

September 22, 2020

San José City Council
City of San José
200 E. Santa Clara Street
San José CA 95113

Comments for Item 8.11 File 20-1094 – Citywide Residential Anti-Displacement Strategy

Dear Mayor Liccardo, Vice Mayor Jones and Councilmembers:

SPUR writes to commend staff for bringing forward a comprehensive series of strategies and recommendations to stabilize low-income neighborhoods and households under tremendous economic stress and increase the amount – through both production and acquisition - of affordable housing units in the city.

As new workers in pursuit of high-paying jobs have moved into Silicon Valley, sufficient new housing has not been built to accommodate the demand. This has driven gentrification and displacement as wealthier households have bid up the price of the existing housing stock. In fact, the recent SPUR report, “What It Will Really Take to Build an Affordable Bay Area” (March 2020), noted that since 1999, the Bay Area has seen a decrease of 300,000 households making under \$100,000 and an increase of 625,000 households making over \$100,000.

Our comments focus in particular on strategy **2. Establish a Neighborhood Preference for Affordable Housing** and we encourage you to direct staff to pursue it as we believe a legally defensible program can be crafted while abiding by fair housing laws. Jurisdictions such as the City and County of San Francisco and New York City have already adopted such programs. As Sam Tepperman-Gelfant, a Senior Staff Attorney as Public Advocates, Inc., has written, “our fair housing laws are flexible enough to...permit local preferences in some places while prohibiting them in others.”¹ Staff noted this type of program was deemed extremely important by many residents of East San José and SPUR is prepared to assist with any legislative and regulatory advocacy that the City considers to be necessary for implementation.

Following an appeal, in 2016, the US Department of Housing and Urban Development (HUD) approved such a program for the City and County of San Francisco as an anti-displacement tool. Current California Department of Housing and Community Development (HCD) Director Gustavo Velasquez was serving at HUD as Assistant Secretary for Fair Housing and Equal opportunity at the time and wrote the letter reversing the initial HUD ruling and approving the program.

¹ “Local Preferences Require Local Analysis,” Sam Tepperman-Gelfant, NYU Furman Center blog post, November 2015. <https://furmancenter.org/research/iri/essay/local-preferences-require-local-analysis>

A Neighborhood Tenant Preference Program will allow more low-income residents and residents of color to have access to new affordable housing developments in their neighborhoods and increase community acceptance of and support for such new developments.

As staff has noted elsewhere, the City and County of San Francisco provides a preference for 40% of the units for existing neighborhood residents to occupy new rental or for-sale affordable housing developments of 5 or more units that it subsidizes and New York City reserves 50% of its subsidized affordable apartments for neighborhood residents.

A Neighborhood Tenant Preference Program for Affordable Housing can be an effective anti-displacement tool and we urge you to direct staff to create such a program, following the guidance provided by existing models, for the City of San José.

Thank you for your kind consideration of these comments.

Sincerely,



Michael Lane, San José Director
SPUR