



Memorandum

TO: Rules Committee

**FROM: Councilmember
Pierluigi Oliverio**

**SUBJECT: Require Park Fees and/or
Parkland for all Affordable Housing Projects**

DATE: September 18, 2008

Approved

Date

9-18-08

RECOMMENDATION

- 1). The City of San Jose place a temporary moratorium on all affordable housing projects (including those in the pipeline) until the City adopts a plan that requires park fees and/or land dedication for all affordable housing projects.
- 2). The City of San Jose change the fee structure so that the Housing Department provides monies towards parks.
- 3). The City of San Jose remove the Parkland Dedication and Park Impact exemptions from all affordable housing developments so that all affordable housing projects be required to pay park impact fees and/or dedicate land for a park.

PURPOSE

The purpose of my memo is to ensure that all housing projects; market rate and affordable, pay a park fee and/or dedicate land for a park when they choose to build housing units.

BACKGROUND

In 1989, the City of San Jose started an affordable housing program. At that time, requiring park fees and/or a park land dedication from affordable housing developers was not a requirement of affordable housing projects. However, a few years ago, the City of San Jose changed its policy and required park fees for affordable housing projects which were paid by the Redevelopment Agency (RDA). During this time, the RDA paid approximately \$43.5 million on park vouchers. However, due to budgetary constraints, the RDA discontinued paying park fees in September 2005 for affordable housing projects. As a result, the City continues to build affordable housing without any amenities for the development or the existing neighborhood.

(Please note, I asked both the RDA and the City Clerks office to provide the memo's regarding when the RDA started paying park fees for affordable housing and when the payments stopped. Unfortunately, the information cannot be found. Therefore, I cannot include these memos for background purposes).

The Housing Department has argued that the City of San Jose needs to follow the Association of Bay Area Governments (ABAG) recommendations. This is not true. ABAG is a guideline for city governments to follow, but the City of San Jose is not legally required to meet ABAG's "requirements." In fact, the City of San Jose has gone above and beyond the ABAG's projections for housing.

The City of San Jose needs to move away from the term "housing units" and instead adopt the term "community." When homes are built, it is not just the "housing unit" that people are buying or renting; they are purchasing and living in a community. A community without a park and/or lack of open space is not a healthy environment for anyone. As we can see from past mistakes the city has made in cases like Richmond Menker in District 6 or in the Hoffman Via Monte area of District 10, or on Winchester in District 1 where there are many housing units without open space nearby. Almost every council district in San Jose has experienced the pains of not enough open space to accommodate the increase in population/housing developments.

In the areas I listed above, the communities have to search for land that can be purchased or converted to a park. For example, approximately 10 years ago, the Chris Hotts Park was created by the Hoffman Via Monte SNI near the Almaden Valley. The creation of a park was one of the Hoffman Via Monte's top ten action items. They used existing land that was adjacent to a percolation pond for the park. As a result, there is a playground and recreational space for the residents in an area that has too many housing units and not enough open space.

Most recently, Councilmember Liccardo postponed an affordable housing land use decision. One of the reasons for the postponement was so that he could have more time to ensure that the affordable housing development would include a park. The RDA was able to provide approximately \$1.5 million down payment for a future park. However, San Jose has more affordable housing projects that are already in the pipeline. Those proposed projects are not mandated to include open space or park fees. Most likely, the RDA will not be able to come to the rescue.

Both of my examples above illustrate the need for open space. Whether it is the community working together to create a park or a councilmember working behind the scenes, the message is clear; San Jose needs parks.

It behooves the City to ignore the consequences of not making affordable housing developers and the Housing Department equally responsible for ensuring that open space be a requirement for affordable housing projects. For example, if the Department of Housing wants to build 4000 units without parks but can build 3500 units with parks; then why not build less housing units and accommodate parks? Therefore, San Jose continues to have affordable housing, but more importantly, creates healthy living communities that include housing and open space, not just housing. If the affordable housing developer does not want to dedicate land, then he or she can pay a park fee. However, to allow affordable housing developments to slide by without paying any park fees or land dedication is not good policy for the City.

Ensuring that all affordable housing developers pay a park fee and/or dedicate some of their land for a park or a trail is the responsible thing to do. The health of San Jose depends on ensuring that we have enough open space for all people; and by doing so, we must hold all housing developers accountable in providing for parks with their housing developments.