TRANSMITTED VIA EMAIL

June 8, 2018

Honorable Mayor Sam Liccardo and Members of the City Council
City of San Jose
200 East Santa Clara Street, 18th Floor
San Jose, CA 95113

Dear Mayor Liccardo, Vice Mayor Carrasco, and Councilmembers, Arenas, Davis, Diep, Jimenez, Jones, Khamis, Nguyen, Peralez and Rocha,

RE: Item 4.3 – FY 2017/18 FY -- 2021/22 Affordable Housing Investment Plan

On behalf of the Housing Leadership Group, a group assembled by the American Leadership Forum Silicon Valley, we write you today to urge you to approve the Affordable Housing Investment Plan (AHIP) and to take steps to create a new funding source that will enable the City to meet the affordable housing production goals recently approved by the City Council.

We offer three comments:

Continued Focus on Housing for Currently Unhoused People Including Permanent Supportive Housing—we agree strongly with the AHIP recommendations that the City continue its support for housing for the most vulnerable residents of the community, particularly those who are living on our streets or in other non-permanent housing situations. Despite significant and coordinated efforts by the City and other partners, the number of homeless men, women, and children in San Jose continues to be at unacceptable levels. We need an all-hands-on-deck approach, and to identify and make available all possible tools and resources to create permanent and affordable housing opportunities for our homeless residents. For those who are chronically homeless, we need to focus on permanent housing that comes with supportive services.

Continued Focus on Housing for Extremely Low-Income (ELI) Households—we appreciate the Housing staff recommendations to create a $125,000 subsidy cap that would enable developers to apply for City housing funds to build projects that include units affordable to ELI households (those earning less than 30% of area median income). Astoundingly, according to recently released numbers from HUD, a single person earning just under $28,000 and a family of four earning just under $40,000 annually are considered extremely low income. Many San Jose residents, including seniors, persons with disabilities, people on fixed incomes or earning minimum wages qualify as ELI, and struggle to find any housing that is affordable in a market with average rents of $2,600 (all unit
types, RentCafe, June 2018).

Creation of an Ongoing Revenue Source to Address Funding Gaps—the HIP shows that the City has a $548 million shortfall in funding to meet its 10K housing goal for the five-year period ending in 2023. No funding source is identified to fill this gap. We urge the City Council to immediately begin to study a potential Commercial Linkage Fee (CLF). This is the only source of local funding that could be adopted that could raise the level of funding that is needed to meet the 10K affordable housing goal.

In closing, we support the staff’s recommended Affordable Housing Implementation Plan and respectfully request that the Council take affirmative action. We are very appreciative of San Jose’s continued leadership around housing and homelessness, and the Council’s recently established goal to create the 10K new units. Now is time to make sure that the policies, tools, and resources are in place to realize this bold and necessary goal.

Thank you for the opportunity to provide comments.

Sincerely,

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