



November 18, 2019

Kim Walesh
Deputy City Manager
Director of Economic Development
City of San Jose
200 E. Santa Clara Street
San Jose, CA 95113

Re: North San Jose Area Development Policy Update

Dear Ms. Walesh:

The City of Santa Clara has met numerous times with San Jose staff and provided both verbal and written comments on the proposed modification to the North San Jose Area Development Policy (NSJADP). Santa Clara's concerns have been clearly delineated many times and include concerns regarding the appropriate level of CEQA analysis, the NSJ Phase Reduction and the 2006 North San Jose Settlement Agreement.

Santa Clara is disappointed that San Jose has not proceeded in good faith negotiating a modification to the NSJADP. As a responsible regional partner, Santa Clara has requested options that assure development construction will occur in parallel with the construction of transportation improvements. Unfortunately, San Jose continues to submit the same proposal that does not ensure construction of transportation improvements. In fact, at a previous meeting San Jose staff acknowledged that under the proposed modification all 8,000 residential units could be constructed with no transportation improvements.

After our September 13 meeting, San Jose communicated that staff would be modifying their proposal to ensure the construction of transportation improvements by developing a phasing plan that aligned development and transportation. To make sure we understood the next steps, Santa Clara immediately sent a confirming email stating that "per our discussion today San Jose will be preparing a proposal for a phasing plan that aligns construction of transportation improvements with the development of new residential units." Although San Jose delayed the follow-up meeting for a number of weeks, Santa Clara staff understood that San Jose would still be moving forward with a good faith commitment to the phasing of transportation improvements.

Unfortunately, at our October 30 meeting, San Jose reverted to the original proposal that did not include a phasing plan or provide any assurances that transportation improvements would be constructed in parallel to construction of the 8,000 housing units. At the meeting, San Jose staff only stated that they "promised" they would build the required improvements but nowhere has that promise been reflected in the proposal. The lack of San Jose's communication and commitment clearly shows a lack of good faith as Santa Clara tries to negotiate an NSJADP modification that supports the region's goals.

Although Santa Clara remains committed to negotiating in good faith, we will not schedule any future meetings until San Jose first provides a written proposal about its commitments to transportation

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improvements at least one week prior to the meeting. San Jose's written proposal should also include an explanation of how "promises" by staff will become legally enforceable obligations of the San Jose City Council.

We would also like to remind San Jose of Santa Clara's previous request for a list of all Phase 1 improvements that are fully constructed and fully funded. As requested, this list should be specific to projects under the existing NSJADP Phase 1 and should not include promises of funding, but actual funding. Under the current policy, 85% of these improvements should be funded prior to moving to Phase 2. Also, per the City Place Settlement Agreement, San Jose is required to provide Santa Clara notice of any public meetings or hearings before the San Jose Planning Commission and City Council regarding proposed modifications to the NSJADP.

Santa Clara remains hopeful that San Jose, as a good regional partner, will make a good faith proposal which allows construction of additional housing, but ensures that San Jose will honor their previous commitments to ensure that transportation improvements are constructed in parallel with development.

Sincerely,



Manuel Pineda
Assistant City Manager

cc: Deanna J. Santana, City Manager
Brian Doyle, City Attorney
Craig Mobeck, Director of Public Works
Michael Liw, Assistant Director of Public Works
Nanci Klein, Assistant Director, Director of Real Estate, San Jose
John Ristow, Department of Transportation Director, San Jose

