

October 14, 2016

Steve Heminger
Executive Director
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105

Dear Mr. Heminger,

Thank you for the opportunity to review the Draft Preferred Scenario for Plan Bay Area (PBA) 2040. Mayors Liccardo, Lee and Schaaf are sending a joint three city letter; however, the City of San José wanted to offer city-specific comments. The City of San José understands its regional responsibility to provide housing for our residents, and we will continue to strive towards providing our fair share of housing for all income segments and household types as we have for decades.

The historic land use patterns in the Bay Area have led to less than ideal environmental, quality of life and equity outcomes. The City of San José shares MTC and ABAG's goals of reducing greenhouse gas emissions, housing and transportation costs for low-income families, and traffic congestion. The Envision San José 2040 General Plan sets forth major strategies, goals, and policies to transform San José from a "bedroom community" to a regional employment center that is balanced with housing. One of the key goals of the General Plan is to achieve a ratio of 1.3 jobs per employed resident within the timeframe of the Plan. We are undertaking a four-year review of our General Plan that sets an ambitious but more realistic target of 750,450 jobs by 2040 for San José.

Given San José's ample capacity and ambitious goals for job growth, as the Bay Area's largest city, the current allocation of 502,600 jobs to San José in the PBA 2040 Draft Preferred Scenario is unacceptably low. Such a low forecast is inconsistent not only with San José's local planning targets, but with demonstrated growth patterns and long-term regional goals. As of 2010, San José accounted for 43 percent of all jobs in Santa Clara County. Yet according to the Draft Preferred Scenario, San Jose will receive only 32 percent of Santa Clara County's job growth from 2010 to 2040. This forecast reflects a significantly reduced allocation compared to PBA 2013, which allocated 49 percent of the County's job growth to San José. The Draft Preferred Scenario would yield a jobs-to-employed-residents ratio of only 0.74 by 2040. This is lower than the City's current ratio of 0.86 and much lower than the City's General Plan goal of 1.3. Furthermore, the employment forecast for San José in the Draft Preferred Scenario is lower than the no-project alternative. Other Silicon Valley cities which are jobs-rich continue to be allocated far more jobs than housing, perpetuating the imbalance within the region. This is sending the wrong message about how the region should accommodate growth.

Adding more jobs in San José, specifically the Downtown, North San José, and other urban and transit served areas will provide significant gains in managing congestion, reducing Vehicle Miles Traveled, improving air quality, and improving quality of life throughout the region. A higher employment allocation for San José would not only achieve our mutual goals around equity, congestion and the environment, but also support the significant transportation investments the state and region are making in San José including the Silicon Valley BART extension, Capitol Expressway Light Rail, High Speed Rail, and the Diridon Intermodal Station.

While MTC projections imply that San José will become less of an employment center in the future, real estate trends in San José suggest the opposite is true. We are seeing increasing interest in the construction of new commercial and industrial space due to high rents/low land availability on the peninsula, as well as the political backlash in some jobs-rich communities to accommodate more commercial/industrial space. Examples of major office projects exemplifying this trend include Samsung's completed campus in North San José (640,000 sq.ft.), Apple's proposed campus in North San José (up to 4.15 million sq.ft.), Federal Realty's Santana West (1 million sq.ft.), and Trammell Crow's "Destination Diridon" project in Downtown San Jose (1 million sq.ft.).

Plan Bay Area 2040 should be a realistic and strategic plan that establishes goals and policies that aim to improve the current jobs to housing imbalance in the Bay Area. The City of San José supports regional policies that make the shift towards more balanced communities. We are justifiably requesting that MTC allocate significantly more job capacity to San José in Plan Bay Area 2040 to help achieve this mutual goal.

We look forward to continuing to working with you on the preparation of Plan Bay Area 2040 and its implementation, and appreciate your consideration of our comments prior to finalizing the Preferred Scenario.

Sincerely,



Norberto Dueñas
City Manager

C: Mayor Sam Liccardo
Kim Welsh, Director of Economic Development
Jim Ortbal, Director of Transportation
Harry Freitas, Director of Planning, Building and Code Enforcement