



September 23, 2019

The Honorable Mayor Sam Liccardo and City Council
City of San José
200 East Santa Clara Street
San José, CA 95113

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Matthew R. Mahood
The silicon valley organization

RE: Downtown High-Rise Fee Reduction Program (Council Item 4.3) – SUPPORT

Dear Mayor Liccardo and Members of the San José City Council,

On behalf of The Silicon Valley Organization (The SVO), I am writing to strongly support the extension of the Downtown High-Rise Fee Reduction Program. By way of background, The SVO is the Silicon Valley’s premier business advocacy organization representing nearly 1,200 companies that employ over 300,000 local workers, and we represent our membership as the region’s largest Chamber of Commerce.

The fee reduction program is a critical component of the City of San Jose’s longstanding goal of facilitating residential high-rises to promote the urbanization of the downtown core and the advancement of the City’s economic development goals, both of which directly address our severe housing crisis. Since 2007, the San José City Council has kept this fee reduction policy in place to mitigate the ongoing challenges and risks associated with building residential towers. This policy has long been supported by both business and labor groups because it promotes both urbanization/economic development goals and creates good-paying construction jobs in our community.

Furthermore, the Strategic Economics report is very clear on what we already know about the state of the market for residential high-rises – it is infeasible to build in Silicon Valley. While development fees are not the sole driver of high-rise development infeasibility, the City of San José must do everything it can to allow the nine residential high-rises currently in the development pipeline to move forward. Without the fee reduction program, there are nearly 3,500 residential units at-risk of being halted. Given the dire circumstances of our housing crisis, we simply cannot do nothing when we have the opportunity to provide homes now.

For these reasons and more, we strongly urge the Council to support the extension of the Downtown High-Rise Fee Reduction Program and urge you all to proactively look for new ways to facilitate future high-rise projects. The current staff recommendation will move forward existing projects in the pipeline, but we must also do more if we are to solve our housing crisis. If we are to meet Mayor Liccardo’s goal of 25,000 homes produced by 2022, then we must act decisively now to extend the fee reduction program.

If you have any questions about The SVO’s position, please contact Eddie Truong, Director of Government & Community Relations, at (408) 291-5267. Thank you all for your attention to this matter.

Sincerely,

Matthew R. Mahood
President & CEO