal makes a clear statement to the public that Parks are not valued. We should be looking for ways to increase Park revenues, not decrease them. We should be honoring the 2017 agreement and increasing fees based on inflation. We should consider a commercial impact fee. A fee implemented by multiple CA jurisdictions. The last thing in the world we should be doing is reducing Park fees.

Please deny both the Downtown High-Rise Incentive and the study to reduce mid-rise and high-rise fees citywide.

Sincerely yours,

Bob Levy
Doris Livezey
Amy Cody
Gary Cunningham
Luann Abrams
Marc Pawliger
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Judy Levy
Elisa Boyden