

# From the Field: City of San Jose Takes Bold Step to Prioritize Housing for Extremely Low Income People

Apr 15, 2019

The San Jose City Council voted unanimously on April 9 to pass a new Housing Investment Plan that will establish new funding targets for housing programs. Extremely low-income (ELI) households, those with incomes at or below 30% of area median income, had previously not been a focus of the city's affordable housing spending. The new law establishes that 45% of overall funding should be targeted to this population, estimated at approximately \$80 million over the next five years.

Much of the advocacy for this extraordinary victory was led by Destination: Home, a public-private partnership dedicated to ending homelessness in Santa Clara County. Councilmembers Sylvia Arenas, Dev Davis, Maya Esparza, and Sergio Jimenez provided essential legislative leadership.

City Council leaders who pushed for the ELI set-aside relied heavily on NLIHC data showing that severe housing cost-burdens and housing shortages are overwhelmingly experienced by households with the lowest incomes. NLIHC's [\*The Gap: A Shortage of Affordable Homes\*](#) report was cited extensively in legislative deliberations and in news coverage about the new plan, emphasizing the shortage of 38,689 homes affordable and available homes to ELI renters in the San Jose metro area.

"The production of more extremely low-income housing is instrumental to the fight against homelessness and poverty, but it's also a need that has been ignored for far too long," said Destination: Home CEO Jennifer Loving. "We hope the bold leadership demonstrated by the San Jose City Council serves as a model for elected leaders at all levels of government to follow. The National Low Income Housing Coalition's report proved indispensable in helping our policymakers and advocates recognize the enormous deficit in affordable housing among our lowest-income households."

The of San city's new commitment to ELI housing matches similar efforts at the county level, as Santa Clara County devoted \$700 million of its 2016 Measure A housing bond to ELI households, approximately 74% of the \$950 million total. The City Jose failed to pass its own housing bond measure that would have raised \$450 million in funding for affordable homes in November of 2018. The measure garnered 61% of the vote but failed to get the two-thirds threshold for passage. City leaders have indicated an interest in trying again to secure more affordable housing funding at the ballot in 2020