

October 5, 2023

Mr. Chris Burton Director Planning, Building, and Code Enforcement City of San Jose

Dear Mr. Burton,

We understand the city is working toward submitting a new draft of the General Plan Housing Element, and we in the California Faculty Association San Jose State Chapter applaud your effort to get a draft approved by the end of 2023. We believe the rejection of the draft submitted in July was inevitable because the draft was a long way from fulfilling the state's requirement that it be able to support permitting of 62,200 units. We urge you to prepare a Housing Element consistent with state law.

The most recent report of annual housing permitting I could find on the city's web site indicated permitting of less than 2000 units per year. Meeting the state's requirement requires an average of 7,775 per year. Clearly, the city will fall far short in the early years of this Housing Element cycle. To approach the required goals for the period as a whole, we believe San Jose needs:

- a substantial increase in the amount of land zoned for medium-density and multi-family housing. The city's geographic information specialist provided us with a summary of the amount of land in various zones in the city. It shows a total of 4.7 sq. mi. in all the city's multifamily and mixed-use zones. This is clearly not enough for a city of 180.7 square miles with housing needs like San Jose's. It artificially inflates land costs for moderate- and high-density housing. Lack of sufficient land zoned for multi-families clearly drove many of the issues the state raised in its letter rejecting your July draft. An increase in land available should include
  - Land in commercial zones under provisions like those in AB2011 and SB6
  - Significantly expanded multifamily and/or mixed-use zones.

Single family developments should be legal in these zones if the projects achieve the density requirements.

We urge a total of approximately six square miles of new land be identified and legalized for medium-density and multifamily housing.

- much more land where lower-cost wood-frame construction methods are possible, that is, zones allowing densities under 35 units per acre. Experience in greater Boston and



research by NYU on Houston seems to suggest that densities in the 20-25 units per acre range may be particularly helpful.

- cuts in impact taxes and fees, with sliding scales allowing lower fees on housing that will sell for lower prices.

We are deeply aware of the concerns of many in city government that the cost of servicing new residents could be prohibitive for a city with a tax base as limited as San Jose's. It is unfortunate that California does not help cities with weak tax bases as do other states. We were surprised that this problem was not mentioned in the Constraints chapter of your last Housing Element draft. We strongly recommend that this issue be discussed explicitly in the Housing Element chapter on Constraints. Also, if the city needs information to demonstrate how other states support cities with weak business tax bases, we may be able to help with information on state support for cities such as Brockton and Lawrence in Massachusetts.

In sum, despite the generally friendly tone of the state's recent letter rejecting San Jose's most recent draft Housing Element, we believe the draft was far from meeting state requirements and minor changes will not result in approval. We urge the city to follow the above recommendations and adopt a compliant Housing Element. If there is anything we can do to help, we will try our best.

Robert C. Wood

Professor of Strategic Management

Chair, Housing Committee, California Faculty Association San Jose State chapter