

June 2, 2005

The Honorable Mayor and City Council
801 North First Street
San José, CA 95110

RE: HITACHI SITE PLANNED DEVELOPMENT ZONING APPLICATION

Dear Mayor and City Council:

On May 24, 2005, the Housing Advisory Commission held a Special Meeting to discuss the proposed Planned Site Development application by Hitachi GST. This item is scheduled to be considered by the City Council on June 21, 2005.

The Commission heard a brief presentation from Sean Morley (Morley Brothers LLC), Kyle McCelroy (Hitachi GST), and Eric Harrison (Signature Properties) regarding the land, site proposal, transportation improvements, and affordable housing being slated for Hitachi's campus. The panel explained that Hitachi GST was seeking a Planned Development Zoning application on Cottle Road to be rezoned from 332 acres of industrial property to approximately 148 acres of industrial, 145 acres of residential and commercial, and 38 acres of roads and PG&E substation.

The Commission voted to support the overall project, acknowledging the excellent economic development, planning, and transportation benefits. The Commission noted that there would be a substantial profit for Hitachi GST by changing the land use designation. The Commission encouraged Hitachi GST and Signature Properties to consider providing deeper levels of affordable housing as a part of providing community benefit. The Commission passed a motion recommending the Mayor and City Council support the proposed development and, in addition, increase the affordability of all (rental and for-sale) units and provide a full range of affordability options to extremely-low income, very-low income, and low-income households in order to meet the City's 20% Inclusionary Housing policy. Also, the Commission recommends that the details (including the extent that affordable units are or are not integrated in market projects) be left to City staff to negotiate. The Commission also requested that two news articles and an attachment developed by Commissioner Ordonez accompany this letter to the Mayor and City Council.

The Housing Advisory Committee passed the above recommendations with unanimous votes. I, and the Commission, thank you for your time and consideration.

Sincerely,



TOM FINK, Chair