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*Executive Director*

August 14, 2017

Honorable Board President Dave Cortese  
and Members of the Board of Supervisors  
County of Santa Clara  
70 W. Hedding Street  
San Jose, CA 95110

Dear Board President Dave Cortese, and Board Members Chavez, Simitian, Wasserman,  
and Yeager:

**Re: Item 27-- Guidelines for the County's Supportive  
Housing Development (Measure A)**

On behalf of our members, SV@Home thanks the Board of Supervisors and County staff for the work you are undertaking to implement Measure A. We also thank the staff for its outreach efforts and willingness to consider input from a variety of stakeholders in developing the program guidelines. We share your desire to design a program that creates as many units as possible to meet the significant need for affordable housing in Santa Clara County.

As these program guidelines are finalized, we want to express a few remaining concerns. **We ask that the Board of Supervisors consider these concerns prior to approving final guidelines governing Measure A dollars.**

**Project Types**— the guidelines include two different project types, both of which require that a minimum of 50% of the units be set aside as Permanent Supportive Housing (PSH) or Rapid Rehousing (RRH) units. Both PSH units and RRH units target the homeless or those at imminent risk of homelessness (as defined as at risk of losing their home in the next two weeks).

1. There should be an additional alternative option that would allow 1/3 of the units to be PSH/RRH units, with the remainder as very low-income, and low-income units. Recent developments in Santa Clara County have included 20-33% of the units as PSH, and this model, while still new, is working.
2. Project Type 2, with 1/3 PSH, 1/3 RRH, and 1/3 up to 80% of Area Median Income (AMI), and with an average AMI of no more than 45%, should be dropped, as it is infeasible. This mix does not work for 100% Low-Income Housing Tax Credit developments, and there is no way to reach an average AMI of more than 40% when you are unable to restrict the remaining units higher than 60% AMI. It is also not feasible to cover operating expenses with an average AMI this low, unless there is an additional operating subsidy on top of the tenant-paid rents. The guidelines do not include a longer-term subsidy for RRH units (only 3-24 months), adding to the infeasibility of this product type.

Honorable Board President Dave Cortese and Members of the Board of Supervisors

Re: Measure A Guidelines

November 14, 2017

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**Operating Reserves**—Because the PSH and RRH tenants are unable to pay rents that cover operating costs, PSH developments have relied heavily on Section 8 vouchers. The Santa Clara County Housing Authority has indicated that, due to the uncertainty of the federal budget, vouchers are unlikely to be available for the foreseeable future.

1. We are hopeful that the County can work with the Housing Authority to secure Section 8 vouchers for Measure A developments.
2. If Section 8 vouchers are not available, a significant reserve would be required. We estimate that the cost could be as much as \$10,000 per unit per year.
3. Developers will need to be assured that operating funds will be available.

**Developer Eligibility**—The requirements for developer eligibility appear to eliminate many successful developers. The Bay Area is lucky to have many of the best affordable developers in the nation. Since we have had such limited experience developing PSH and RRH units, particularly in the South Bay, few developers meet the requirement that they have experience developing projects with 50% of the units targeted to the chronically homeless. This is also a concern for service providers. How many service providers meet the requirements included in the guidelines?

**Fees**—SV@Home previously raised the concern about fee levels and is encouraged that the staff is considering revisions to the proposed fees. It is important that projects in higher cost areas are not unnecessarily burdened by charging a percentage fee. We instead suggest that the fee be capped or set as a per unit fee similar to San Jose.

Lastly, we would stress that the success of Measure A-funded developments depends on a strong community outreach process that works with neighborhoods to respond to concerns in advance of project announcement, and that the projects, once built and occupied, have solid services in place to ensure that the developments are good neighbors.

We appreciate the opportunity to comment, and look forward to working with the County to help spend Measure A dollars and get development started!

Sincerely,



Leslye Corsiglia  
Executive Director

c. Ky Le, Director, Office of Supportive Housing

