

December 9, 2019

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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

**RE: Agenda Item 3.11
Spending Priorities for Potential General Fund Revenue
from a Real Property Transfer Tax Measure**

Dear Mayor Liccardo, Vice Mayor Jones, and Councilmembers Arenas, Carrasco, Davis, Diep, Esparza, Foley, Jimenez, Khamis, and Peralez:

We thank the San Jose City Council for taking action to place a real estate transfer tax measure on the March 3, 2020 presidential primary ballot. We now call upon the full City Council to approve the proposed spending plan which will help address our affordable housing and homelessness crisis.

We write in support of the memo from Mayor Liccardo and Councilmembers Peralez, Diep, and Foley recommending that revenues raised through the measure be prioritized for the production of affordable homes and homelessness prevention efforts. Specifically, we agree with their recommendation that the funds be allocated as follows:

- 10% for homelessness prevention and rental assistance for homeless college and school-engaged students, victims of domestic violence, seniors, and families,
- 45% for permanent supportive and affordable rental housing for extremely low-income (ELI) households-defined as earning less than 30% of area median income (AMI),
- 35% for affordable rental housing for 30%-80% AMI households, and
- 10% for below market-rate for-sale housing and moderate-income rental housing-up to and including 120% AMI-including rent-restricted ADU forgivable loans, down payment assistance, and first-time homeownership opportunities for households up to 120% AMI.

We also thank Councilmember Maya Esparza for requesting the creation of an oversight committee to uphold the integrity, transparency, and accountability for the expenditure of the revenues raised through the measure. We also express our support for the following recommendations:

- Requiring a two-thirds Council majority vote to make any changes to the annual spending plan,
- Requiring a 60-day notice and at least two public hearings prior to the Council taking action on any proposed change to the annual spending plan that could shift any funding, and
- Creating a separate accounting for the revenues generated by the measure for the purposes of oversight by the Oversight Committee

We further echo the support in the Mayor and Council's memo to incorporate the results of ongoing negotiations between labor representatives and nonprofit affordable housing developers on workforce labor standards if any housing construction is funded through potential revenues generated by this general tax.

The City needs its own revenue sources for affordable housing especially after the dissolution of redevelopment agencies over ten years ago. Staff has projected a \$520 million funding-gap in order to meet the City's affordable housing goals over the next few years. This measure, and this accompanying spending plan, will help match the funding that was lost for affordable housing and homelessness prevention.

San Jose families, veterans, seniors, working-class residents that help run this city need relief, and they need it now. This measure, and spending plan, will chip away at the crisis allowing long-time residents the ability to remain in the communities they call home.

We urge the full City Council to support this recommended spending plan.

Sincerely,

Leslye Corsiglia, Executive Director
SV@Home

Jen Loving, Chief Executive Officer
Destination: Home

Camille Llanes-Fontanilla, Executive Director
SOMOS Mayfair

Michele Lew, Chief Executive Officer
The Health Trust

Derecka Mehrens, Executive Director
Working Partnerships USA

Ben Field, Chief Executive Officer
South Bay AFL-CIO Labor Council

Fahad Qurashi, South Bay Director
Tech Equity Collaborative

Poncho Guevara, Executive Director
Sacred Heart Community Service

Adrienne Keel, Director of LGBTQ Programs
LGBTQ Youth Space

Richard Konda, Executive Director
Asian Law Alliance

Geoffrey Morgan, President and CEO
First Community Housing

Janice Jensen, President and CEO
Habitat for Humanity East Bay/Silicon Valley

Dan Wu, Executive Director
Charities Housing

Andy Madeira, Senior Vice President
Eden Housing

Kevin Zwick, Chief Executive Officer
Housing Trust Silicon Valley

Megan Colvard, San Jose Regional Director
People Assisting The Homeless - PATH

Alison Brunner, Chief Executive Officer
Law Foundation of Silicon Valley

Louis Chicoine, Chief Executive Officer
Abode Services

Diane Luther, Advocacy Manager
EAH Housing



From: Robert Stromberg
Sent: Tuesday, December 10, 2019 9:17 AM
To: The Office of Mayor Sam Liccardo <TheOfficeofMayorSamLiccardo@sanjoseca.gov>
Subject: Please Support the Real Estate Transfer Tax Measure Spending Plan

Re: Please Support the Real Estate Transfer Tax Measure Spending Plan

Dear Sam Liccardo,

I thank Mayor Liccardo, Vice Mayor Chappie Jones, and Councilmembers Sylvia Arenas, Magdalena Carrasco, Lan Diep, Maya Esparza, Pam Foley, and Raul Peralez for voting to place the real estate transfer tax measure on the March 3, 2020 presidential primary.

I now call upon the full City Council to support Mayor Liccardo and Councilmembers Raul Peralez, Lan Diep, and Pam Foley's memo recommending that the revenues raised through the potential passage of the measure be prioritized for the production of more affordable homes and homelessness prevention efforts, and that the funds be allocated as follows:

*10% for homelessness prevention and rental assistance for homeless college and school-engaged students, victims of domestic violence, seniors, and families;

*45% for permanent supportive and affordable rental housing for extremely low-income (ELI) households-defined as earning less than 30% of area median income (AMI);

*35% for affordable rental housing for 30%-80% AMI households; and

*10% for below market-rate for-sale housing and moderate-income rental housing-up to and including 120% AMI-including rent-restricted ADU forgivable loans, down payment assistance, and first-time homeownership opportunities for households up to 120% AMI.

To ensure revenues raised through the measure are spent with integrity, transparency, and accountability, I thank Councilmember Maya Esparza for requesting that there be an Oversight Committee, and further agree with the following recommendations:

*Requiring a 60-day notice and at least two public hearings prior to the Council taking action on any proposed change to the annual spending plan that could shift any funding; and

*Creating a separate accounting for the revenues generated by the measure for the purposes of oversight by the Oversight Committee

Sincerely,
Robert Stromberg
Constituent

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