

TRANSMITTED VIA EMAIL

February 24, 2019

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Leslye Corsiglia
Executive Director

Honorable Mayor Sam Liccardo and Members of the City Council
City of San Jose
200 East Santa Clara Street, 18th Floor
San Jose, CA 95113

Dear Mayor Liccardo, Vice Mayor Jones, and Councilmembers Arenas, Carrasco, Davis, Diep, Carrasco, Esparza, Foley, Khamis, and Peralez,

Re: Item 4.2 Amendment to Title 20 (The Zoning Ordinance) of the San José Municipal Code to Add Co-Living Facilities as a New Use in the Downtown

We write today to express our support for the addition of a new land use designation for co-living developments in San José's Downtown. In recent years, co-living has become a popular product type as developers respond to changing views from the public about the kind of housing they need and desire. With their smaller units and increased density, co-living projects are both more affordable to build and can be more affordable for renters than typical multi-family residential development.

Finding innovative solutions to the need to increase the housing supply is critically important and is the only way that the City will be able to meet the goals of the Housing Crisis Workplan, with its goal of 12,500 new homes downtown by 2022.

However, we do need to acknowledge that this is not affordable housing in the true sense. Average rents for a one-bedroom apartment in San Jose exceed \$2,500 a month—requiring an annual income of \$100,000. Co-living space at several developments in San Francisco start at about \$2,000 a month. Less expensive, yes. But not affordable.

As a result, it is important to ensure that affordable homes are included as these projects move forward. We support the recommendation included in the Supplemental Memo from Planning Director Rosalyn Hughey and Housing Director Jacky Morales-Ferrand to clarify that a bedroom in a co-living development is classified as a unit for both Regional Housing Needs Allocation purposes and under the City's Inclusionary Housing Ordinance.

As Downtown expands its role as a regional jobs center, adding tens of thousands of jobs in the Diridon Station Plan Area and surrounding areas, planning for housing

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must be a priority. Like the Bay Area as a whole, San Jose faces a severe need for more housing for all its residents. Exploring and supporting high-density housing options for residents with a range of incomes, located near jobs and transit and in areas that promise a vibrant walkable mix of uses, is a solution.

We applaud these efforts and look forward to working with you as the City proposes new and bold ideas for responding to the need for more affordable housing.

Sincerely,



Leslye Corsiglia
Executive Director