

September 24, 2019

Mayor and City Council
San Jose City Hall
200 E. Santa Clara
San Jose, CA 95113

Re: Extension of Downtown High-Rise Incentive Program (Item 4.3 on September 24, 2019)

Dear Hon. Mayor Liccardo, Vice Mayor Jones and San Jose City Council

Thank you for the opportunity to comment on the proposed Extension of the Downtown High-Rise Incentive Program. As an urban policy think tank and downtown business, SPUR cares deeply about downtown's success. While we continue to have reservations about this policy approach in the long-run, **we recognize the current need to continue the high-rise incentive program.**

While we believe that downtown must have a large concentration of jobs to support transit and provide investment in city infrastructure and services, it is also important to maximize the potential of high-rise residential development downtown. That is one of the reasons SPUR was actively involved in the research and policy discussions around raising the building height limits to Federal Aviation Administration limits.

We want to commend staff's efforts over the past two years to address the barriers to achieve the goals set forth in the Housing Crisis Workplan (Item 4.2) including significant work to move forward with housing production in North San Jose, developing a meaningful Anti-Displacement Strategy, Affordable Housing Siting Policy, and Affordable Housing Investment Plan and exploring a Commercial Linkage Fee.

However, the Housing Crisis Workplan clearly shows that the San Jose housing market is not producing needed housing units, including High-Rises. With the continuation of this incentive, we would expect the projects currently in the pipeline to be of exceptional quality and design.

Finally, we encourage a review of fees and citywide land use policies to ensure that we are promoting residential development throughout the city. The urban villages are the right place to develop mixed-use buildings that add housing and create vibrant neighborhood retail districts. Next month, SPUR will release a white paper evaluating the reasons why realizing mixed-use development has been so challenging and recommending policy changes in urban villages.

Thank you for your leadership and commitment to housing production in San Jose.

Sincerely,

Teresa Alvarado, San Jose Director