



P.O. Box 5297, San José, CA 95150 – Info@SouthBayPA.org

San José City Council

Re: June 13 Budget Adoption – diversion of Measure E funds away from affordable housing

Dear Mayor and City Council members,

Speaking on behalf of the [14 organizations](#) that comprise the South Bay Progressive Alliance, we strongly oppose the plan proposed by Mayor Matt Mahan to divert Measure E funds away from affordable housing and toward temporary and interim solutions. Supporters of this plan essentially claim that creating affordable housing is “unrealistic” and “too expensive” and should be abandoned, in spite of the fact that we live in the richest region and the richest country in the history of the world. We challenge you to develop innovative local revenue sources to counter this “too costly” argument.

Mahan’s proposal would **drastically reduce** the 75% portion of Measure E funds allocated to affordable housing by City Council in 2022. According to a San José Spotlight chart, even the “compromise” proposal announced by Mahan would cut those affordable housing funds (\$106M) **by another 40%**.

Defunding housing like this will make homelessness **worse** in San José because interim housing and shelters only succeed when there is permanent affordable housing to move into afterward. When the City last cut affordable funds (when redevelopment ended in 2011) homelessness in San José exploded. Ultimately, the real solution is to create the 12 million permanently affordable units nationwide that are necessary to end homelessness and housing insecurity altogether. In the meantime, we believe that City Council’s 2022 Measure E allocation of 75% to affordable housing and 25% to homelessness prevention and services is the proper balance between permanent housing and interim solutions. Including a designated preservation fund as part of the affordable housing allotment would also slow down displacement and begin to establish an effective preservation program.

SBPA supports emergency interim housing as an important part of the solution. However, without permanent housing available to move into, people remain at risk of returning to the streets, or needing to move out of San José altogether. The effect of **displacement of San José’s poor** to other cities is already adversely impacting our local economy and culture.

People are not moving out of San José due to the visibility of homelessness and blight, as some claim. The main factor driving people out is the outrageous rents and lack of affordable housing. That is the real problem the City must address, and the Mayor’s plan moves us in the wrong direction.

Sincerely,

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