



October 28, 2020

Mayor Liccardo and Honorable Members of the City Council
City of San Jose
200 East Santa Clara St.
San Jose, CA 95113

Re: Supporting innovative financing solutions that facilitate the production, protection and preservation of Low- and Moderate-Income housing for San Jose's essential middle-income workforce

Dear Mayor Liccardo and Honorable Members of the City Council,

We, the undersigned organizations and individuals, are writing in support of the resolution for the City of San Jose to join the California Community Housing Agency (CalCHA) to encourage the production, protection and preservation of Low- and Moderate-Income housing within City limits. Now, more than ever, at a time when San Jose residents face continued financial hardships related to the ongoing COVID-19 public health crisis, unsustainable housing costs and the persistent threat of displacement, we need innovative solutions to drive housing affordability for all.

CalCHA's middle-income housing program proposes to utilize revenues generated from the sale of CalCHA-issued governmental revenue bonds to fully finance new construction of deed-restricted affordable housing targeting the missing-middle, as well as the acquisition and conversion of existing market-rate apartment communities to rent-restricted housing for households earning between 60% and 120% of area median income. In San Jose, this equates to housing for essential workers like nurses, teachers, first responders, librarians, and social workers – each of whom earn too much to qualify for traditional affordable housing programs, yet increasingly not enough to live within the communities they serve.

Over the past 10 years, average rents in the City of San Jose have risen faster than wages. We have seen the effect of this disparity firsthand. Increasing traffic, congestion, pollution, and rent-burdened households are all symptoms of what happens to a community when it cannot provide sustainable and affordable housing opportunities for all.

CalCHA's housing would not only immediately be made available to San Jose's essential middle-income workforce, but all financial upside of its local assets would be granted to the City of San Jose. This public benefits package stands to generate significant revenue for the City and provides the City with the ability to ensure these buildings are perpetually preserved as affordable housing. Additionally, the program does not require any subsidy from the City and does not redirect scarce resources away from programs that support housing for Very Low- and Low-Income households.

The City of San Jose has proven to be a thought leader when it comes to championing innovative policy solutions. To add another tool to the City's housing toolbox, and to encourage the development of missing-middle housing, we strongly urge you support the proposed resolution to join CalCHA as an Additional Member. Thank you for your consideration.

Respectfully,

Ahmad Thomas, CEO, Silicon Valley Leadership Group
Linda Mandolini, President, Eden Housing
Leslye Corsiglia, Executive Director, Silicon Valley at Home
Matt Regan, Senior Vice President of Public Policy, Bay Area Council
Sandy Jamison, President, Santa Clara County Association of REALTORS®
Anil Babbar, Vice President of Public Affairs, California Apartment Association
Ben Metcalf, Principal, Stronger Foundations LLC