

Minutes of the Meeting
Board of Directors
San Jose Downtown Association

March 8, 2019

A meeting of the Board of Directors of the San Jose Downtown Association, a non-profit California organization, was held at Élyse Restaurant, 151 S. 2nd Street, San Jose, CA.

The following directors were present at the meeting: Bartl, Bates, Calais, Cirone, Corbett, De Bernardo, McClain, Matsushima, Neale, Nichols, Perez, Pulcrano, Ramirez, Randall, Rewkiewicz, Tabatabaie, Truong and Vuckovich.

The following directors were absent from the meeting: Buchholz, Burroughs, Gilbert, Jenkins, Lambert, Osuka, Serpa, Silver, Summers and Wong.

Also present were SJDA staff: Michelle Azevedo, Julie Carlson, Corinna Dixon, Rick Jensen, Scott Knies, Nate LeBlanc, Danielle Ratliff, Jason Su, Chloe Verrey and Bree von Faith.

President Rewkiewicz called the meeting to order at 8:20a.m.

Rewkiewicz thanked Élyse for hosting the meeting site and owner Christophe Namer welcomed members to his family owned French-Vietnamese restaurant. Buchholz of Colliers International sponsored the breakfast.

Minutes of the February 8 (pgs.3-5) and January 11 (pgs.7-9) Board meetings were unanimously approved as distributed to Board members.

President's report

a) Executive Director sabbatical

Rewkiewicz announced that Knies will take a four-month sabbatical starting March 29. Knies will return to SJDA on July 29.

Knies advised that after 31 years serving as Executive Director, and following an internal reorganization under dual-Director structure (Policy & Operation and Events & Promotions) in 2017, he views this time as succession preparation and an opportunity for: staff to do things differently and elevate internal strengths; for Exec. Committee members to present their subject area of expertise; for the organization to consider his role differently in the future.

During Knies' absence, Von Faith will function as Senior Director and Rewkiewicz will be more hands-on and available to the staff.

Executive Director's Report

a) Staff updates

Accounting Manager Cheuk Law, who started Jan. 2, resigned from SJDA effective Feb. 13. Temporary bookkeeping assistance 24 hrs./week was retained thru Robert Half / Accountemps for past month. Peggy Bradley, who resigned effective Nov. 30, will continue thru August on contract to perform accounting duties and training. Dori Gao has

begun training under Bradley and officially begins as Accounting Manager on March 11.

An employment separation agreement between SJDA and Events & Promotions Manager Amy Anderson was reached. Amy worked with SJDA since 2005. Her last day was Feb. 28.

Candidates for the position of Events & Promotions Manager are being reviewed. Von Faith reported more than 175 applicants have been received.

New Business

a) San Jose Downtown Foundation Trustee Election

The San Jose Downtown Foundation operates as an independent 501c3 affiliate of SJDA. It's signature program for high school art students is Downtown Doors. The Foundation is considering launching a Tiny Doors program for middle school students and a downtown way-finding program.

On behalf of the San Jose Downtown Foundation Board of Trustees von Faith presented the nomination of new Trustees Brandi Calderon (who works in property management), Cat Chavez (who has fundraising experience) and Brandi Fernandez (who brings financial expertise) to the Foundation Board of Directors. (pg.13)

The remaining Trustees of the Foundation are: Jeanne Serpa, Juan Borelli, Charlie McCollum, Annabel Mangold and Ramona Snyder. (pg.14) Serpa will serve as SJDA's Board representative and begins her term as Foundation President.

On a motion from Randall and a second from Matsushima the SJDA Board voted unanimously to elect Calderon, Chavez and Fernandez as Foundation Trustees.

b) Streamlining Development

On behalf of the Advocacy Committee, SJDA Director of Policy & Operations Michelle Azevedo and Business Development Manager Nate LeBlanc presented on the topic of streamlining downtown development projects.

Mayor Liccardo has prioritized assessing cost, time and services and has voiced concern that developers view projects as too expensive, taking too long, and lacking certainty in fees.

In response, the Advocacy Committee proposes review of the following topics. (pg.15)

1. Bolster Planning Staff: Take immediate and drastic action to hire for vacant positions and retain staff in Planning, Building and Code Enforcement dept.
 - Under the General Fund, hire staff into City Departments and allow for more private and public partnerships, and grant funded projects.
 - There is the issue of "Perception". Might there be conflict?
 - Asking developers to pay the City is not a new concept, as we currently use a "pay-as-you-go" model to fund the department.

- There are currently a lot of approved projects that are not moving forward.
 - Discussed moving the budget for Planning to the City's General Fund.
 - Want to ensure that Planners are not making architectural decisions.
 - Labor groups lobby for the opposite position, to take a slower, more measured approach to development city-wide.
 - There are currently 6,000+ housing units approved, so this is not just a City issue.
2. Streamline permit and development timeline by instituting a "universal fee" on residential projects
 - Current fees and collection process is ever changing. Need cost transparency.
 - Currently 25-30 fees per project. Improve process w/ one fee - one collection. How do we arrive at a "universal fee"?
 - Large and small businesses need to reach a consensus.
 - Hot Chocolate vendor at Ice Rink is a tragic comedy / case study of permitting and inspections.
 - If the change to a "universal fee" is made, the development community would also like to change when fees are due, prefer to pay upon receipt of Certificate of Occupancy.
 3. Rightsizing Fees: Would lowering impact fees (park and affordable housing) spur development? Does a commercial linkage fee make sense in the current market?
 - Planning fees are currently too low.
 - The "unaffordable" affordable housing fee + park fee results in ~\$33K per unit (or 8% of cost). This cost passes on to renters.
 - Is it possible to share the burden and apply across all real estate types?
 - What might alternatives be? Moratorium? Expand total stock of housing? Other cities as examples? We are willing to use downtown as the testing ground for a pilot program.
 - The Mayor supports a study to look at a commercial linkage fee to fund affordable housing.
 - Is it possible to make up the "lost" City revenue with more volume if some of the proposed projects are actually built?
 4. Reinstate the Downtown High-Rise Incentive program and establish a team of permit expeditors for these projects
 - Previous incentive program created a rush of proposals and projects in the pipeline that must be built by June 2021.
 - Other qualified projects may not receive incentive because of build-by date.
 - Possibility to reinstate incentive program with only a ground-breaking date?
 - Consider reasonable time-lines for hi-rise construction.
 5. Parking: Set parking ratio at the least that the developer is willing to provide
 - We propose allowing developers and to determine their own parking ratio.
 - Current trend shows parking demand in urban areas is dropping.
 - Consider option of "flat-plate" and "stacker" construction that is convertible to commercial space for future development.

Rewkiewicz incorporated points regarding consideration of Strong San Jose Initiative into Development discussion.

c) Strong San Jose Initiative

- The board would like to see the results of the SVO's study on feasibility of a ballot measure to change San Jose city charter to a "Strong Mayor" form of government.
- Only commitment at this time is to study the issue.
- We need to "be careful what we wish for," if this change was made and the mayor elected was not friendly to the business community.
- Much more work to be done on this issue, Michelle will keep the board informed.

Rewkiewicz encouraged members to share further comments on the topics discussed today.

President Rewkiewicz adjourned the meeting at 9:30 a.m.