Joel Paulson

From: Jak VanNada <jvannada@gmail.com>
Sent: Wednesday, July 19, 2017 9:09 PM
To: Council
Subject: The Cost of a Hot Economy in California - A Severe Housing Crisis 7-2017.docx
Attachments: The Cost of a Hot Economy in California - A Severe Housing Crisis 7-2017.docx

I am sure that most of you have read this by now, but if not, the New York Times does a good job of supporting the case for the high density housing at the North 40.

ATTACHMENT 7

Low-rise homes dot the landscape in San Francisco. California's housing costs are among the highest in the country.

JIM WILSON / THE NEW YORK TIMES

The Cost of a Hot Economy in California: A Severe Housing Crisis

An explosion in costs has emerged as a central problem for the state, and state and local governments are pondering a series of measures to correct course.

By ADAM NAGOURNEY and CONOR DOUGHERTY
JULY 17, 2017

SACRAMENTO — A full-fledged housing crisis has gripped California, marked by a severe lack of affordable homes and apartments for middle-class families. The median cost of a home here is now a staggering $500,000, twice the national cost. Homelessness is surging across the state.

In Los Angeles, booming with construction and signs of prosperity, some people have given up on finding a place and have moved into vans with makeshift kitchens, hidden away in quiet neighborhoods. In Silicon Valley — an international symbol of wealth and technology — lines of parked recreational

vehicles are a daily testimony to the challenges of finding an affordable place to call home.

Heather Lile, a nurse who makes $180,000 a year, commutes two hours from her home in Manteca to the San Francisco hospital where she works, 80 miles away. "I make really good money and it's frustrating to me that I can't afford to live close to my job," said Ms. Lile.

The extreme rise in housing costs has emerged as a threat to the state's future economy and its quality of life. It has pushed the debate over housing to the center of state and local politics, fueling a resurgent rent control movement and the growth of neighborhood "Yes in My Back Yard" organizations, battling long-established neighborhood groups and local elected officials as they demand an end to strict zoning and planning regulations.

Now here in Sacramento, lawmakers are considering extraordinary legislation to, in effect, crack down on communities that have, in their view, systematically delayed or derailed housing construction proposals, often at the behest of local neighborhood groups.

The bill was passed by the Senate last month and is now part of a broad package of housing proposals under negotiation that Gov. Jerry Brown and Democratic legislative leaders announced Monday

was likely to be voted on in some form later this summer.

"The explosive costs of housing have spread like wildfire around the state," said Scott Wiener, a Democratic senator from San Francisco who sponsored the bill. "This is no longer a coastal, elite housing problem. This is a problem in big swaths of the state. It is damaging the economy. It is damaging the environment, as people get pushed into longer commutes."

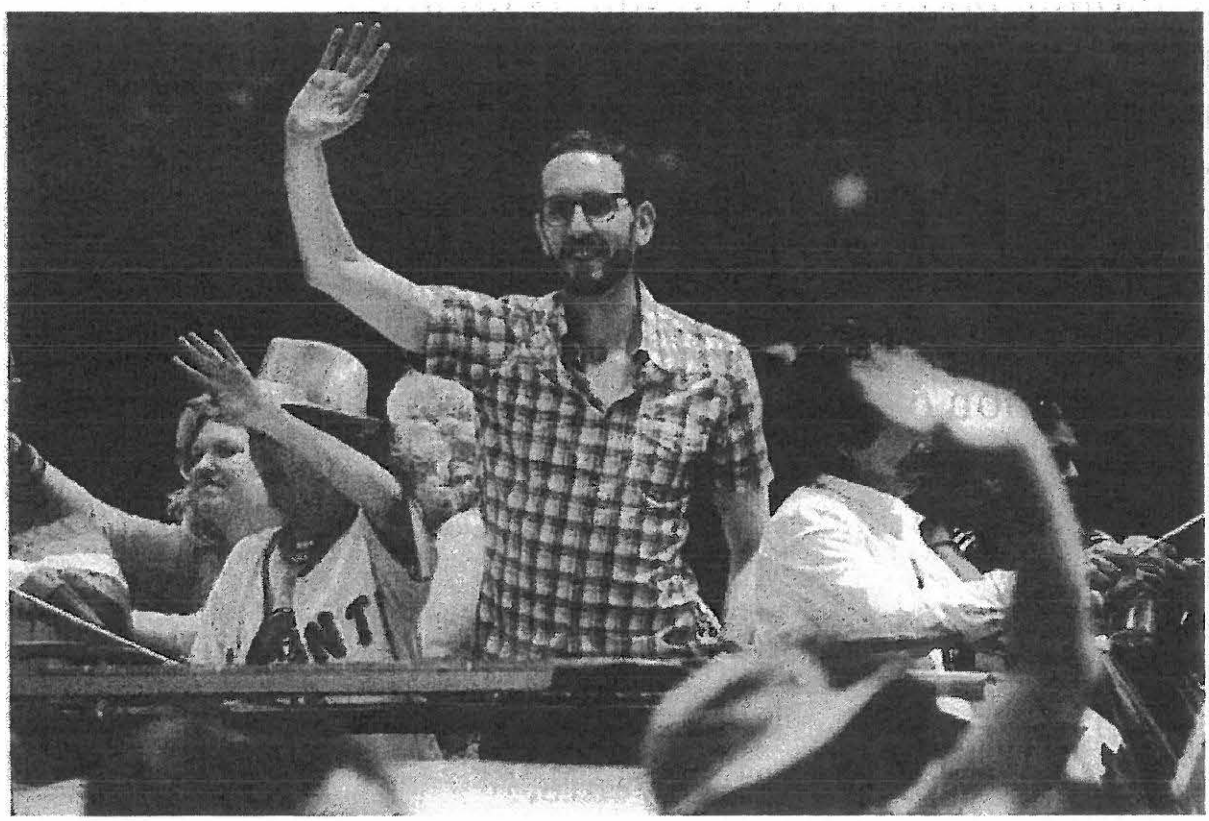
For California, this crisis is a price of this state's economic boom. Tax revenue is up and unemployment is down. But the churning economy has run up against 30 years of resistance to the kind of development experts say is urgently needed. California has always been a desirable place to live and over the decades has gone through periodic spasms of high housing costs, but officials say the combination of a booming economy and the lack of construction of homes and apartments have combined to make this the worst housing crisis here in memory.

Housing prices in Los Angeles, San Francisco, San Jose and San Diego have jumped as much as 75 percent over the past five years.

The bill sponsored by Mr. Wiener, one of 130 housing measures that have been introduced this

year, would restrict one of the biggest development tools that communities wield: the ability to use zoning, environmental and procedural laws to thwart projects they deem out of character with their neighborhood.

It is now the subject of negotiations between Mr. Brown and legislative leaders as part of a broader housing package intended to encourage the construction of housing for middle- and lower-income families that is also likely to include the more traditional remedy of direct spending to build more housing units.



State Senator Scott Wiener, who sponsored a bill restricting communities' ability to quash housing projects. "We're at a breaking point in California," he said.

JIM WILSON / THE NEW YORK TIMES

This is not the first time this state has sought to prod recalcitrant local governments to build housing. Mr. Brown tried to push through a measure to force communities to build more affordable housing around a year ago. That effort, like most in recent years, faltered in the face of opposition from local officials, homeowners and environmentalists, who often see these kinds of measures as enriching developers while threatening the character of some of the most visually striking parts of this state, along the coast and in the mountains.

"It's giving developers a great gift and not giving residents and voters a chance to cast their opinions about what happens in their own neighborhood," Helene Schneider, the mayor of Santa Barbara, said of Mr. Wiener's new bill.

But the worsening housing crisis here has created a political environment where prospects for a state housing intervention appear more likely than ever.

"There is a consensus that there is a crisis and we have to address it," said David Chiu, a San Francisco Democrat who leads the Assembly Housing and Community Development Committee. Mr. Wiener compared the political atmosphere now to how Californians embraced mandatory water-rationing in response to the five-year drought here.

"We're at a breaking point in California," Mr. Wiener said. "The drought created opportunities to push forward water policy that would have been impossible before. Given the breadth and depth of the housing crisis in many parts of California, it creates opportunities in the Legislature that didn't exist before."

The debate is forcing California to consider the forces that have long shaped this state. Many people were drawn here by its natural beauty and the prospect of low-density, open-sky living. They have done what they could to protect that life. That has now run up against a growing generational tide of anger and resentment, from younger people struggling to find an affordable place to live as well as from younger elected officials, such as Mayor Eric M. Garcetti of Los Angeles, who argue that communities have been failing in what they argue is a shared obligation.

For the past several decades, California has had a process that sets a number of housing units, including low-income units, that each city should build over the next several years based on projected growth. Mr. Wiener's bill targets cities that have lagged on building by allowing developers who propose projects in those places to bypass the various local design and environmental reviews that

slow down construction because they can be appealed and litigated for years.

The bill applies only to projects that are already within a city's plans: If the project were higher or denser than current zoning laws allow, it would still have to go through the City Council. But by taking much of the review power away from local governments, the bill aims to ramp up housing production by making it harder to kill, delay or shrink projects in places that have built the fewest.

It is hard to say exactly which projects might benefit if the various bills were passed, since it's impossible to know which projects local governments might reject in the future. But there are various examples where it might have pushed a development along.

In Los Gatos, about 60 miles south of San Francisco, for instance, a long-running dispute over a proposed development for 320 homes that the city rejected led to a lawsuit by the developer, which resulted in a judge directing the city to reconsider the plans. Also, cities regularly make developments smaller than their zoning allows, something that gradually chips away at future housing production.

California is the toughest market for first-time home buyers and the cost of housing is beyond reach for almost all of this state's low-income population. Despite having some of the highest wages in the

nation, the state also has the highest adjusted poverty rate.

Houses under construction in Manteca, Calif. Many who cannot afford homes San Francisco or Oakland are moving there — nearly two hours away.

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And Proposition 13, the sweeping voter initiative passed in 1978 that capped property taxes, has made things worse: It had the effect of shrinking the housing stock by encouraging homeowners to hold on to properties to take advantage of the low taxes.

"California is a beautiful place with great weather and a terrific economy," said Issi Romem, the chief economist with BuildZoom, a San Francisco company that helps homeowners find contractors. "To accommodate all those people you need to build

a lot, and the state's big metro areas haven't since the early '70s. To catch up, cities would need to build housing in a way that they haven't in two generations."

Coastal cities — which tend to have the worst housing problems — have the most scarce land. Still, economists say, the high cost of all housing is first and foremost the result of a failure to build. The state has added about 311,000 housing units over the past decade, far short of what economists say is needed.

"Cities have proven time and time again that they will not follow their own zoning rules," said Brian Hanlon, policy director of the San Francisco Yimby Party, a housing advocacy group. "It's time for the state to strengthen their own laws so that advocates can hold cities accountable."

Still, few elected officials are eager to risk community anger by forcing through construction that would, say, put a 10-story apartment building at the edge of a neighborhood of single-family homes. That has turned California into a state of isolated and arguably self-interested islands.

The situation has been aggravated by places such as Brisbane, just south of San Francisco, which has encouraged extensive office development while failing to build housing.

"We have cities around California that are happy to welcome thousands of workers in gleaming new tech and innovation campuses, and are turning a blind eye to their housing need," said Mr. Chiu.

In the Bay Area, the explosive growth of the tech industry has led to escalating rents, opening a tough debate over gentrification and brutal commutes for workers. "Cities that deny housing are contributing to skyrocketing rents, unfair evictions and homelessness," said Lori Droste, a member of the Berkeley City Council.

The measure has raised considerable opposition as well, including from lawmakers who argued that letting state take power away from local governments strips communities of the ability to control the fundamental character of their own neighborhoods.

"People here feel like this is a special place, like people in any town or city do," said Chris Coursey, the mayor of Santa Rosa. "And they want decisions about the future of the community to be made by people in the community who they can actually talk to about this."

Richard Bloom, a Democratic state assemblyman and a former mayor of Santa Monica, said even communities like his were no longer reflexively trying to derail housing projects.

"More and more people are becoming well aware that we have a housing affordability crisis on our hands," he said. "The issue is just reaching critical mass with the Legislature and the public."

7-24-17

Why I support the North 40 Specific Plan for the following reasons:

1) Simply put, the town told the developer what they (they = most of us and the Council) wanted; and the developer did exactly as told. Now the town (town = some of you and some of the Council) want to renege. That doesn't work in my book.
2) 20 years from now.....no, just 10 years from now..... we'll be looking back at this point in time. Did we make the right decision? Is traffic better? Are the schools better off than they were before the development happened? How does Los Gatos fit into the grander scheme of the San Francisco Bay Area? Did we do our part to make this all a better place to live? Are we the consummate NIMBY? <u>I have no idea – but this plan was the best hundreds of people could come up with after 6 years of hard work. Why would we think another 6 years will give us a better decision?</u>
3) We started out with the intention to solve unmet needs in this town. Some of those needs included jobs, housing, unmet retail needs and improved traffic conditions. We had ancillary requirements of character, walkability, bike paths, and a state government requiring high density housing. All of this was achieved in this plan.
4) This is about change - change that will always happen. (see pictures at the end). One of the Council's jobs is to make sure the change works to the advantage of the community; not only today, but 20 years from now. And not just for us, but for the entire Bay Area with whom we are co-dependent.
5) The Council may have gone beyond a reasonable amount of time making this decision. So much time has passed that the world seems 180 degrees from where it was not only 20 years ago, but just 6 years ago. Today, we risk paralysis by over-analysis.
6) Eight years ago, the average median home price in the 95032 area code was about $903,000. Today it's $1,593,000. How much less affordable will it be in 2023 if we keep kicking this can down the road?
7) We're trying to design this project with multiple resident committees, many whom have not been listening to professionals that make a career out of planning spaces to fit into the community where they're building. Market forces will require them to make this work for the citizens who will not use this development if it's too crowded, or should the retail does not answer their needs. The developer is best suited to figure this out.

8) The town citizenry spent years, thousands of hours and dollars discussing and debating the perfect plan. **There is no "perfect" plan. There again will be no perfect plan.** The compromise was reached when the Specific Plan was finally approved – after many iterations and deliberations between hundreds of citizens over more than a decade.....a decision was made.
9) Every citizen of Los Gatos had the same level playing field during the multi-year planning stages of the Specific Plan. It was a compromise of many values. It remains a compromise of many values.
10) The Los Gatos Community Alliance does understand and often agrees with the angst over traffic, schools, over-crowding, etc. We started out very much against this project until we understood more. The town historically attempts to mitigate those issues. They do well on some, and not so well in others. During the process of arguing against this project, we learned about state laws that influence the town's ultimate decisions. We also learned about property rights in the United States and housing laws. We believe this project will happen <u>regardless</u> of the lawsuits filed and/or fought, costing the town money the town does not have.
11) The town may well be risking over $6,000,000 to the schools and up to $12,000,000 for Capital Improvement projects for traffic mitigation to say nothing of an unprecedented 40% of open space that has never been required of any other development – EVER - in the town of Los Gatos.
12) Currently, many of the citizens have no knowledge of the laws, property rights or the economics of any development. Most have not worked on the mechanics nor the design of this development, but feel that to just say "NO" is the right thing to do.
13) People are fighting change, not dealing with shaping a development that could either happen well, or be a complete disaster for this town. The shaping was done by their fellow citizens years ago and those who did not participate should not feel entitled to start all over now.
14) People have complained of the unsafe conditions of putting us old people (I'm 73) on the second floor of the affordable housing in case of an emergency. Keep in mind that the Terraces of Los Gatos is 3 stories with many people older than I am.
15) The Advisory Committee worked hard to shape this development, and then a few groups worked with the developers who listened and made changes to accommodate the town and interested citizens. Better Biking and connectivity to the trail, schools, and downtown was high on our agenda and the developer came up with a plan that, though not perfect, was an acceptable compromise for us.
16) Compromise happens when two or more parties have differing views, and then work together to iron out their differences. No one necessarily wins, but

the project becomes acceptable given all of the various wants and needs of the community.

17)Continually fighting or filing lawsuits will increase the legal bills already exceeding $700,000 at a faster rate than this last law suit. More lawsuits will bring in much larger legal costs than $700,000 with higher costing attorneys for all sides. The risks increase exponentially if we lose. The gain, if there is a gain, will be to redesign the No 40. How much different do you think that redesign will be than what we've designed now? Would a majority of residents agree to anything? The $6,000,000 and the $12,000,000 may be forfeited, and I doubt any developer will agree again to 40% of open space.

18)The Council has to be extremely aware of why this suit was lost; the future cost of further delays; and the town's dire financial situation with escalating pension costs. We don't have the money to risk a loss of this magnitude given our financial situation. The solution will likely have to include taxing each of the citizens. Think about that.

19)Violating housing laws will only cost us more money with one potential of having the state take over the planning of the development. If you read the Mercury News on 7/16/17, you saw that the Silicon Valley, between 2010 and 2015 added 367,000 jobs, but only added 57,000 homes. Adding jobs without homes increases the commute of the workers, and adds to the pollution and traffic which we've all come to hate. You may think that doesn't really affect us – but where do you think that beach traffic is coming from every weekend? What about the air quality in Los Gatos from all of the commuters and the beach traffic?

20)We (the town citizens) have known or should have guessed that something was going to happen at the north 40 for decades. Had we the desire, we could have taxed ourselves and purchased this property when it first came up for discussion 20 years ago. But we didn't. It went to the highest bidder and now we need to make it work for us. Just saying "NO!" may make some people feel better, but it won't work here just like it didn't in Nancy Reagan's failed anti-drug campaign started back in 1986.

21)The town is under the laws established by the county and the state to supply our fair share of housing for the entire bay area. This is about the bay area, not about the town. The North 40 was a step in this direction with high density housing put inside the bounds of two freeways and two major arterial roads. <u>We don't have any place as well suited to high density housing</u>. If we don't use this opportunity to fulfill a good part of our Housing Element, just think about the impacts of high-density housing (20 units/per acre) at other locations like Blossom Hill Road, or the Los Gatos Lodge on 9, along Los Gatos Blvd.)

22)We are not a "small town island" in a sea of big cities. We are a part of the most successful metropolitan area in the United States and have to think

regionally instead of just about ourselves. Please see the July 17, 2017 New York Times article that addresses the North 40 as symptomatic of this state's housing problems.

23)LGUSD and the developer made a deal that the school district found acceptable for potential increases in enrollment. No other developer has come close to such a large cash or property offer. The developer yielded to the demands of the school board and eventually compromised. After everyone shared congratulations, the parents are now saying $6.2M is nothing. Are you now ready to cancel that deal?

24)There are almost no views from inside the current orchard. Trees block the views of the hills. Landscaping and even small one story buildings will block the view of anyone within that space. My views are blocked by my neighbors trees and parts of their houses. That sort of thing happens to all of us, all of the time. Views of our hills are integral to our Town identity and can be seen in many places in town, but let's understand that trees and walkable streets with nearby buildings are also desirable. Trees can create a new ambiance while at the same time may block views. We don't cut them down to improve our views.

25)The relatively new medical buildings along Los Gatos Boulevard, bounding the eastern edge of the North 40, are taller than anything new that can be newly built along the periphery. Plus, there will be a buffer of orchard trees in front of all buildings.

26)The height restrictions on the N40 are as strong or stronger than anywhere else in town and nowhere as high as the town Council allowed Netflix, ½ mile away.

27)The town has NEVER had so much open space required (30%) for one project, and then exceeded that requirement by a developer. The Phase 1 application is at or near 40%. No other developer provided more than 10% open space that I can recall.

28)The town has a pension debt exceeding $53,000,000 and will, in the next two years, exceed an estimated $72,000,000. Do we have the money or resources to pour into another law suit?

29)Building the North 40 will help to pay down this debt. Over $ 3 million will come from this deal. The alternative may be to tax the citizens of Los Gatos to whom this debt of $70,000,000+ belongs. If we paid $12,000,000 in interest alone last year, how much worse will the interest changes become? Indecisions cost more money.

30)The Council should be planning for what is best for the community 20 years from now and not being run by the influence of voters who may not be here a few years from now. The Council's job should not be influenced by voter

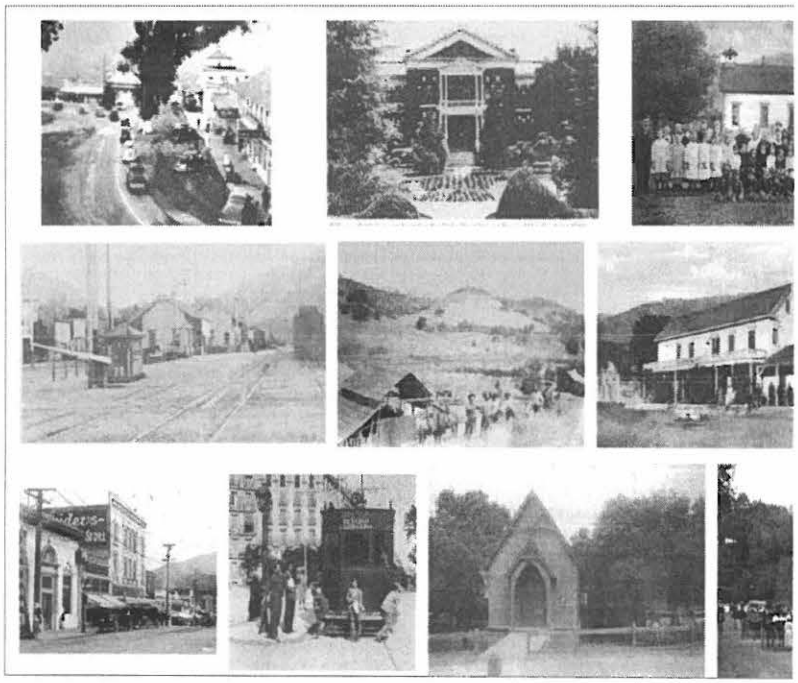
approval, but rather by what is right for long term benefits to generations that will follow.

31)We worked together making compromises to develop the Specific Plan as it stands. For some it works, for others, not. But this developer and this Specific Plan are a much better alternative than the state taking over, or a much worse developer who will make Los Gatos a much worse place to live. If you want real affordable housing there instead of that which is planned, do your homework first. Much more traffic and much more intensity with no road improvements and no school nor road dollars from the developers. Do your homework before you pursue affordable homes.

32)This developer has worked with the town and the schools. Others may not. This developer did exactly what the Council told them to do.

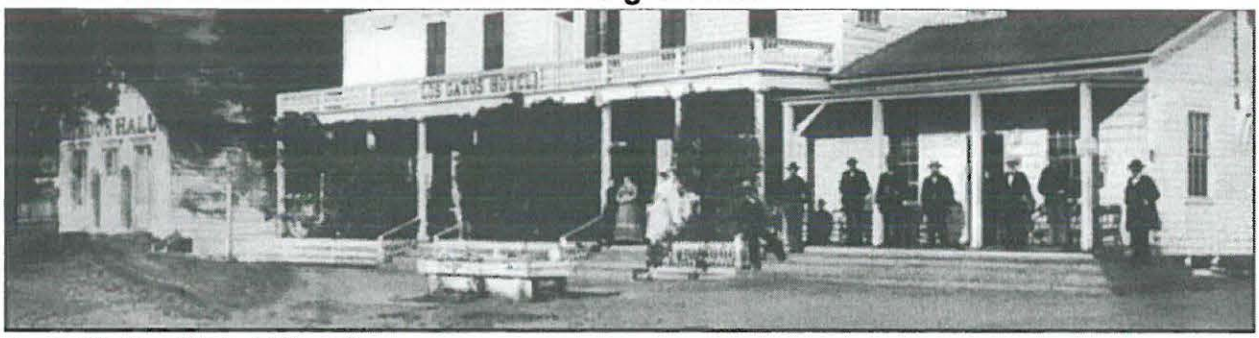
33)I support Ms. Jensen's and Mr. Rennie's positions who both approved this project initially.

34)The populace is exhausted by the dragging out of this project. We have little to no chance of slowing it down, and no chance of stopping something like it, or worse, in the future. It's time to move forward.

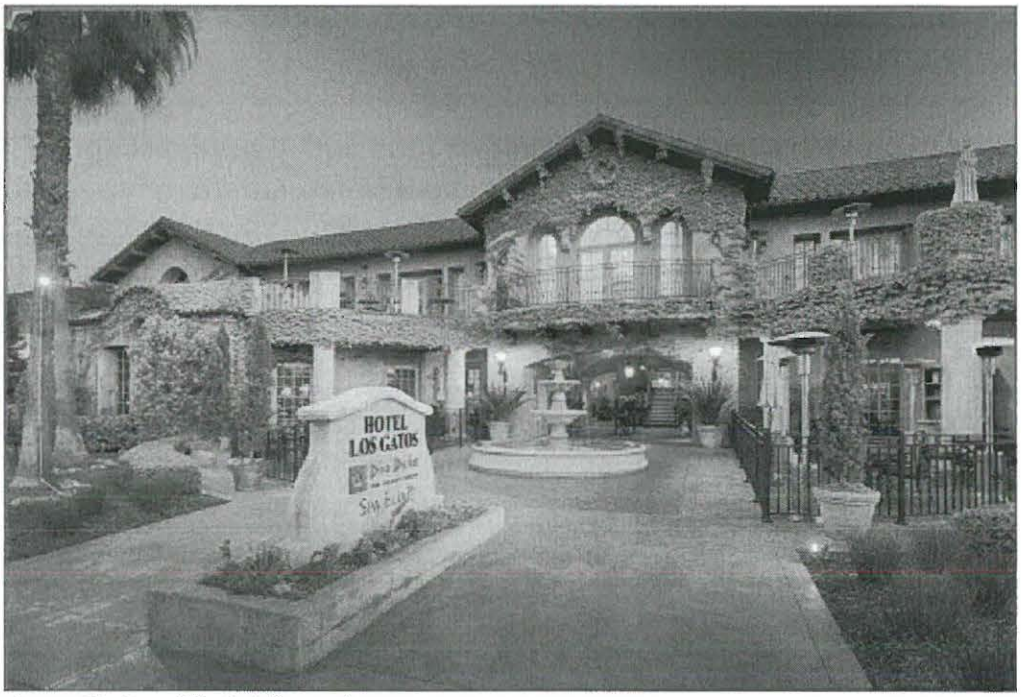


Beach Traffic in the 50's (but look at all of the parking !):

Change Happens – the most important job we have is to make sure the changes are in the best interest of the communities. All change has some impact and will take us out of our comfort zone until we grow into it.



Los Gatos Hotel (then)



Los Gatos Hotel (now)

Do you remember Sir Toby's tiny restaurant that used to be on this spot of land in Los Gatos?

Jak VanNada
Los Gatos resident for 45 years

Joel Paulson

From: Chuck Rawlings <chuckrawlings@gmail.com>
Sent: Thursday, July 20, 2017 8:27 AM
To: Council
Subject: Re: Support for the North 40 Specific Plan as written

Dear Members of Los Gatos' Town Council:
I am a transplant from the East Coast and in my retirement have lived in Los Gatos since 2009. I have watched and experienced the town's journey from the depths of the Great Recession to our current highly charged economy with its bustling business traffic and active night life. The world is growing rapidly around us and I believe that after prolonged debate and court challenges it is time to recognize the North 40 Specific Plan as a well-explored, entirely feasible and responsible way to take constructive action.

Precisely because the town is being changed inevitably by the economic currents of Silicon Valley.there is an additional moral responsibility to do our part to make more housing available as soon as possible.

I urge the Town Council to delay no longer, litigate no further, and adopt the Specific Plan as written.

Very truly yours,

Rev. Charles W. Rawlings
117 Fancher Ct, Unit 20
Los Gatos CA 95030

RECEIVED
TOWN OF LOS GATOS
JUL 20 2017
CLERK DEPARTMENT

To: Los Gatos Town Council
From: Dr. Mac Marland
Re: North 40 TC meeting, 7/24/2017

I am Dr. Mac Marland. I have an office on National Avenue in Los Gatos where I have specialized in diseases of the lungs and critical care medicine, mostly at Good Samaritan Hospital, for some 25 years. I apologize for not being able to speak at the meeting on 7/24 but my son is getting married this weekend.

Over the last 25 years, literally hundreds of studies have been published showing a link between living near a freeway and increased rates of asthma, cancer, heart attacks, preterm births, decreased life expectancy, and an array of other health problems studies have associated with living close to major roadways. Collectively, these studies have been persuasive enough that in 2003, California state law prohibited the construction of new public schools within 500 feet of freeways. In 2005 State Air Quality Regulators began warning against building new housing near freeways and, amazingly, since 2012, the Los Angeles County Planning Department has been issuing a "freeway adjacent advisory notice" for all new proposed housing within 1000 feet of a freeway. Most recently, in 2017, the CA Air Resources Board took the stand that no new housing should be closer than 500 feet to a freeway.

Yet everything changed on June 29, 2017, when the premier US medical journal, The New England Journal of Medicine, published an article that had an unprecedented sample size of almost 61,000,000 adults, or 96% of the total US Medicare population age 65 and over. This Harvard University study showed that living near a freeway and being exposed to ozone and small particulates (both from car and truck exhausts) at levels ***below*** current national standards was associated with significant adverse effects including a significant increase in death rates. As with second hand cigarette smoke, the authors found no safe level of exposure. Farther from freeways is better but these researchers still saw a detrimental effect up to 1 mile away in certain situations.

So, the Town Manager asked that speakers at this meeting present objective comments on the proposed North 40 project. I don't know what could be more objective than this study with 61 million people! No one should have to choose between affordable housing and breathing clean, healthy air. Plus, those residents in the 49 senior units, along with any children living there, would be most affected. Who wants to live in a residence where one has to keep their windows closed 24/7 because the outside air (and noise) is dangerous to one's health?

Our medical knowledge is always evolving and changing. It was only 53 years ago that the US Surgeon General first wrote about the dangers of smoking. Now we discuss 2nd and 3rd hand cigarette smoke and in just the last year, Los Gatos has prohibited smoking in all hotels and motels, multiple unit housing, in parks and on trails, in all workplaces, and throughout all commercial districts. A noble accomplishment, indeed, all to reflect the current science and

safeguard people's health. But why the progress? Because the "Science" showed the dangers of any exposure to cigarette smoke, which is an EPA designated Class A carcinogen (no exposure level is considered safe). With this Harvard study, we now have conclusive evidence that living near freeways is also dangerous in a fashion similar to other Class A carcinogens. Think of what similar regulations have been enacted as science and medicine uncovered the dangers of any exposure to asbestos, lead in paint and gasoline, flame retardants in children's clothing and furniture, DDT and other pesticides, etc.? The point is that smart decisions are based on current science. To do otherwise is indefensible. As the Los Gatos TC, you have a moral obligation to incorporate the latest science into these North 40 plans. As discussed in both the Town's General Plan and the North 40's Specific Plan, the health and welfare of the citizens of this Town are paramount. The Santa Clara County General Plan, Healthy Housing Element (page 65), dated 8/25/2015, recognizes the health dangers associated with proximity to significant sources of particulate matter pollution (such as freeways), where diesel fuel emissions are concentrated and pollutant levels are heightened.

Even Judge Takaichi's ruling acknowledges (page 3) the importance of an "...adverse impact upon the public health and safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density." The Judge's decision (page 3, next paragraph) also addresses the mitigation argument for the installation of air filters. Air quality engineers proved the inadequacy of this argument in protecting against second hand cigarette smoke in multiunit housing. And, yes, the highest quality air filters would help against particulates but they must be frequently replaced, are very expensive, the building's ventilation system must run virtually full time with all doors and windows closed, and they do nothing to combat ozone pollution. Do we want to establish the need for "the air filter police"? I certainly don't. It would be better to require all new housing be located farther than 500 feet, and ideally 1000 feet from any freeway. And that distance-consideration doesn't even consider the proximity of Los Gatos Blvd and Lark Avenue. These proposed "black lung lofts," as they have been labeled, would be surrounded by sources of air pollution. And should one wonder which way the wind is literally blowing, the North 40 "Existing Conditions" Technical Document 1837, shows the prevailing winds blow from the NW across Highway 17 into the North 40 area, thus maximizing exposure to all who live there.

Sincerely yours,

A. M. Marland, M.D.
15215 National Avenue, Suite 200
Los Gatos, CA 95032