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September 17, 2018

Honorable Patricia Lucas, Presiding Judge  
Santa Clara County Superior Court  
191 North First Street  
San Jose, CA 95113

Clerk of the Court  
Superior Court of CA County of Santa Clara  
BY Janice Jones DEPUTY

Dear Judge Lucas,

This letter provides the Santa Clara Valley Transportation Authority (VTA) reply to the 2017-2018 Santa Clara County Civil Grand Jury report, *Affordable Housing Crisis: Density is our Destiny*.

As we discussed with the Grand Jury members, VTA has a proactive affordable housing policy that seeks to ensure that 35% of all housing built at VTA-owned sites is affordable to households earning no more than 60% of Area Median Income. The policy also contains goals and incentives to achieve deeper affordability. The VTA Board of Directors adopted this policy in 2016 in recognition of the dire affordable housing crisis in the County, and how the lack of sufficient housing (particularly affordable housing) is a prime contributor to worsening traffic congestion, as workers in Santa Clara County move ever further away to find more affordable places to live. This dynamic threatens to overwhelm VTA's other efforts to assist the County's Congestion Management Agency to reduce the rate of growth in vehicle miles traveled, not to mention the harm it creates in higher levels of air pollution and greenhouse gas generation.

Regarding VTA's response to the Grand Jury findings:

- **Finding 11:** *Agree within finding.* VTA agrees that it provides a valuable model for consideration by other agencies and recognizes that each agency must tailor its approach to production of Below Market Rate (BMR) housing to reflect its statutory authority, goals, resources, and capabilities.
- **Finding 11(a):** *The finding will not be implemented by VTA because it is not warranted by VTA's enabling statute (i.e. it is outside the scope of VTA's authority).* VTA's understanding is that the Santa Clara County Office of Supportive Housing, tasked with implementation of County 2016 Measure A funding, has taken on the role of coordinating partnerships between developers and the County for BMR housing production. Developers and local jurisdictions are looking to Measure A as a key resource for advancing BMR production, particularly for households at the lowest income levels. VTA considers it a matter for the

County Board of Supervisors to determine the extent to which the role of the Office of Supportive Housing should have revised, augmented, or supplemented by the work of another entity, as well as how the County should engage with SCVWD on BMR housing partnerships.

- **Finding 11(b):** *The finding will not be implemented by VTA because it is not warranted by VTA's enabling statute (i.e. it is outside the scope of VTA's authority).* VTA agrees that all agencies, including the County and SCVWD, should expedite offering BMR housing sites for development. The rate at which this can occur, and how many can be offered by the end of Calendar Year 2019, will be a function of the number of sites; existing and potential land use entitlements; and agency capabilities.

VTA notes that it will not be able to offer all its sites for BMR housing by 2019 due to the lack of supportive land use entitlements from local jurisdictions as well as our capacity constraints. We are working to offers sites as quickly as we can within these constraints.

VTA thanks the Grand Jury for the opportunity to participate in the review of its report. VTA will continue to seek to engage with all agencies and other parties on how to substantially increase BMR and all other housing production in Santa Clara County, to strengthen the connection between transit and land use and reduce the impacts of congestion for County residents, workers, and businesses.

Sincerely,



Ron Golem  
Deputy Director, Real Estate & Joint Development

cc: Jim Lawson, Director of Government Affairs & Executive Policy Advisor