



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Councilmember Jimenez  
Councilmember Peralez  
Councilmember Carrasco  
Councilmember Esparza  
Councilmember Arenas

**SUBJECT:** SEE BELOW

**DATE:** 09/18/2020

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Approved *Maya Esparza* *Magdalena Carrasco* Date: 9/18/2020  
*Sylvia Arenas*  *Sergio Jimenez*

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**SUBJECT: CITYWIDE RESIDENTIAL ANTI-DISPLACEMENT STRATEGY**

## **RECOMMENDATION**

1. Accept staff report and approve the 10 recommendations of the Citywide Residential Anti-Displacement Strategy.
2. Approve workplans for the first three recommendations:
  - a. Support Equitable COVID-19 Recovery and Impact Mitigation Measures for Renters and Homeowners, based on County Covid dashboard data;
  - b. Establish a Neighborhood Tenant Preference for Affordable Housing; and
  - c. Explore a Community Opportunity to Purchase Program/Ordinance.
3. Direct staff to return to the City Council with an update on progress on the first three recommendations in 6 months, as well as provide quarterly updates to the Community and Economic Development Committee and the Neighborhood Services and Education Committee.
4. Direct the City Manager to explore eligible uses for unspent CARES Act funds to provide additional support for the work described in Recommendation 2.a.
5. Direct Housing staff to collaborate with the Office of Racial Equity, with a focus on data for the equitable use of resources.

## **BACKGROUND**

We appreciate staff's thorough and comprehensive work in developing and bringing forward this Citywide Residential Anti-Displacement Strategy. This represents the culmination of a multi-

year effort involving engagement with a wide range of community stakeholders to address one of the most pressing issues of equity facing our communities today.

What none of us could have foreseen is the new fierce urgency that has resulted from a once-a-century public health and economic crisis caused by Covid-19. What was already a crisis for our low-income communities of color has become a nightmare scenario. Between March 16<sup>th</sup> and July 31<sup>st</sup> of this year, 200,000 San José residents filed for unemployment insurance; that is one in every five residents.

A recent study by the Law Foundation of Silicon Valley found that over 43,000 renter households in the county are at extremely high risk of eviction, and that these renters are disproportionately people of color. Even before Covid, 49% of our city's renters were rent-burdened, and 40% of all our residents were low income. We understand that people of color are vastly overrepresented in our low income households, with 65% of Black households and 64% of Latino Households falling below 80% of Area Median Income, compared to 48% of households overall. Furthermore, according to data from the Urban Displacement Project, 47% of all Latino households in San José and 45% of all Black households live in areas experiencing ongoing displacement or at-risk of displacement.

Now, on top of these existing inequities, our communities of color have been disproportionately impacted by Covid-19. They are our essential workers who often have the greatest risk of contracting or transmitting Covid-19, as well as many of our service and retail sector workers whose livelihoods are most likely to have been impacted by the economic crisis. The neighborhoods with the highest number of Covid cases, in ZIP codes including 95122, 95127, 95116, 95111, and 95148, are primarily neighborhoods of color. Countywide, Latinos are severely overrepresented in the cases and deaths, with over 56% of cases and 33% of deaths, despite being only 25.8% of the population.

This is truly an unprecedented crisis for our communities of color, and while we as a City have made substantial efforts to assist these communities, through our eviction moratorium, through guaranteeing paid sick leave, and through partnering with other organizations to provide direct assistance and food security, the painful reality is that these are temporary bandages on wounds that are much deeper. If we do not act strategically and aggressively right now, we are going to see severe displacement and despair in our most vulnerable communities.

We believe the bold vision outlined by staff provides the necessary framework to meaningfully address this complex issue and provide our vulnerable residents with a fighting chance in these trying times. As the most thinly staffed major city in the country, we recognize that we are extremely limited in what we can accomplish without further state and federal assistance. The federal response to this crisis has been anemic at best, and it is crucial that we ensure our lobbying team is heavily engaging both the state and federal governments to push for additional legislation that can provide relief to our renters, homeowners, and landlords. We believe that this approach is imperative to the goal of supporting equitable Covid-19 recovery impact mitigation measures. Given this need, we ask that the City Manager explore whether there is any additional

unused CARES Act funding available to aid in expediting the portion of staff's workplan related to our Covid response, and return to Council with proposed funding if any is found.

For all of us who call San José home, the distinctive character of each of our neighborhoods is what provides us with a sense of community. Establishing a Neighborhood Tenant Preference for Affordable Housing will play a critical role in strengthening the social fabric of our neighborhoods, and allow residents who would otherwise be displaced to continue living in the community they call home. We understand that staff will need to work closely with state and federal agencies to ensure that our policy is consistent with state and federal fair housing laws as other cities are doing. This policy has received widespread community support, and we believe it will serve as another crucial tool in our Anti-Displacement Strategy.

We also strongly support the third work item, exploring a community opportunity to purchase program/ordinance. There are multifamily complexes that could turn over to market rate as well as older market-rate complexes that are currently on the market. With this program, community purchasers can acquire these types of developments to preserve the small amount of affordable housing we have currently. We cannot continue to fill a leaking bucket, we must plug the holes. The work on this policy is critical in that aim. In addition, opportunities to build homeownership are the building blocks to long term financial stability and are one of the few wealth-building assets that our families can acquire.

Given the urgency of this work, we would ask staff to report quarterly to the Community and Economic Development Committee as well as the Neighborhood Services and Education Committee with updates regarding the first three workplan items, and deliver an update to Council in six months.

We are facing a crisis that a year ago seemed unimaginable, and the alarming data around displacement that we heard during our study session last October now seems downright sunny compared to what our communities are now facing. This moment was not solely created by Covid-19; the cumulative effects of decades of inequity have manifested themselves in this crisis. And the time to act is now.

*The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed*

*not to have, any such conversation with any other member of the City Council or that member's staff.*