



FW: Item 2.10

From City Clerk <city.clerk@sanjoseca.gov>

Date Mon 6/15/2026 7:46 AM

To Agendadesk <Agendadesk@sanjoseca.gov>

 1 attachment (178 KB)

Item 2.1 San Jose City Council agenda 6.16.26.pdf;

From: kathy sutherland <[REDACTED]>

Sent: Saturday, June 13, 2026 3:27 PM

To: The Office of Mayor Matt Mahan <mayor@sanjoseca.gov>; Kamei, Rosemary <Rosemary.Kamei@sanjoseca.gov>; Campos, Pamela <Pamela.Campos@sanjoseca.gov>; Tordillos, Anthony <Anthony.Tordillos@sanjoseca.gov>; Cohen, David <David.Cohen@sanjoseca.gov>; Ortiz, Peter <Peter.Ortiz@sanjoseca.gov>; Mulcahy, Michael <Michael.Mulcahy@sanjoseca.gov>; Doan, Bien <Bien.Doan@sanjoseca.gov>; Candelas, Domingo <Domingo.Candelas@sanjoseca.gov>; Office of Vice Mayor Pam Foley <[REDACTED]>; Casey, George <George.Casey@sanjoseca.gov>; City Clerk <city.clerk@sanjoseca.gov>

Cc: Fruen, Joseph <Joseph.Fruen@sanjoseca.gov>; Yamamoto, KiyomiH <Kiyomi.Yamamoto@sanjoseca.gov>; Gvatua, Alexander <Alexander.Gvatua@sanjoseca.gov>; Nguyen, Lam <Lam.Nguyen@sanjoseca.gov>; Moreno, Brisa <Brisa.Moreno@sanjoseca.gov>; Lee, Lynn <TheresaLynn.Lee@sanjoseca.gov>; Fleming, Jonathan <Jonathan.Fleming@sanjoseca.gov>; Adera, Teddy <Teddy.Adera@sanjoseca.gov>; Hughes, Scott <scott.hughes@sanjoseca.gov>; Gomez, David <David.Gomez@sanjoseca.gov>

Subject: Item 2.10

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Dear Mayor and Council,

Please review the attached letter from S+NI regarding concerns with Item 2.10 on the June 16 consent calendar.

I am available for questions or clarifications via email or my cell below.

Thank you for your consideration.

Kathy

Kathy Sutherland
[REDACTED]



June 13, 2026

Honorable Mayor Mahan and Members of the San José City Council
200 East Santa Clara Street
San José, CA 95113

RE: Request to Remove Item 2.10 from Consent Calendar and Separate Consideration of
the South First Street Acquisition and Gifford Apartments Incentive

Dear Mayor Mahan and Councilmembers:

Stakeholders + Neighborhoods Initiative respectfully requests that the City Council remove Item 2.10 from the consent calendar and either defer consideration of the item or bifurcate the proposed acquisition of 26-36 South First Street from the financial incentive tied to Urban Catalyst's Gifford Apartments project.

Our organization has consistently supported dense, responsible infill development, affordable housing, and investment in the urban core. The concern is that the City is combining two separate policy decisions into a single consent item without adequate public discussion.

The proposed transaction would authorize the City to purchase the South First Street property for \$3.6 million despite an appraised value of \$2.78 million. The staff report acknowledges that part of the justification for paying above appraised value is the desire to incentivize advancement of the Gifford Apartments project through a \$975,000 escrow holdback tied to an arbitrary project milestone.

Whether or not linking the two projects will technically qualify the Gifford Apartments as a public subsidy under state law, the public perception is unavoidable. Residents will reasonably question why public funds are being used to pay substantially above appraised value while simultaneously providing financial benefit connected to a separate private development project. Such questions deserve a full public discussion and should not be approved through the consent calendar.

The Gifford Apartments project has generated significant neighborhood concerns regarding the waiving of Council approved designed standards. Those standards were developed through years of collaboration among neighborhood leaders, planning staff, property owners, and the development community. If the City intends to provide financial value that facilitates a specific project, then there should also be a transparent discussion regarding community benefits, labor standards, prevailing wage commitments, design quality, and the long-term precedent such actions create.

The Council should not be forced into an all-or-nothing vote. Members may support acquiring the historic Knox-Goodrich property while having legitimate concerns regarding the incentive structure tied to Gifford Apartments. Likewise, residents deserve the opportunity to comment separately on each issue.

For these reasons, we respectfully request that the City Council:

1. Remove Item 2.10 from the consent calendar;
2. Bifurcate the South First Street acquisition from the Gifford Apartments incentive structure with direction to staff to provide a staff memo detailing the justification for the escrow holdback for a future Council vote;
3. Continue the item to a future meeting to allow for additional public review, staff information, and discussion.

San José residents expect transparency, accountability, and thoughtful stewardship of public resources. A transaction of this significance that ties two unrelated projects together warrants a full public hearing and separate consideration of its individual components.

Thank you for your consideration.

Sincerely,

Kathy Sutherland, Co-president

Stakeholders + Neighborhoods Initiative