

TRANSMITTED VIA EMAIL

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

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

**Re: Item 8.4 : Economic Recovery Temporary Cap on New or Increased
Infrastructure Fees for Development**

We are pleased to read that City Staff intends to bring consideration of a Commercial Linkage Fee for affordable housing before the City Council in August. The need to build more affordable housing has never been more urgent, and we cannot afford further delay in considering this essential tool for addressing our affordable housing crisis.

We also agree with the Staff's decision to separate consideration of any action on the Commercial Linkage Fee from Tuesday's action on a proposed cap on new or increased fees for development. The multi-year effort to adopt a Commercial Linkage Fee requires a full hearing and deliberation, and it would be premature to take any action on this matter until that can occur.

The affordable housing crisis we faced before the COVID-19 Pandemic has been debilitating and destabilizing to the community, family, and economic health of San Jose. During the crisis it has become even more clear that housing affordable to lower-income households – particularly Black and Latinx households -- otherwise vulnerable to severe overcrowding and economic shocks, is central to public health, social justice, and community resilience.

While we face a level of uncertainty that did not exist when action on the Commercial Linkage fee was suspended in March, there are a number of things that are clear:

- We faced an affordable housing emergency before this current health and economic crisis, and the need for more affordable housing will increase as the City moves to recover.
- New commercial development creates a pressing need for more housing for the new employees.
- Many workers did not, and will not, get paid enough to afford to live in San Jose, increasing the need for more affordable housing.

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- Commercial development of all types, and in all parts of the city, will increase the demand for affordable housing.

The City's consideration of a Commercial Linkage Fee has faced numerous delays over the past two years. In 2019, the City issued building permits for 3.9 million square feet of commercial development with a potential 11,000 new workers without collecting fees for affordable housing. Significant development activity continues in the City, promising new jobs and increased demand for new affordable housing. It is essential that there be no additional delays, and that Council be prepared to set fee levels in August as planned.

Housing production at all income levels is central to our economic recovery. New jobs require new homes. Commercial Linkage fees are a long-established source of local resources for affordable housing. The social and economic costs of a failure to act in this moment are unacceptable.

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Law Foundation of Silicon Valley

Shiloh Ballard
Silicon Valley Bike Coalition

Amanda Brown-Stevens
Greenbelt Alliance

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United Service Worker West

Poncho Guevara
Sacred Heart Community Service

Laura Hall
EAH

Sparky Harlan
Bill Wilson Center

Janice Jensen
Habitat for Humanity East Bay/Silicon Valley

Gregory Kepferle
Catholic Charities

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Elisa Koff-Ginsborg
Behavioral Health Contractor's Association
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Michelle Lew
Health Trust

Jennifer Loving
Destination: Home

Maritza Maldonado
Amigos de Guadalupe, Center for Justice
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Alex Shoor
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