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March 4, 2026

City of San Jose General Plan Task Force  
200 East Santa Clara Street  
San José, CA 95113

**Subject:** Agenda Item #4: Small Multifamily (Missing Middle) Housing: Background and Preliminary Recommendations

Dear Chair Rosario and Members of the General Plan Task Force,

Thank you for your leadership in considering a [missing middle housing framework](#) as part of the General Plan Four Year Review. We also extend our appreciation to the City staff who prepared the [memo](#) and [presentation](#) for your consideration. Advancing a missing middle housing framework is an important and meaningful step in addressing San José's worsening affordability crisis.

San José's median home price of approximately [\\$2 million](#) requires a [\\$500,000](#) in income to afford, while the median household income is about [\\$146,000](#). The gap between housing costs and local incomes is untenable. Teachers and city workers can't afford to purchase homes in the communities they serve, and the average two-bedroom rent is now near [\\$3,000 per month](#). The status quo is unstable and exacerbates displacement and exclusion.

Providing housing for San José residents and workers is not solely about affordability; it is critical to the city's economy and climate goals. When the people who power schools, public safety departments, hospitals, and local businesses can't live near their jobs, climate and economic resilience is weakened. A healthy regional economy depends on a range of housing options for a wide variety of incomes.



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At the same time, there is far too little deeply subsidized affordable housing relative to the scale of need. Public funding is limited, and middle-income households generally earn too much to qualify for affordable housing yet far too little to purchase a home in San José. Subsidies alone will not close this gap. San José needs a viable housing model between deeply subsidized affordable housing and high-priced single-family homes. Missing middle housing helps fill that space.

Decades of underproduction, combined with zoning that reserves roughly [85 percent](#) of residential land across the Bay Area for detached single-family homes—the most expensive type of housing—have created persistent scarcity. A [2021 study of San Francisco](#) found that new housing reduced nearby rents by 2 percent and lowered displacement risk to low-income neighborhoods by 17 percent. Similarly, Portland’s [Residential Infill Project](#) demonstrated that missing middle homes sold for [\\$250,000–\\$300,000 less](#) than new single-family homes, expanding access for middle-income families.

In San José, households living in small multifamily buildings earn roughly [\\$108,000, compared to \\$232,000](#) for those living in detached single-family homes. Expanding these housing types is not only an affordability strategy but also a fair housing imperative and an economic necessity. To meet San José’s fair housing obligations, missing middle housing must be allowed in high-opportunity neighborhoods that have historically limited multifamily development.

However, the success of this program will depend on whether it meaningfully increases supply. **To ensure projects remain feasible, San José should allow sufficient citywide density, similar to [Berkeley’s benchmark](#)<sup>1</sup>, particularly in high-opportunity neighborhoods.**<sup>2</sup> Density doesn’t change the building envelope, as development standards can determine the building size and form.

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<sup>1</sup>Berkeley implemented a maximum residential density of 70 du/acre outside Very High Wildfire zones.

<sup>2</sup>If San José increased the du/acre to over 40, neighborhoods more than ¼ mile from a light rail stop (“Tier 2” as defined in 65912.157(a)(6)) would be exempted from Senate Bill 79 until 2032 based on the 50% capacity deferral for sites, per 65912.161(b)(1)(A).



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**San José should narrowly and objectively define exemptions**, especially for older buildings that are not historic resources. We caution against overly strict development standards (excessive setbacks, low height limits (<35'), onerous design requirements) that could render potential projects infeasible. Well-intentioned but overly restrictive exemptions and standards can result in a program that appears strong on paper but delivers minimal housing in practice.

San José has a chance to create homes, reduce displacement pressures, strengthen its economy, and expand access to high-opportunity neighborhoods through thoughtful growth. A robust, workable missing middle framework with sufficient density can help close the gap between deeply subsidized affordable housing and a \$2 million home while better aligning the housing supply with the city's income realities.

For more background, see yesterday's [SPUR article](#) on how missing middle housing can help address the affordability crisis in San José and across the Bay Area.

Thank you for your service to the community.

Sincerely,

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