

SILICON VALLEY REAL ESTATE BREAKFAST WITH MAYOR MATT MAHAN



Hoge Fenton was delighted to host our final Silicon Valley Real Estate Breakfast of 2023 with San Jose Mayor Matt Mahan on December 12, 2023, at the Silicon Valley Capital Club. Our Real Estate and Land Use Chair, Steven Kahn welcomed our exclusive guests and introduced the Mayor. Mahan connected with our VIPs in our real estate community, presenting a 2023 year-in-review as his first year as Mayor. He also focused on discussing the current state of the real estate market and the latest hot topics occurring in San Jose.



Despite the current challenges facing our state regarding homelessness, crime, cost of living, and housing supply, Mahan strongly feels that San José is uniquely poised to lead California forward. According to RentCafe, the cost of living statistics is 42% higher than the national average. Housing, transportation, and utilities are all higher than the rest of the country. Wages compared in California are only 25% higher than the national average.

Housing in San Jose is getting less affordable even though the state population seems to be level. The main issue is the cost of living in California is rising inexorably. Although the state of California is trending in the wrong direction, the Mayor assured us that San Jose can overcome these challenges by focusing on the strengths of our educated workforce, diverse economic base, and infrastructure investments.

A huge solution to making San José a more desirable place to live is focusing on going back to the basic principles of increasing public safety, reducing street homelessness, and keeping our communities cleaner to attract more development investment in the city.

In 2022, San Jose issued more AI and machine-learning patents than anywhere else in the nation to draw the interest of entrepreneurs and start-ups to help us create a cleaner and safer city.

Mahan announced that we would be able to board an electrified Caltrain in 2024, equipped with Wi-Fi and an abundance of charging outlets that would get you to San Francisco in under an hour from the Diridon station, regardless of the train you caught. BART's extension into the South Bay received its final \$375M in regional funding back in October 2023. The Metropolitan Transportation Commission voted unanimously Wednesday to allocate the additional funding to Valley Transportation Authority's Phase II of the project, which includes 5 miles of an underground tunnel and four additional stations, stretching the system into downtown San Jose and Santa Clara.

Mahan discussed that the city of San Jose is focused on increasing its public safety by investing in the recruitment of police officers and the entire department, increasing the hours of active foot patrol in Downtown San José, enforcing April bike patrol with civil society organizations, and the San Jose Downtown Association's newly formed **Social Impact Team** is offering assistance to downtown's homeless individuals — and making a difference in people's lives in a matter of weeks on the job.

SAN JOSE IS FOCUSED ON PUBLIC SAFETY

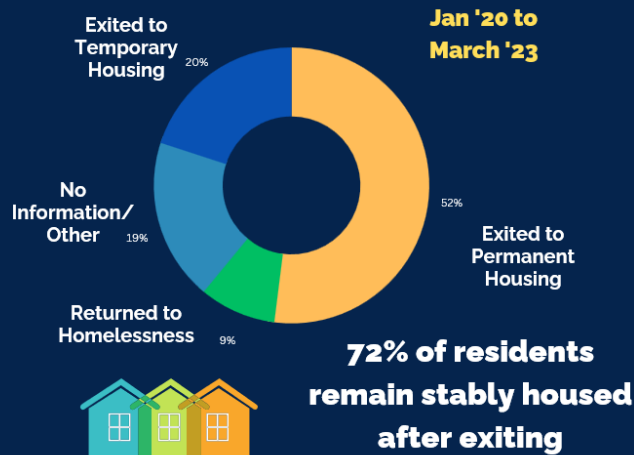


- Doubling Police Hiring
- Leveraging Technology
- Paramedic Academy
- Investing in Our Children

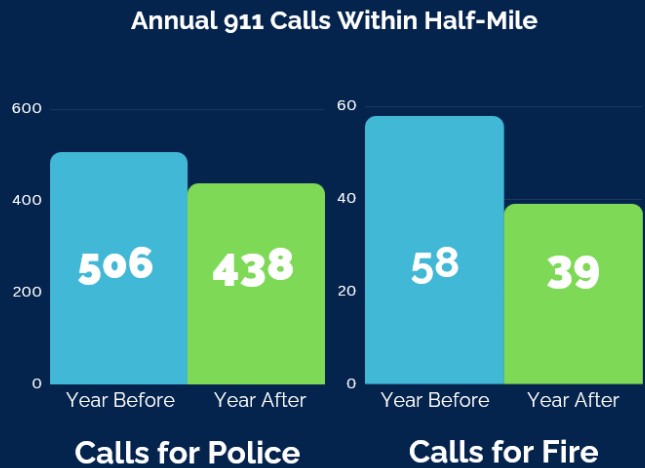
San Jose is also focused on providing immediate and long-term solutions to reducing the amount of unhoused in the city. Since 2022, unsheltered homelessness has dropped by 10.7%. Immediate solutions include Quick Build Communities to help keep people off the streets. Mahan is also considering sanctioned encampment sites for people who don't have permanent housing. The hope is for safe sleeping sites for unhoused residents. This vision is still in its early stages – the size and locations are still being worked on.

QUICK-BUILD COMMUNITIES WORK

Quick-Build Communities Keep People Off the Streets



Quick-Build Communities Make Good Neighbors



Mahan also wants to try something in the South Bay that's already happening in Southern California. San Diego just opened a second sanctioned camp capable of holding 400 tents. The site prohibits on-site drug and alcohol use, violent behavior, and missing the curfew more than three times. "Our city staff is already learning from jurisdictions. I was quite impressed by what San Diego was able to stand up," Mahan said. The vision still in its infancy would essentially be comprised of tents on top of a wooden pallet, paired with services such as security and bathrooms. "It's essentially a forced relocation." Mayor Mahan's goal is to bring this vision forward through the budget process next year (likely in March) regarding resources for a pilot program then talk about locations.

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