August 20th 2019

Mayor Sam Liccardo & Councilmembers
San Jose City Hall
200 E. Santa Clara St.
San José, CA 95113

RE: City of San Jose Preference/Prioritization Policy

Dear Mayor Liccardo and Councilmembers,

Every day we see the depth and breadth of needs ranging from family resources; immigrant services; housing and shelter; and economic security, especially among women and immigrants (both documented and undocumented) in San Jose. We are embedded in the community and are deeply aware of the fear, anxiety and harsh realities that our families face often without having the necessary resources and services to have all their needs met.

We have seen neighborhoods rapidly change before our eyes over the last few years with increases in home sales and the evictions of dozens of families; we have said goodbye to neighbors as they have been displaced; we have seen the destabilization of our once culturally rich communities, cultures and heritage erased from spaces that were ours to gather; and we have seen our local, family-owned businesses close for good.

San Francisco started its gentrification journey in 1980 with the coming of the dotcom boom that saw an influx of investment and higher income earners, specifically from the technology sector, coming into the most relatively affordable parts of town. Meanwhile, there has been a consistent struggle to build affordable housing at the rate necessary to preserve and protect communities. Nevertheless, there have been investments in luxury apartments and homes; public spaces; and business districts. Thus, as more people have continued to move to San Francisco, attracted by the amenities that these new investments afford, there are less and less rooted community members to protect and defend themselves against the growing demand to live in the urban and sunny Mission District.

San Francisco is now one of the most expensive places to live in the nation and it has lost most of its low income black and brown populations. For example, from 1970 to 2018, San Francisco experienced a 7.9% drop in the African-American population¹. Also – despite San Francisco experiencing a steady decrease in poverty levels for years 1970-1990 – poverty levels have risen 1.2% since 1990.²

It is important to note that San Francisco has been able to pass policies to mitigate the displacement of families, such as rent control and inclusionary housing; and they have focused on commercial displacement. However, these policies alone have not been able to reverse the impact of gentrification, demonstrating that San Francisco, San Jose and other cities need a “menu” of comprehensive, holistic and strategic policies and strategies to protect communities from displacement.

¹ Bay Area Census – San Francisco City & County, 1970-2018 (http://www.bayareacensus.ca.gov/counties/SanFranciscoCounty.htm)
² Bay Area Census – San Francisco City & County, 1970-2018 (http://www.bayareacensus.ca.gov/counties/SanFranciscoCounty.htm)
Due to the lack of accessible housing options in San Francisco, residents started to move to Oakland which was already deeply impacted by the Priority Development Area (PDA) as part of Plan Bay Area, which prioritized transit-oriented development, according to a Case Study on Gentrification and Displacement Pressure in Oakland, CA. These plans also included transit, housing, shopping and recreation opportunities that continued to attract higher income earners looking for more affordable options and robust amenities. As housing costs began to increase in Oakland, the Bay Area also saw an increase of low-income people of color leaving Oakland and re-locating much further away from their employment, increasing commutes, decreasing quality of life, and increasing environmental concerns, disproportionately affecting low income earners and people of color.

For example, Contra Costa County experiences a significantly higher “commuter export” rate in comparison to other Bay Area counties. For years 2006-2010, Contra Costa County residents primarily commuted to San Francisco County, Alameda County, and Santa Clara County respectively.\(^3\) In addition to aforementioned statement, this is the only county in which the residents prioritize “inter-county commuting” versus “inner-county commuting” as a community issue.

From these local, Bay Area examples, and as demonstrated in a report by the Urban Institute\(^4\), similar components and patterns that have advanced gentrification, include:

1. Lack of resident engagement to protect current communities
2. Increase in down payments and decrease in FHA financing
3. Influx of households interested in urban living
4. Increase in high-income service amenities (e.g., coffee shops, shopping centers, etc.)
5. Historic architecture (e.g., large housing units, outdated design, etc.)
6. Rapidly increasing housing costs

With this historical context, patterns in data, and the end-of-year decision to allow Google to purchase land in San Jose, it is now imperative for San Jose to pass policies that will protect the people that are currently living here. For some, the Google developments and other sizable projects will mean increased economic opportunity and wealth generation, but for most, these developments bring about great fear and anxiety, knowing that it will exacerbate their already tenuous living and working conditions here in San Jose/Silicon Valley.

There have been ongoing efforts to mitigate similar occurrences across the State of California, and UC Berkeley (UCB) has been leading the charge thus far. UCB is currently leading the “Urban Displacement Project”, which indicates Diridon Station Area (DSA) – including census tracts 5003, 5008, and 5019 – as “no stranger to displacement since the 1980's”\(^5\). While comparison data to other census tracts is limited, we have aggregated demographic data for census tracts in the nearby area: 5001.00, 5011.02,

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4 In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement Urban Institute (https://www.urban.org/sites/default/files/publication/50791/411294-In-the-Face-of-Gentrification.PDF)
5014.02, 5037.02, 5037.07, 5037.08, 5037.09, and 5037.10. We can dub this tract series as “Nearby Tract Area” (NTA) for reference. After careful analysis, we have found concerning trends regarding displacement risk, income differences, poverty rates, and commute times.

As of 2015, the NTA had 2,291 households “at-risk of displacement”; this is identified by the number of low income households (below AMI) within tracts which are losing its low-income population. In comparison, the DSA tracts had 2,848 low-income households (below AMI); though they are not designated as “at-risk”, the coming developments may change this status.

As of 2016, the NTA had a median income of $54,022 while the DSA had a median income of $83,814. This is a staggering difference despite the areas being very close to each other, which may reflect the ongoing redevelopment and displacement of DSA residents.

As of 2016, the NTA had an average share of 0.45 persons living twice below the poverty level; meanwhile, the DSA only had an average share of 0.30 persons living twice below the poverty level. This may indicate a strong need for affordable housing within the NSA, but it may also indicate how increasing costs have driven low-income persons from their homes within the DSA.

Finally, as of 2013, Santa Clara County ranked third amongst all Bay Area counties in number of imported workers from other counties. Santa Clara County imports ~200,000 employees daily, San Francisco County imports ~250,000 daily, and Alameda County imports ~225,000 daily. As the Silicon Valley job market continues to expand, Santa Clara County is expected to surpass both San Francisco and Alameda County in number of imported workers from other counties. This may threaten the financial well-being of current low-income residents, which may result in further displacement.

Our community strongly supports the passing of a preference policy that will offer some relief to low income immigrant families and allow them the right to stay in their communities where they belong while also preserving the landing pad for newly arrived immigrants. Community leaders have considered preferences based on neighborhood and households that have experienced displacement. They have suggested creating a Neighborhood Local Tenants Preference policy with the following parameters:

1. 50% of affordable housing units be designated for community preference
2. Preference be based on council district and the nearest community that is facing extreme displacement pressure across San Jose. To make sure that this policy does not replicate existing patterns of exclusion and promotes continued racial and economic integration, we believe that the policy should apply to any site that is within a census tract that has been defined as being at risk of displacement using the Urban Displacement Project's metrics or the city’s own measurement of displacement risk

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6 Metropolitan Transportation Commission – Risk of Displacement (by tract)  

7 Metropolitan Transportation Commission – Poverty Rates (by tract)  

8 Metropolitan Transportation Commission – Commute Patterns (by county)  
http://www.vitalsigns.mtc.ca.gov/commute-patterns
3. Residents who live AND work in San Jose;
4. Use the Alternative documents to proof eligibility to apply for housing and proof of residence.
   Include more accessible documents discussed by community residents was discussed heavily with Housing Department on 2/26/2019.

We understand that the cost of living and displacement are symptoms of many macro-level forces; however, we urge our local City officials to do everything you possibly can to protect all the people currently living in San Jose. While we applaud recent decisions related to tenant protections, the commercial impact fee study and other measures, more policies and strategies are needed, and now is the time.

Sincerely the following organizations,