



**SPUR**

San Francisco | San Jose | Oakland

San Jose City Council  
200 E. Santa Clara Street  
San Jose, CA 95113

October 4, 2017  
*Submitted Electronically*

**Re: Preliminary Draft Transportation Analysis Policy**

Dear Honorable Mayor Liccardo, Vice Mayor Carrasco and Councilmembers:

For decades, we have built out our city with buildings that put cars before people, and built the parking lots, eight-lane roads and speedways to serve them. During this time, San Jose - like all California cities - analyzed the environmental impacts of growth with a flawed, auto-centric metric known as Level of Service (LOS). Today, we are suffering for it. Families spend too much time apart from each other, stuck in congestion. Unable to walk or bicycle for our daily needs, our health, air, climate and quality of life are declining. Shifting from LOS to Vehicle Miles Traveled (VMT) will help San Jose understand the true environmental impacts of growth, and new mitigations will help grow the types of communities that attract residents and employers and support walking, biking and transit use.

**SPUR strongly supports San Jose’s citywide shift to vehicle miles traveled (VMT) as a way to measure transportation impacts of projects under CEQA.** This is more than a technical tweak—it is a policy shift that will have lasting benefits for San Jose.

The following policy components are critical to achieving San Jose’s transportation, economic development and sustainability goals.

- **Projects must be located near transit *and* designed to be transit-supportive in order to qualify for an exemption.** Locating jobs and housing in areas well-served by regional transit helps to support transit use, but is not enough to promote walking and biking. Research has shown that the most important factor in walking behavior is a densely interconnected network of streets and paths. The extremely large floorplates favored by some firms degrade the walking environment by precluding small blocks and frequent connections. Large, low-slung buildings—even if placed next to transit—will

discourage walking, as we see in North San Jose. But a variety of site-planning techniques can mitigate this impact and make walking more attractive. This requirement also provides an incentive for developers to help create the vibrant, walkable and accessible neighborhoods San Jose hopes to achieve.

- **Non-residential projects should pay a fee for multimodal improvements if they are not exempt.** We encourage San Jose to adopt a fee structure that effectively funds future multimodal projects yet does not create a barrier to building infill housing in locations that are near transit and designed to be transit-supportive. Non-residential development in less efficient and less sustainable locations and formats should bear more of the costs it imposes on the city and county's public infrastructure. In doing so, it would make development in more appropriate locations more attractive and create a source of revenue for multimodal transportation improvements, including public transit, street improvements, and last mile solutions.
- **Provide a clearly defined framework that identifies the thresholds at which a project offers "extraordinary benefit" to the city even if it exceeds VMT thresholds after mitigation.** This should not be limited to anticipated tax revenues. The fiscal impacts of land use are difficult to estimate and can vary greatly based on cost assumptions. Therefore, it is difficult to analyze the costs and benefits on a project-by-project basis. The framework should weigh factors such as: jobs per acre (a higher density of jobs gets San Jose closer to its jobs goals), the benefits provided by the land prior to development (such as habitat or recreational value), and the value of public improvements that will be provided as mitigations (such as providing publicly-available electric vehicle charging infrastructure). Without a clear policy framework, the city runs the risk of inconsistent application of the policy and introducing unnecessary political turmoil into land use decisions.
- **Provide a way to fund multimodal improvements for projects at or near city boundaries.** A key challenge is how to fund multimodal improvements for projects that are on or near city boundaries or that benefit multi-city travelers if different cities use different metrics, thresholds and fees. In the current proposal, San Jose would use neighboring cities' standards (which may or may not be based on VMT). This is a creative solution and will help foster goodwill.

However, a more impactful regional approach would be to work with VTA to create a consistent countywide policy that promotes growth in the right places and in the right format. We recommend a VMT fee on commercial development, based on each project's projected trip generation (which is partially determined by location). In other words, fees would be assessed on whether or not a project increases or decreases VMT.

The revenue could be collected and programmed by VTA. Projects could "buy their way out" of a portion of the fee by investing in a menu of transportation improvements that will reduce VMT *and* benefit multi-city and/or longer-distance travel, such as reduced transit fares for low-income riders and youth, grade separations for rail and increased express bus service.

As stated above, the fee should be set at a level that provides meaningful funding for multimodal improvements but does not become a barrier to infill housing. This should be determined by a nexus study and feasibility study.

We greatly appreciate staff's thorough work and outreach. Staff presented the draft policy to SPUR several times, including at a joint SPUR/Urban Land Institute (ULI) forum for developers in June and have been very communicative throughout the policy development process.

Thank you for the opportunity to provide input on the city's policy shift towards vehicle miles traveled.

Sincerely,

A handwritten signature in cursive script that reads "Teresa Alvarado". The signature is written in black ink and is positioned above the typed name.

Teresa Alvarado  
San Jose Director