



November 20, 2018

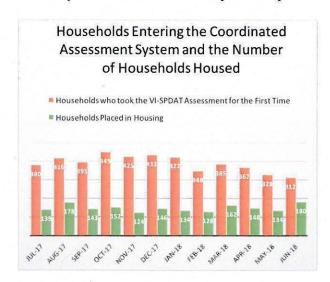
Honorable Mayor Sam Liccardo and Members of City Council City of San José 200 East Santa Clara Street, 18th Floor San José, CA 95113

Re: November 27, 2018 - City Council, Item 4.3 - HEAP Funding Priorities

Dear Mayor, Vice Mayor, and City Councilmembers,

On behalf of Sacred Heart Community Service and Destination: Home, we write to urge you to accept the staff recommended prioritization for homelessness prevention in the proposed expenditure plan for Homeless Emergency Aid Program (HEAP) funding. Support of the staff recommendation for this funding priority will leverage millions of dollars in other private and public investments to further strengthen and support a homelessness prevention system that will keep hundreds of San José residents housed in the coming years. While a variety of emergency interventions may be needed, continued support for this evidence-based, strategic approach is one of the most effective and immediate ways to protect our most vulnerable families from the crisis of homelessness.

Given the soaring cost of living, the lack of affordable housing, a rash of recent evictions, and an absence of available living wage jobs, the reality is that many of our neighbors are on the brink of homelessness. As the chart below demonstrates, despite significant gains throughout the County in placing over 5,000 people in homes over the last three years, the number of people becoming homeless on a monthly basis continues to surpass the placements into housing:



While hundreds of new affordable and supportive apartments will open in the coming year, supply alone will not be enough to address this challenging issue for our community. With this in mind, we know that prioritizing more funding for the homelessness prevention program is an immediate imperative; it the only existing systematic approach to effectively keeping people off our streets and in safe, stable homes. The homelessness prevention system encompasses a broad network of organizations and institutions designed to capture families at their critical moment of need to avert homelessness, and includes ten community-based organizations, the family shelter system, domestic violence and human trafficking network, school districts, Family Resource Centers, eviction and legal assistance, and focused neighborhood support.

Beyond the need, we also know that this homelessness prevention system saves money and is highly leveraged to benefit San José residents far beyond the proposed local HEAP allocation. For example, in the first two years of the pilot program, a consortium of private and public funders have contributed \$6,057,500 to the system, including \$750,000 from the City of San José; however, while the City's investment accounted for only 12% of the total funding, 64% of the total households served were San José residents. Moreover, at an average cost of \$6,794 per household, this intervention is far less costly than rehousing people who have lost their homes, avoiding the trauma and disruption that a family will experience falling into homelessness and trying to navigate back into housing.

Despite these benefits, the tragic reality is that 4,660 households experienced homelessness for the first time county-wide in FY17-18; in that same time period, only 215 families received support from the homelessness prevention system. With thousands more at risk in the coming years, the dire need to expand the capacity of this system is now more present than ever in San José. Approving the staff recommendation for funding of the homelessness prevention system will ensure that the City is able to use HEAP to fund a crisis response that makes the most sense for our community. It will also give the City the opportunity to continue to leverage and benefit from a program that saves money, helps families in immediate need, and keeps people permanently housed.

Thank you for your continued work and partnership.

Sincerely.

Jennifer LoyIng CEO, Destination: Home

Poncho Guevara Executive Director, Sacred Heart Community Service

By Email

November 7, 2018

Honorable Mayor, Vice Mayor, and City Council San José City Hall 200 East Santa Clara Street San José, CA 95113

Re: Request to Direct Housing Department to Amend Its Memorandum of Agreement with Santa Clara Valley Water District and Homeless Encampment Sweep Procedures to Protect Residents of Encampments

Dear Honorable Mayor, Vice Mayor and City Council:

All people must have access to the means to provide for their own basic needs, including shelter. The unhoused members of our community are particularly harmed when their personal property is taken during encampment sweeps because they lose whatever practical tools they had for survival or to transition out of homelessness and are deprived of due process.

For these reasons, we, individuals and organizations who are part of and/or support the unhoused community in San Jose, request that City Council direct the Housing Department to amend and improve its Memorandum of Agreement with the Santa Clara Valley Water District for Encampment Cleanup to comply with legal requirements. This Memorandum of Agreement is just one of many executed between the City and other entities related to encampment sweeps, and the concerns enumerated related to this Memorandum apply to the others as well. Approval of the Memorandum of Agreement should be placed on the Council's agenda for public comment given its importance.

While we and other advocates have requested that the Housing Department make changes to the Memorandum of Agreement, not all of the changes have been included. We recognize consideration of the new Memorandum of Agreement as a unique opportunity for both entities to improve their practices, and we ask that Council direct the Housing Department to implement the below described changes to the processes. We additionally encourage the City to adopt corrective measures to bring its practices into conformity with fundamental constitutional standards.

Factual Background

It has been the regular practice of the City of San José and the Water District to conduct sweeps of homeless encampments, and these sweeps have moved forward at an alarming rate—

Honorable Mayor, Vice Mayor, and City Council November 7, 2018 Page 2

over a dozen within the city limits every week. The people who live in these encampments represented one-third of San José's homeless population in 2017, many of whom simply cannot afford to live in San José's red-hot housing market. Advocates and unhoused residents recognize regular deficiencies in the process for these sweeps.

Before any sweep is to be conducted, a homeless outreach team is supposed to make contact with residents of an encampment to offer support services. Ideally, the outreach team makes contact with residents more than once in order to build rapport and trust before the sweep is conducted. These outreaches are not actually being completed before most sweeps. Where the outreaches are completed, they have not been very thorough—it is frequently the case that this outreach consists of passing out contact cards for encampment residents to call service providers when they want to engage in services. This is problematic for a number of reasons, including (1) most recipients do not have regular telephone access, and (2) residents are not being offered meaningful, long-term housing solutions, only a short-term bed in already overfilled, and oftentimes, unavailable shelters.

The notices posted prior to any encampment sweep are 72-hour notices, which are practically insufficient time for most individuals, but generally viewed to satisfy legal-minimum notice requirements. However, the notices state a range of up to five days during which encampments may be swept. This range of dates creates ambiguity to the point that the notice is ineffective—people are unsure of when encampments may be swept and are thus less able to protect their property.

The notices are also ambiguously posted. A nearby tree or structure may be posted without actually posting the notice on all the tents or living spaces, which results in residents being unsure of what area will be swept in the course of the sweeps. Without having a specific area of what will be swept, residents are unable to ensure that their most important belongings are kept in a safe space.

While there is a process for the City to hold non-trash, personal property items in storage following encampment sweeps, in our experience, the City's policies about property preservation are routinely ignored in the course of sweeps. Residents of encampments regularly lose important personal property in the course of sweeps, including items identified on the City's list of belongings not to be destroyed, such as medications, identification, and bicycles. Even where things should be preserved as property, they are regularly rendered trash in the course of the sweeps. For instance, even where tents constitute a resident's valuable personal property (their very shelter), they are regularly cut open in the course of sweeps, rendered destroyed, and subsequently trashed. This is akin to having one's home bulldozed, and one's personal items discarded.

After the sweeps, unhoused residents are often left with nothing but the belongings in their arms. They have to re-start their efforts to collect vital documents, life-preserving medications, and tools for survival because of the difficulties in regaining their belongings from

¹ Applied Survey Research, "City of San José Homeless Census and Survey: Comprehensive Report." 2017. Available at: https://www.sanjoseca.gov/DocumentCenter/View/70076.

the City's storage space. Because of these significant deficiencies in the process, changes to the encampment sweep process are necessary.

1. The City Must Ensure Personal Property is Not Improperly Seized or Destroyed.

First, the City must ensure that personal property is not improperly seized and destroyed in the course of the encampment sweeps, and must include such direction in its Memorandum of Understanding with the Water District. Both the Fourth Amendment to the U.S. Constitution and Article I, Section 13 of the California Constitution prohibit the government from unreasonable seizure by summarily taking and destroying homeless individuals' property. The victims of these encampment sweeps consistently report that their personal belongings, including basic necessities such as medications and IDs, are thrown out in the course of sweeps. While we recognize that the City has created a list of items that are not trash, this list is not consistently consulted or followed in the course of the sweeps. This list of items should be included in the Memorandum of Understanding with the Water District as well as any agreements with contractors. The City and the Water District must also end the practice of cutting open tents to determine their contents. This is unsafe for the people that may be inside, and it violates the Fourth Amendment by unnecessarily destroying belongings—the practice transforms someone's personal property into trash when use of a zipper could achieve the same goal.

2. The City Must Provide Meaningful and Adequate Notice and Procedures before dismantling encampments and seizing property is seized and destroyed

Section 7 of the California Constitution are violated by the seizure and destruction of a homeless person's property without an effective and adequate pre- and post- seizure process, including clear notice and a meaningful opportunity to reclaim property. As the Ninth Circuit has repeatedly made clear, "[t]he government may not take property like a thief in the night; rather, it must announce its intentions and give the property owner a chance to argue against the taking.' [citation] This simple rule holds regardless of whether the property in question is an Escalade or an EDAR, a Cadillac or a cart." The people living unhoused in San José have a protected property interest in their personal property, and both the City and the Water District violate procedural due process when they provide vague notice, no means to safeguard retrieved property, and/or insufficient opportunity to retrieve seized property.

While the City's practices in providing notice have improved, the notices they currently provide are still vague and ineffective where they provide a range of five days during which an encampment may be swept. This range of dates should be eliminated entirely in favor of providing residents one particular date and time during which they can more certainly expect a sweep to be conducted. Every structure should be posted with notice in any encampment

² <u>Lavan v. City of Los Angeles</u>, 693 F.3d 1022, 1030 (9th Cir. 2012) (City violated Fourth Amendment rights of homeless persons when it seized and destroyed their legal papers, shelters, and personal effects); <u>Sanchez v. City of Fresno</u>, 914 F. Supp. 2d 1079, 1115-16 (E.D. Cal. 2012) (injunctive relief available under California constitution in action alleging City wrongfully seized and destroyed homeless individuals' shelter and property).

³ Lavan, 693 F.3d at 1032 (citing <u>Clement v. City of Glendale</u>, 518 F.3d 1090, 1093 (9th Cir. 2008)).

⁴ <u>See Sanchez</u>, 914 F. Supp. 2d at 1093, 1103.

Honorable Mayor, Vice Mayor, and City Council November 7, 2018 Page 4

scheduled to be cleared. Moreover, the City's Property Supervisor should arrive at least a half-hour before any sweep begins to allow encampment residents an opportunity to remove their property before police are permitted to clear them from the area. The City should consistently provide bags that people can use to move and store belongings that should not be thrown away in the course of the sweeps. These actions would help to mitigate the loss of personal property, the work required of City employees and contractors, and the need for people to go through the post-seizure ordeal of collecting their belongings from the City's storage facility. Council should direct the Housing Department to include all of these procedures in the Memorandum of Understanding with the Water District.

3. The City Must Not Conduct Encampment Sweeps Without Providing a Safe, Alternative Location for Families to go

Further, the City must end the practice of forcing people to leave publicly-owned land without first offering people another place to live. When the City has conducted encampment sweeps, there is minimal outreach offered, if any. Importantly, when services are provided through outreach, shelter is rarely offered. Even if shelter was offered, it is ineffective given the lack of shelter beds available even on a short-term basis. By sweeping encampments with the threat of police force and failing to provide some alternative location for unhoused people to go, the City is effectively criminalizing involuntary homelessness in violation of the Eighth Amendment's protections from cruel and unusual punishment. We ask that the City therefore act to ensure that sweeps of homeless encampments are not conducted unless and until residents are at least offered an authentic, alternative shelter.

In sum, the sweeps of homeless encampments by the City and the Water District are being conducted in ways that fail to respect the constitutional and human rights of homeless individuals. We recognize consideration of the new Memorandum of Agreement as a unique opportunity for both entities to improve their practices, and we encourage you to implement the following changes in the document:

- Sweeps of homeless encampments should not be conducted unless and until residents are at least offered an authentic, alternative shelter;
- The list of items that may not be designated as trash should be included within the Memorandum of Agreement with the Water District as well as any agreements with contractors, and require that the list's protections are consistently enforced;
- All parties should end the practice of cutting open tents to determine their contents;
- Notices should specify one date on which an area is to be swept instead of a range of dates that leaves residents uninformed;
- Every structure should be posted with notice in any encampment scheduled to be cleared;

⁵ <u>See Martin v. City of Boise</u>, 902 F.3d 1031 (9th Cir. 2018); <u>see also Jones v. City of Los Angeles</u>, 444 F.3d 1118, 1132 (9th Cir. 2009) (vacated pursuant to settlement).

Honorable Mayor, Vice Mayor, and City Council November 7, 2018 Page 5

- The City's Property Supervisor should arrive at least a half-hour before any sweep begins to allow encampment residents an opportunity to remove their property before police are permitted to clear them from the area.
- Bags that people can use to move and store belongings that should not be thrown away should consistently be provided prior to and immediately before sweeps.

While we disagree that any of these encampment sweeps should be permitted at all, we believe these changes to this Memorandum of Agreement and others related to encampment sweeps can help to make the process more humane. We urge you to adopt these changes in the interest of respecting our neighbors' most fundamental legal rights and allowing them to better care for themselves. Thank you for your time and attention to this matter.

Sincerely,

/s/

Matthew Warren and Nadia Aziz, Law Foundation of Silicon Valley

Elaine Talerico, Vice President, Thompson Creek Neighborhood Association

Gail Osmer, Homeless Advocate

Robert Aguirre, H.O.M.E.L.E.S.S.

Sandy Perry, President, Affordable Housing Network of Santa Clara County

Peter Miron-Conk, Andrew Lanier, Casa de Clara Catholic Worker

cc:

Jacky Morales-Ferraud, Director of Housing

Dear Mayor and Councilmembers,

The recent City Auditor's report on Homeless Assistance Programs gives the City Council a long overdue opportunity to assess their effectiveness. In particular, its Finding 2 (Lack of Sufficient Interim and Permanent Housing Options) and Recommendations 4 and 5 point to the failure of the City's Encampment Abatement Program. It not only fails to lead to increased housing and other services, it fails to even remove illegal camps for more than brief periods of time. The result is increased misery for the homeless themselves, and increased frustration by neighborhoods that see no evidence of improvement in the homeless crisis that ends up on their sidewalks and their ballfields.

The Encampment Abatement Program costs \$2 million per year, not including the costs to other agencies, provides no measurable services, and fails to even abate encampments. While the number of abatements has increased tenfold, campers still typically return to the same or a nearby spot in the park or along the creeks within days after an encampment sweep. This system is not protecting the environment, the neighborhoods, or the homeless people themselves.

For these reasons, we propose a whole new approach to homeless assistance.

Instead of incrementally increasing housing options by scores or even a hundred or two, the City should commit to provide housing, shelter, hotel vouchers, or sanctioned encampment facilities for ALL of its 4350 unsheltered residents. It should establish a new, holistic system that offers sites and services where all unhoused individuals can access food, water, toilets, showers, and a place to sleep.

Such a system should include some or all of the following elements:

- 1) Establish ten new 24-hour Navigation Centers citywide over the next 12 months. These centers can adopt existing models used in San Francisco and other cities that relocate people in groups from unsafe encampments into city-owned or leased indoor sites, and then provide them with the stability needed to transition to jobs, education and more permanent housing options. Navigation Centers can offer warmth, safety, showers, trash collection, storage of personal belongings, mail service, and referrals to jobs, physical and mental health, and housing. Whenever possible, services should be provided through popular education and peer to peer support methods, with residents councils and peer groups assisting in their governance and logistical support. Additional sites such as community centers, churches, schools and other places of assembly can assist as needed.
- 2) Expand existing Overnight Warming Locations to provide nightly, year-round services.
- Restore emergency walk-in access at all public shelters that have been converted to programrelated housing and only provide beds to those employed/in employment training or other defined criteria.
- 4) Establish a system of sanctioned encampments.
- 5) Establish community-based monitoring of homeless-assistance programs to ensure accountability for existing shelters/services and the new ones described above. This should include an all-volunteer Shelter Monitoring Committee made up of former service providers, social workers, formerly homeless individuals and other community members. The Monitoring

Committee would establish and enforce a robust grievance process, and review and report on general conditions to city staff, in order to improve overall to the homeless people who use them.

6) Until the above new service model is in place, all Encampment Abatement actions by the city should be suspended. The process of removing, arresting and confiscating personal belongings is contrary to various court rulings including the recent 9th Circuit Court ruling in Martin v. City of Boise. Among other findings, this ruling states, "We consider whether the Eighth Amendment's prohibition on cruel and unusual punishment bars a city from prosecuting people criminally for sleeping outside on public property when those people have no home or other shelter to go to. We conclude that it does." (See attached letter from Law Foundation of Silicon Valley).

The principle is that all unhoused people should have access to housing, shelter, or an alternative site. With all due respect, the Housing Department's statement that "residents of encampments are offered shelter before the scheduled abatement" is simply false. It is contradicted repeatedly by the testimonies of the homeless themselves, it is evident from the resistance and excuses offered by the Housing Department to the Auditor's Finding 2, and it is obvious that there are nowhere near enough shelter beds in any case.

We strongly recommend that City Council adopt a policy similar to that established in Seattle (as reported by the Auditor): "Prior to removing an encampment, the City shall offer alternative locations for individuals in an encampment or identify available housing or other shelter for encampment occupants."

We requested that the Housing Department adopt this principle as part of its Abatement Program Guidelines, but so far it has refused to do so.

In addition, we propose that the entire HEAP funds be focused on the immediate, emergency needs described above and not on prevention and/or other forms of housing assistance. All of our unsheltered neighbors at risk today, from health and weather extremes, must be beneficiaries of this state assistance, not just those who are stable and employed. Our city and county have both declared a Shelter Crisis and our unsheltered population grows exponentially each year. We must make drastic changes to our funding priorities and actual service levels and types.

Sincerely,

Phil Mastrocola, Housing For All Alliance
Pastor Scott Wagers, CHAM Deliverance Ministry
Robert Aguirre, HOMELESS
Andrew Lanier, Casa de Clara Catholic Worker House
Sandy Perry, Affordable Housing Network
Liz Gonzalez, Silicon Valley Debug
Nadia Aziz, Law Foundation of Silicon Valley
Elaine Talerico, Vice President, Thompson Creek Neighborhood Association
Karen Lattin and Jacquie Heffner, San Jose Residents for Housing Solutions
Rev. Jethroe Moore, San Jose/Silicon Valley NAACP

From: Murillo, Sandra

Sent: Tuesday, November 27, 2018 9:49 AM **To:** Kline, Kelly; Ferguson, Jerad; Inamine, Nicole

Cc: City Clerk

Subject: FW: Oppose Sergio Jimenez's homeless shelter lease proposal

FYI

From: Jeffrey Oldham [mailto:]

Sent: Monday, November 26, 2018 5:30 PM

To: The Office of Mayor Sam Liccardo <TheOfficeofMayorSamLiccardo@sanjoseca.gov>; District1 <district1@sanjoseca.gov>; District2 <District2@sanjoseca.gov>; District3 <district3@sanjoseca.gov>; District4 <District4@sanjoseca.gov>; District5 <District5@sanjoseca.gov>; District 6 <district6@sanjoseca.gov>; District7 <District7@sanjoseca.gov>; District8 <district8@sanjoseca.gov>; District9 <district9@sanjoseca.gov>; District 10 <District10@sanjoseca.gov>

Subject: Oppose Sergio Jimenez's homeless shelter lease proposal

As a resident of San Jose District 2, I oppose <u>Sergio Jimenez's 2018-11-27 item 4.3(b) memo</u>. He wants the city to lease Google buildings as "temporary" homeless shelters.

San Jose should use its own vacant and underutilized buildings, not those of a company, as temporary shelters. Doing so is

- far simpler (avoiding the need to negotiate with other parties),
- will be cheaper (because no rental money need by paid),
- and can be opened more quickly (avoiding the time to negotiate a contract).

Also, these shelters can remain open for as long as the city wants, avoiding the politically difficult task of closing shelters.

Sincerely, Jeffrey D. Oldham From: Murillo, Sandra

Sent: Tuesday, November 27, 2018 9:52 AM **To:** Inamine, Nicole; Ferguson, Jerad; Kline, Kelly

Cc: City Clerk

Subject: FW: Supporting Partnership with Google for temporary housing

FYI

From: Rebekah Jensen [mailto:]

Sent: Monday, November 26, 2018 11:23 PM

To: The Office of Mayor Sam Liccardo <TheOfficeofMayorSamLiccardo@sanjoseca.gov>; District1 <district1@sanjoseca.gov>; District2 <District2@sanjoseca.gov>; District3 <district3@sanjoseca.gov>; District4 <District4@sanjoseca.gov>; District5 <District5@sanjoseca.gov>; District 6

 $< district 6@ sanjose ca.gov>; \ District 7< District 7@ sanjose ca.gov>; \ District 8< district 8@ sanjose ca.gov>; \ District 8< district 8< district 8@ sanjose ca.gov>; \ District 8< district 8<$

District9 < district9@sanjoseca.gov>; District 10 < District10@sanjoseca.gov>

Subject: Supporting Partnership with Google for temporary housing

Hi,

I am writing to support of Sergio Jimenez's proposal that the city partner with Google for temporary use of their buildings to help in our housing crisis. Temporary housing can be a lifesaver for people who need short-term help, whether to save for a deposit on an apartment or otherwise get their feet under them so they can move forward. This will also stop buildings from sitting vacant and becoming a blight while Google puts together its new project. If Google is serious about being a community partner, as they claim, then the city needs to ask them to step up to help our unhoused neighbors.

--Rebekah Jensen

District 2

From: Chuck <

Sent: Tuesday, November 27, 2018 12:02 AM

To: City Clerk

Subject: Google proposal

Finally somebody up there got a brilliant idea, beyond "Tiny Houses": Use vacant Google buildings for emergency shelters. Maybe some of the sheltered could be trained for some of those 20,000 jobs Google claims to be bringing to town, because there sure isn't enough housing for 20,000 NEW people. It could solve three problems with one idea: i.e.: provide emergency shelter; fill future jobs; and provide housing for future employees, all at the same time.

Nice going Sergio, Bravo! Ole!

Dr. Chuck Dougherty Parks ... Commissioner

From: Mathew Reed <

Sent: Monday, November 26, 2018 12:42 PM

To: Jimenez, Sergio; Peralez, Raul; Diep, Lan; Carrasco, Magdalena; Davis, Dev; Nguyen, Tam; Arenas,

Sylvia; Rocha, Donald; Khamis, Johnny; Liccardo, Sam

Cc: Ramos, Christina M; District4; Herbert, Frances; Groen, Mary Anne; Moua, Louansee; McGarrity, Patrick; Hamilton, Peter; Connolly, Shane Patrick; The Office of Mayor Sam Liccardo; City Clerk; Morales-

>

Ferrand, Jacky; Kazantzis, Kyra; Gomez, David; Hughes, Scott; Nguyen, Mindy; Tran, David

Subject: Item 4.3 - Audit of the Homeless Assistance Program and approval of Nexus and Feasibility

Studies for a Commercial Linkage Fee

Mayor Liccardo, Vice Mayor Carrasco, and members of the City Council.

Re: Item 4.3

We are writing to express our support for the memorandum submitted by Vice Mayor Carrasco and Councilmember Peralez, which reintroducing a memo from Mayor Liccardo from September calling for Commercial Linkage Fee Nexus and Feasibility studies. These studies are a necessary first step towards a data-informed discussion of the appropriate levels for commercial linkage fees for affordable housing in different areas of the city.

This issue has come before Council on a number of occasions. We have attached a copy of the letter, with multiple signatures, that we originally submitted in September. As we stated then – Now is the time for action.

Thank you for your consideration.

Mathew Reed

Policy Manager

Check out our **Resource Hub** for all your housing data needs



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Janice Jensen, Vice Chair Habitat for Humanity East Bay/Silicon Valley

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Kathy Thibodeaux, Secretary
KM Thibodeaux Consulting LLC

Shiloh Ballard Silicon Valley Bicycle Coalition

Bob Brownstein
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Christine Carr

Katie Ferrick

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> Javier Gonzalez Google

Poncho Guevara Sacred Heart Community Service

Jan Lindenthal
MidPen Housing

Jennifer Loving Destination: Home

Mary Murtagh

EAH Housina

Chris Neale
The Core Companies

Andrea Osgood

Eden Housina

Kelly Snider Kelly Snider Consulting

Jennifer Van Every
The Van Every Group

Staff

Leslye Corsiglia
Executive Director

TRANSMITTED VIA EMAIL

September 17, 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: 4.7-- Actions Relating to the Santa Clara County Civil Grand Jury Report Entitled "Affordable Housing Crisis: Density Is Our Destiny" and to Potential Commercial Impact Fees

We write today to urge the City Council to take decisive action to address the City's housing crisis by directing staff to conduct a city-wide Nexus Study for non-residential development and an accompanying fee feasibility study.

We also ask that the City continue to provide leadership in working toward a regional linkage fee, which we understand may require State legislation.

Commercial Linkage Fees (CLF) are an important tool in a City's housing toolbox, and there are many solid reasons the City should adopt such a fee:

- Developers of market rate residential properties are required to incorporate affordable homes into their developments or pay an in-lieu fee. It is only reasonable to ask that developers of commercial uses be asked to be a part of the affordable housing solution.
- Neighboring cities have adopted CLFs, including the cities of Palo Alto, Mountain View, Cupertino, Sunnyvale, and Santa Clara. The Milpitas City Council, which considered a CLF earlier this year, is set to adopt a new fee this fall. Fees range from \$35 in Palo Alto, to \$20 and \$15 for Santa Clara and Sunnyvale respectively.
- When this issue was heard before San Jose's City Council in 2017, the decision was to revisit the nexus study when Santa Clara and Milpitas had moved forward with CLF ordinances.

The nexus between jobs and housing has long been established. It has also been established that there is insufficient ongoing revenue in San Jose to create the affordable homes needed to accommodate new jobs being added, particularly homes affordable to lower- and moderate-income residents.

By also conducting a feasibility study, the City can identify a feasible fee level given its unique economic situation. The goal is not to blindly enact a fee that

disincentivizes commercial development, but rather to determine a fee level that both enables commercial development to proceed and provides funding for the City to finance the development of new homes where those jobs can live.

San Jose has always been a leader in responding to its housing needs, yet we know the City is falling short on its affordable housing goals.

Now is the time for action.

Thank you for your consideration and for all you do for affordable housing.

Sincerely,

Leslye Corsiglia Executive Director

Alison Brunner, Law Foundation of Silicon Valley, CEO

Louis Chicoine, Abode Services, Executive Director

Matt Franklin, MidPen Housing, President and CEO

Poncho Guevara, Sacred Heart Community Service, Executive Director

Geoffrey Morgan, First Housing, President and CEO

Mary Murtagh, EAH Housing, President and CEO

PACT - People Acting in Community Together

Dan Wu, Charities Housing, Executive Director

Kevin Zwick, Housing Trust Silicon Valley, Chief Executive Officer

