

## San Jose affordable housing proposal heads to city council

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SAN JOSE -- For now, the 2-acre parcel is a vacant lot surrounded by fencing. But the Santa Clara County Housing Authority envisions the site as a community complex that will help put a tiny dent in the region's chronic lack of affordable homes for lower-income residents.

The City Council will consider a proposal Tuesday night to rezone the property on Park Avenue, near Diridon Station, to allow for 100 senior units and another 82 for families. The development would target households earning between \$21,000 and \$63,000 per year -- an income bracket that is being squeezed by Santa Clara County's tight housing market.

"An incredible number of working people need housing, and this is going to serve the working poor," said Alex Sanchez, the housing authority's executive director. "The rental market just hasn't been growing as fast as the job market, and that has created this incredible distortion. So the answer to our problem is increasing our housing supply."

This project, however, would provide just a small fraction of the affordable housing needed in the county, which has a shortage of nearly 54,000 units for the lowest-income workers, according to the California Housing Partnership.

"Silicon Valley really is the epicenter for the lack of affordable housing," Sanchez added.

Councilman Pierluigi Oliverio, who represents that district, said he expects the proposal to be approved. But he's concerned that this type of nonprofit low-income project, would be exempt from paying property taxes. He would prefer to see mixed-use development on the site.

"I've never voted for any land-use project that at least didn't break even for city services, and this is a loss for the city," Oliverio said. "It's not fair when we are adding residents and yet we're not adding to the property tax base to pay for the services those residents will need. This project won't pay for a single police officer, and that's a neighborhood that already is dealing with problems like burglaries and copper wire theft."

Mayor Chuck Reed said the current design has some "shortcomings" and he would like to see a greater number of units. But, he added, the city needs affordable housing.

"We're in a situation right now where we have to do these smaller projects, one at a time," Reed said. "But 200 units is still 200 units. Every little bit helps."



*An affordable housing complex on First and Gish Streets in San Jose, Calif.*

Currently, the property is zoned for 122 condominiums. The council originally considered the housing authority's proposal in early August, but it fell one vote short of the six needed for passage as three council members were absent.

Groups that have voiced support for the project include the Silicon Valley Leadership Group and the Housing Trust Silicon Valley. Also, Eloy Wouters, president of the

Shasta/Hanchett Park Neighborhood Association, said their residents back the plan because it is the best proposed use of the land they have seen.

Even if the council agrees, it will be a long time before anyone is moving into units. The agency, which purchased the land in 2008, would have to go through the permit process and secure financing. Construction likely wouldn't begin until late 2015 at the earliest.

The housing authority administers the federal rental subsidy program in the county for 17,000 households. The households typically pay about 30 percent of their income toward rent, with a voucher making up the difference. But a recent staff report indicated that more than 650 people holding vouchers were struggling to find landlords that would accept them. That, housing advocates say, is a troubling sign of just how challenging the rental market has become.

One way the housing authority tries to get around that is by having a controlling interest in 2,600 rental units. The Park Avenue location would be added to that total.

Some of the problem with affordable housing in San Jose can be traced back to when the state dissolved redevelopment agencies in 2012. The city, Reed said, had been aggressive in using redevelopment money to help fund housing projects.

"You take \$40 million a year of redevelopment money away and there's just no way to replace that," Reed said. "That was a big blow to our region."

In a recent interview with this newspaper concerning the city's efforts to house the homeless, Leslye Corsiglia, the director of the housing department, said the need is acute and only going to grow.

"Is it acceptable to say, 'There is no housing available' anymore?" Corsiglia said. "I think we just have to find some."

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