Making San Jose Affordable and Sustainable: Prioritizing staff resources to focus on affordable, well-designed homes can also dramatically reduce traffic and climate emissions.

October 16, 2017

San Jose and the larger Bay Area are confronting a housing crisis that gets worse by the month. Existing residents are getting displaced, with many now stuck in grueling, long commutes. An increasing number are homeless. As the City Council considers how to prioritize precious staff and financial resources, TransForm recommends putting additional resources to some of the existing housing and planning priorities as well as some new proposed priorities.

We laude Mayor Liccardo’s recommendations to establish a goal of 25,000 new homes -- and at least 10,000 affordable homes -- completed, under construction or approved by 2022. Several items within the Mayor’s memo (Item G10) are both urgent and need to be done in tandem to achieve the intended results. These include eliminating parking requirements, establishing minimum residential densities in downtown and changing fees from per unit to per square foot, and raising additional funds for affordable homes.

As development takes place, we must also do everything feasible to provide residents with affordable and convenient transportation choices.

To illustrate the potential benefit of taking these actions in tandem, we are providing 4 scenarios for downtown development.

On the following pages we use GreenTRIP Connect, a powerful web-based tool, to quantify the benefits of building the first 6,250 homes downtown. These scenarios provide 50% of the Mayor’s proposed goal of 12,500 units in downtown -- let’s say these 6,250 may be the number that can actually be developed in 5 years.

We envision five different scenarios that San Jose can take regarding this proposal, and we quantify the climate, traffic, and economic implications associated with each.

On the final page, there are three recommendations and a conclusion that by providing affordable housing as part of downtown development, unbundling parking, preventing displacement, and providing additional transit benefits for residents, San Jose can make important strides in addressing its housing crisis while alleviating traffic and climate issues simultaneously.
Scenario 1: 6,250 Units with no Affordable Housing

To begin with, we selected parcels throughout Downtown San Jose using GreenTRIP Connect. Connect develops median rents and units sizes -- from studios to 3 Bedrooms -- that represent the typical mix for multi-family housing in the county.

As can be seen in the first column below, the county average for miles of driving per day in such buildings would be 34.59 miles (per household). On the second row, Connect shows that, if built on downtown parcels, the average amount of driving would be just 20.42 miles per day per household, or 41% less than the county average. This is because these units will be developed in a downtown that is transit rich with substantial services and employment nearby.

Downtown development also needs less parking compared to the county average, as shown in the column on the right. It will become clear in the following scenarios, however, that the potential benefits increase greatly when affordable housing units, unbundled parking, and other GreenTrip strategies are introduced into the equation.
Low-income residents drive less, especially if they live near transit

There is a common mis-perception that, from a transportation and climate perspective, it is better to attract upper-income households to downtowns and areas near effective transit, since they are more likely to reduce their driving once they move there (compared to lower income families.)

The graph below is based on a massive, statewide Caltrans survey. This analysis divided the surveyed households into five income groups, based on the same thresholds that are used for affordable housing levels. It then analyzed levels of driving, based on their distance from public transit.

Lower income households, on average, drove nearly 50% less when they lived with ¼ mile of transit, than when they live over ½ of a mile from transit. Higher income groups were found to drive more and own twice as many vehicles than lower income groups.

In the next scenarios, we use this data to quantify the benefits of meeting affordable housing goals.
Scenario 2: 40% Affordable Housing ---10% at each of the 4 Income Brackets

Within GreenTRIP Connect it is simple to designate a certain number of homes in the proposed development as dedicated affordable homes. For Scenario 2, each of the 4 levels of affordable homes get 10% of the total units, i.e., of the 6,250 total units there are 625 units each of moderate, low, very low and extremely low income homes.

The total of 40% affordable homes in this scenario is used because it equates to the goal that the Mayor is proposing citywide.

As can be seen in the first column, including affordable homes further reduces driving, to 17.86 miles per day per household. There is also a slight reduction in expected demand for parking. Note that all of these comparisons are against a typical county development. Traffic and climate benefits would be even greater if compared to luxury units and/or if 100% of the units were affordable (as in Scenario 4).
Scenario 3: 40% Affordable Housing + Unbundled Parking + Transportation Strategies

There are a whole range of strategies that have a powerful benefit of further reducing driving. TransForm’s GreenTRIP certification program has focused especially on three that have strong empirical evidence of their efficacy:
1) Providing free transit passes for residents.
2) Providing on-site or nearby car sharing.
3) Separating the cost of parking from rent, or from the purchase price of a home.

In this scenario, GreenTRIP Connect captures the benefits of those strategies, plus a small benefit from bike share. These strategies are powerful, especially when implemented in areas with strong transit and services like Downtown San Jose.

Combined, they would:

- Decrease driving so that households are now projected to drive just 11 miles per day.
- Provide residents with $1,048 of direct transportation benefits, per year, on average.
- Save developers over $312 million on costly and often underutilized parking construction. With these savings, developers would have a much greater ability to build inclusionary housing and offer additional transportation options.
Scenario 4 -- Fully affordable, super-low traffic. 100% Affordable Homes + Unbundled Parking + Transportation Strategies

Scenario 4 is the best possible case from a transportation, climate and social equity perspective. It provides all 6,250 homes as affordable, split evenly between low, very low and extremely low income households. It also keeps all of the GreenTRIP transportation strategies.

The results are powerful.

- 78% lower driving and climate impact compared to the regional average
- 60% less driving than a “typical” building on this site
- 55% less parking demand

This scenario is provided to show the tremendous benefits that can accrue if we maximize affordability.

It would be difficult, of course, to finance this level of affordable housing in the next few years. The point, however, is that we should be considering any and all strategies to meet or exceed the 40% citywide affordable housing goal, particularly in downtown San Jose.

GreenTRIP Connect dashboard for your project

<table>
<thead>
<tr>
<th>Project characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building: 6250 units (custom)</td>
</tr>
<tr>
<td>Parking proposed: 3125 spaces (custom)</td>
</tr>
<tr>
<td>Density: 891.71 units/acre</td>
</tr>
<tr>
<td>Parking ratio: 0.50 spaces/unit</td>
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</tbody>
</table>

Click to hide details

Comparison snapshot

<table>
<thead>
<tr>
<th>Driving</th>
<th>Greenhouse gases</th>
<th>Parking spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>miles/day</td>
<td>kg CO₂/day</td>
<td>predicted use</td>
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</tbody>
</table>

if built in an average location in the County

Santa Clara County

<table>
<thead>
<tr>
<th>Driving</th>
<th>Greenhouse gases</th>
<th>Parking spaces</th>
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</thead>
<tbody>
<tr>
<td>34.59</td>
<td>17.47</td>
<td>1.19</td>
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if built on selected parcel

<table>
<thead>
<tr>
<th>Driving</th>
<th>Greenhouse gases</th>
<th>Parking spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.42</td>
<td>10.31</td>
<td>0.78</td>
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with affordable housing

<table>
<thead>
<tr>
<th>Driving</th>
<th>Greenhouse gases</th>
<th>Parking spaces</th>
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</thead>
<tbody>
<tr>
<td>12.38</td>
<td>6.25</td>
<td>0.69</td>
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with GreenTRIP strategies

<table>
<thead>
<tr>
<th>Driving</th>
<th>Greenhouse gases</th>
<th>Parking spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.67</td>
<td>3.87</td>
<td>0.54</td>
</tr>
</tbody>
</table>

Your project

<table>
<thead>
<tr>
<th>Driving</th>
<th>Greenhouse gases</th>
<th>Parking spaces</th>
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<td>0.54</td>
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</tbody>
</table>

Resident savings from selected GreenTRIP strategies per year/household

$1,048

$312,500,000

Saved on parking compared to municipal parking requirement of 1.5 spaces/unit, or 9375 spaces total.

78% Less driving

26.93 Fewer miles per day

78% Less climate impact

13.6 Fewer kg of CO₂ per day

55% Less parking used

0.65 Fewer parking spaces used
Recommendations

To meet our critical housing needs it will be critical for the City Council to prioritize a host of the existing priorities, as well as some put forward by Mayor Liccardo. We should strive to meet or exceed the 40% affordability goal. These efforts must be paired with efforts to protect existing residents and local businesses. Some of the key priorities include:

Existing Items that are priorities for TransForm:

- Item 1 - Update the City’s Rental Rights and Referrals Program
- Item 13 - Anti-Displacement Preference Ordinance
- Item 14 - Update Urban Design Guidelines
- Item 16 - Commercial Impact Fee for Affordable Housing

In addition, Mayor Liccardo’s memo included several essential new items for consideration. While all are important some are particularly important to raise as priorities:

- Item 14 - Downtown Zoning Code Update
- Item 15 - Facilitating SJSU Student and Faculty Housing
- Item 16 - Move 4,000 Units into Phase 1 of the North San Jose Development Policy (including 2,400 affordable units)
- Item 20 - Align Zoning with General Plan Designations.

TransForm believes that maximizing affordable development near transit should be a critical focus for San Jose staff and resources. It is also important that we get the details right. As we update design guidelines, zoning codes and other plans we have the potential to use some of the strategies harnessed in the GreenTRIP program to also address our transportation and climate crises.

TransForm looks forward to working with community partners and the City to realize a future that is affordable, sustainable and livable.
GreenTRIP Connect is a free, online tool available to community members, planners and developers that allows users to instantly calculate how smart location, affordable homes and traffic reduction strategies can reduce driving and greenhouse gas emissions from residential development throughout California. It also calculates how much money and space can be saved from right-sized parking in the Bay Area.

TransForm developed GreenTRIP Connect with support from the Knight Foundation, Hewlett Foundation, Ford Foundation, Microsoft, affordable housing developers and many others. Its predictive model was peer-reviewed by California’s Strategic Growth Council. Predictions for parking demand included significant empirical data collected by TransForm in San Jose. That information in the GreenTRIP Parking Database is also available as a free online tool.

All four scenarios in this document are available at: http://bit.ly/2ypQr4b These scenarios can be modified, or new scenarios started on specific parcels. Connect allows scenarios to be shared as links. It also can produce 4-page printable reports on your scenario with much of the background data that is part of the model, such as what transit lines and car sharing opportunities are near the parcels.

Connect was inspired by GreenTRIP’s Certification program. We invite you to learn more at www.GreenTRIP.org There are some fabulous GreenTRIP certified developers in San Jose. First Community Housing provides free transit passes to all of their residents across over a dozen affordable housing developments, with amazing results. First Community Housing has GreenTRIP Portfolio certification. Montgomery 7 is the first Platinum and Zero Parking GreenTRIP certification in San Jose, and The CORE Companies also achieved Platinum certification for their project on 598 S. First Street.

For more information about our policy recommendations for the City of San Jose please contact Chris Lepe. Clepe@TransFormCA.org.

For more information on GreenTRIP contact GreenTRIPinfo@TransFormCA.org

TransForm Offices

436 14th Street, Suite 600
Oakland, CA 94612

49 South 7th St. Suite #203
San Jose, CA, 95112

717 K Street, Suite 330
Sacramento, CA 95814