

Honorable Mayor Sam Liccardo
and Members of the City of San José Council
via email, sent Nov. 4, 2019

re: Agenda item 4.2: Report on the Cost of Residential Development;
Agenda item 4.3: Development Fee Framework Update;
Agenda item 4.4: Inclusionary Housing Ordinance Proposed Revisions.

Dear Mayor Liccardo and Councilmembers,

I write once again as an individual in support of San José City Parks, and to urge you also to support them as you consider changes and consolidation of fees to encourage development of affordable housing. I also that urge you to take the necessary time to work with the public prior to finalizing any changes.

I appreciate that San José and environs have a housing crisis, and I am proud that, even as San José itself has done more than its fair share to provide housing for our dynamic and growing workforce, it is aspiring to provide even more housing – and especially affordable housing – in a fiscally- and environmentally-sustainable manner. I also applaud your work now to consider streamlining the permitting process and simplifying the fee structure. But I am worried that the proposed fee simplification may run counter to the affordable housing effort. And, as I said in my letter dated Aug. 5, 2019, “Parks are critical to the future growth of San José,” and it is critical that they not be shortchanged in the streamlining and simplifying process, or sacrificed in the effort to provide more housing.

I have a number of specific concerns:

- Collect adequate park fees. I understand the desire to reduce fees in an attempt to make housing more affordable, but additional park facilities are part of the needed infrastructure for new housing. The residents of the highly affordable housing are the least likely to have private backyards and the least able to afford to travel to recreational facilities. If nearby parks are not provided for new developments, the new residents will either be denied their healthful access to the outdoors or else they may overwhelm existing parks and thereby engender resentment from current residents who may then oppose any future development.
- I am especially concerned by proposals in the 4.4 memo, such as “Consider Extending Park Impact In-Lieu Fee Credit to 100% of AMI Rental Units,” which “would result in 50% - 75% reductions in the level of park fees collected.” “Up to 100% of the median” is equivalent to including half of the entire city, and, as our wealthier residents are more likely to be homeowners than renters, this proposal would likely mean foregoing park fees for the **majority** of the new rental development. The residents of these new units would likely be paying near market-rate rents and accordingly would be expecting high-quality parks as well as other amenities and infrastructures.
- I worry about the geographic implications of using an average fee for a region. The Quimby Act for collecting park fees – 3 acres of parkland per 1,000 new residents – involves a “nexus”: the park is to be within about 3/4ths of a mile of the project. Land costs in San José vary greatly with location, and the land-cost near a project might be more or less than the area’s overall

average. If the local cost is more than the average, the city doesn't collect enough money to buy the needed nearby parkland; if less, the developer likely would sue over the higher fee.

- The “phasing” of fee collection is important. While it may be appropriate to collect some fees upon the completion of a project, park fees should be collected up-front at the issuance of the building permit. We in the community have been burnt in the past with promises of parks once an entire complex is completed, only to be left park-less for years as the project remained unfinished with only one of the two planned towers ever completed. Also, what would happen if a consortium of developers began a project but then declared bankruptcy, reorganized, and then as a new legal entity completed the project: if the park fee were to be collected upon completion, would the city lose out as a result of the bankruptcy filing?

The assessing of fees and issuing of permits is a complicated process, especially for large projects in a city the size of San José. It is important that efforts to simplify and consolidate the process be thoroughly reviewed by many people, both within the city and by the general public, to assure that there are no unintended consequences. I understand that the city of Sacramento has recently implemented a unified development fee schedule, but they took five years in the process, did a comprehensive analysis of community needs, did new nexus studies for all categories, and held extensive community outreach. We here in San José have only had access to the supporting analyses for a week or so, and there have been few if any public meetings on the topic.

I support Councilmember Jimenez's memo on item 4.3 (“Development Fee Framework Update”), and fully endorse his three key points:

- A. The development related fees within the Framework must continue to mitigate the impacts of new development on the demand for parks, affordable housing, transportation infrastructure, and other amenities and services, as intended at the adoption of each fee.
- B. The outcome of this work, including adoption of any Development Fee Framework, must be revenue neutral for each fee and tax within the Framework.
- C. Any fee and tax reductions (or increases) should be evaluated and considered separately from this work.

And I request, before the City takes any final action, that the Parks and Recreation Commission be briefed on the proposal and given time to comment, and that the city hold outreach meetings to collect public input.

The review and possible simplification of the city's fee and permit structure is a worthwhile endeavor, but it is complicated and may possibly result in unintended consequences. It is worth taking the time to do it right!

We don't want a city where people have to live in the parks, but also: people don't want to live in a city that does not have good parks.

Thank you,

~Larry Ames,
longtime park advocate.

cc: City Clerk; City Manager; PRNS Dir. & Deputy; SJ Parks Advocates; SJ Parks & Rec Commission; Green Foothills Exec. Dir. and Advocate; SV at Home; District 6 Neighborhood Leaders Group