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August 21, 2022

City of San José Planning Division
200 E. Santa Clara Street
San José CA 95113

Dear San José Housing Element Team:

Thank you for the opportunity to comment on San José's Draft Housing Element. The state-mandated Housing Element is a critical document that outlines how the city is going to accommodate future housing growth at all income levels. This policy document will guide investments and policies that can help make San José a much more affordable city. We appreciate the amount of time and care that the Housing Element Team has put into drafting this document, and commend its thoughtful outreach and engagement with community groups and stakeholders across the city.

SPUR is a public policy non-profit organization in the Bay Area with offices in Oakland, San Francisco and San José. We work across policy areas and political lines to solve the big problems our cities and the region face, including the housing affordability crisis. We are committed to working in partnership with the City to develop a housing element that complies with state law and contains strong implementation mechanisms to remove barriers to housing development, stabilize communities, and meaningfully address social and racial equity in San José. We submit the following feedback on the Draft Housing Element for your consideration.

- 1. The Housing Element should take steps to clarify mechanisms for meeting its goals to affirmatively further fair housing, prioritizing clear implementation policies for citywide siting of affordable housing, and how rezoning is being contemplated.**

We appreciate the effort that the team has taken to analyze how this Housing Element draft affirmatively furthers fair housing. Additionally, we commend the City's more than five-year long process to engage local community and advocacy organizations to work on anti-displacement strategies and policies for San José and their inclusion in this document. Affordable housing is an important tool for stabilizing neighborhoods at risk of displacement, and the City has taken significant steps to engage the City's stakeholders to affirmatively site fair housing.

However, Appendix F of the Draft Housing Element shows that several opportunity sites in the inventory have a zoning that is inconsistent with the General Plan and that staff will need to align with the General Plan. The Draft also notes that staff is currently developing an overlay for sites in North San José that currently do not have a land use designation that allows for residential uses. We appreciate and support all of this work but feel it would be a great benefit if the Housing Element provided more specific details about which locations are being considered for rezoning and utilization, and revisit the assumptions made in the draft.

2. We support planning for growth in well-resourced neighborhoods to meet fair housing goals, but we have questions as to how to achieve these outcomes.

The draft indicates that up to 34% of new housing may be possible in high resource areas. Given that much of the residential capacity in San José is located in high resource areas such as in North and West San José, and that therefore, a sizable portion of affordable housing in the city may be located in these areas, it is important to ensure that development is feasible.

Although the team has identified the need to produce an analysis of likely tools to meet 20% affordable housing targets in North San José, inclusive of feasibility studies, we feel that the Housing Element should provide clarity on what strategies will be contemplated. SPUR recommends doing this by maximizing affordable housing production on existing publicly owned land, partnering with affordable housing developers to acquire land for affordable housing development, and providing additional incentives for the development of affordable housing.

3. The site inventory relies on opportunity sites to accommodate RHNA that are primarily located in Growth Areas and Urban Villages where the City encourages most new housing to align with the General Plan. However, many of these Growth Areas and Urban Villages will require significant attention and resources in order to move forward, and those needs should be clarified in the Housing Element.

The city has succeeded in adopting a land use and transportation agenda that seeks to add compact Urban Villages instead of growing out. We are supportive of these strategies to enable San José to accommodate its share of the region's growth by concentrating new job and housing development in locations accessible by transit, foot, or biking. However, to date only a

handful of the 60 designated Urban Villages have projects underway, and [plans have taken four to five times longer](#) to complete than expected.

We believe that the Housing Element can more specifically address how to make the Urban Villages strategy and process more effective. Currently, approved Urban Villages plans contain implementation challenges such as inclusion of commercial or phased requirements for residential development, rezoning that needs to be matched to their land use designation in the Envision 2040 plan, and room for improvements to meaningful community engagement. The Housing Element should specifically address planning process challenges for approved and unapproved Urban Villages, and address the need for additional City resources to complete and implement this ambitious land use strategy.

4. The Housing Element should revisit housing production constraints and the City's goals for developing livable and affordable communities that will make neighborhoods more equitable.

The availability of financing, the price of land, and construction costs contribute to the cost of housing investment and can potentially hamper the production of affordable housing. Although many of these potential constraints are market-driven and generally outside of direct government control, jurisdictions have options to address these constraints and plan for well-resourced and livable communities.

We commend the City in adopting solutions to housing constraints such as reforming citywide parking minimum requirements, and appreciate the team outlining goals and strategies to address other jurisdictional constraints towards an abundant and affordable housing stock. However, we feel the Housing Element can more adequately address the challenges and opportunities in San José's development patterns. For example, the draft identifies transit oriented development for all income levels in and around Diridon Station in proximity to Google's Downtown West development. However, the Housing Element should also prioritize the development of concrete and effective strategies to ensure dedicated funding for affordable housing and community infrastructure leads to concrete outcomes. The Housing Element should revisit commercial linkage fees, park fees and more that entail investments in community spaces and programs that benefit low-income families and uplift communities across the city.

Effective housing policy is not concerned solely with providing enough housing but ensuring that it meets diverse needs by considering where and for whom housing is built. Whereas community development across California has had an ongoing history of racially discriminatory policies and outcomes, this Housing Element update is one of many tools San José can use to move towards a more equitable and affordable community for its residents.

Thank you for your consideration of our comments. Should you have any questions, please do not hesitate to contact us.

Sincerely,



Erika Pinto
San José Planning Policy Manager



Fred Buzo
San José Director

Cc: SPUR San José Board of Directors
California Department of Housing and Community Development