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March 24, 2016

Co-Chairs David Pandori and Shirley Lewis  
Michael Brilliot and Jared Hart  
City of San Jose Planning Department  
200 East Santa Clara Street, 3rd Floor  
San Jose, CA 95113

**RE: Task Force Meeting #5 and proposed changes to 2040 General Plan language**

Dear Task Force co-chairs Pandori and Lewis, and Michael and Jared,

I look forward to tonight's meeting on actions the General Plan Task Force can take to encourage more affordable housing in San Jose to meet our housing crisis. I appreciate the additional information provided to the Task Force in response to our requests at the last meeting around analyzing how many sites are available outside of existing growth areas under two acres that are adjacent to residential land use designations on one AND two sides, that could be allowed for 100%, deed-restricted affordable housing developments.

In light of the information provided, which shows that there are approximately 331 parcels that are 1.5 acres or less and have residential on two sides, but that there are 1031 parcels available that are 1.5 acres or less with residential on only one side, I strongly suggest to staff and the task force that we recommend the option that provides more flexibility and opportunity for affordable housing development in the future.

Specifically, I would like to recommend that we amend Policy Recommendation H-2.5 (3) to read:

**"The site has adjacent properties with a residential General Plan Land use/Transportation Diagram designation on at least ~~two~~ one side and the development would be compatible with the surrounding neighborhood."**

As mentioned in the letter submitted to the Task Force by SV@Home, Affordable housing developers compete with other developers, both housing developers and commercial and industrial uses, for scarce and expensive land. By providing opportunities for sites that are available for affordable housing development, the city is in effect demonstrating its commitment to addressing the affordable housing crisis in creative ways. This also provides

an economic subsidy to a future affordable housing developer by allowing affordable housing developers to purchase land that is less expensive than entitled residential land, and then conferring additional value to the land and to the development, by entitling it for affordable housing.

In addition, I want to thank the staff for including goals for affordable housing in each Urban Village plan. In total, the Urban Villages are currently planned for an additional 70,000 new homes. We must make a statement and goal that in those Villages, we expect to see diverse communities and not just homes for future renters and homeowners on the highest end of the income spectrum. By making a goal of 25% for affordable housing, the City demonstrates its commitment to economic diversity in its future. 25% is an achievable goal for the City of San Jose. The City of San Jose has in place a residential impact fee that will generate affordable housing funds when new market rate housing is developed. The city also has their Inclusionary Housing Ordinance on for-sale housing and condominiums that was just upheld by the US Supreme Court. If the City did nothing else for affordable housing, these two policies would provide a path for a good portion of that 25% goal. But the City of San Jose can study and implement additional policies, such as Commercial Linkage Fees or an Affordable Housing Bond or utilizing the growth of future sales taxes, to supplement this and come up with the total funding necessary to meet the 25% goal. Finally, by having a goal, it also unleashes the creativity of market rate developers and signature development properties and potentially provides incentives to contribute additionally to this goal.

Now it is time to put together recommendations for what San Jose should envision for 2040. Without affordable housing, and without a specific goal for what we envision, the people we need in our community to keep it running – those who will always have paychecks in the low or modest range – will not be able to live here and will not be a part of our Urban Villages. That's not a vision I have for San Jose in 2040.

I look forward to tonight's meeting on this critical issue and discussing with my fellow task force members.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin Zwick', written in a cursive style.

Kevin Zwick  
Chief Executive Officer  
Housing Trust Silicon Valley