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DESTINATION: HOME

September 9, 2018

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

Re: September 11, 2018 – City Council, Item 3.8: Bond Allocation Plan for General Obligation Bond Allocation for Affordable Housing.

Dear Mayor, Vice Mayor, and City Councilmembers,

On behalf of Destination: Home, I write to encourage you to accept the staff report on the bond allocation plan for the proposed \$450 million general obligation bond measure for affordable housing.

For years, the City has been a leader in providing housing for its most vulnerable residents. Thanks to the approval of Council on August 10, the Bond measure will allocate at least \$150 million for extremely low income (0-30% AMI) housing. With that allocation and the smaller set aside for workforce housing, we strongly agree with the Housing Department's recommendation that the remaining funds should remain flexible (0-80% AMI) to award proposals to develop and acquire affordable housing with a primary focus in meeting the City Council's goal of funding 10,000 affordable housing units over the coming five years.

As noted in the staff report, the demand for all types of affordable housing creates an extremely challenging situation for the most vulnerable members of our community, residents with fixed incomes, and minimum wage workers. In fact, the lowest-income renters in our community spend 62% of their income on renting, leaving little left for food, transportation, health care, and other essentials. According to a 2018 report from California Housing Partnership Corporation, when housing costs are considered, Santa Clara County's poverty rate rises from 7.9% to 16.2%.

All of this reinforces that the dire need for deeply affordable housing is now more present than ever in San José. Approving the staff recommendations will ensure that the City is able to use proceeds from the Bond to fund the development of affordable housing that makes the most sense for our community. It will also give the Housing Department the flexibility to evaluate the market demand and gaps over time and adjust its strategy and approach accordingly to meet the greatest need.

Destination: Home

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DESTINATION: **HOME**

Thank you for your continued work and partnership.

Sincerely,



Jennifer Loving
CEO, Destination: Home