



October 3, 2023

Marion Mollegen McFadden
Principal Deputy Assistant Secretary for Community and Planning Development
US Department of Housing and Urban Development
451 7th Street, S.W
Washington, DC 20410

RE: City of San Jose Commitment of Leverage Resources for HUD PRO Housing NOFO

Dear Ms. McFadden:

The City of San Jose, Department of Housing will be applying for the PRO Housing NOFO to address barriers to affordable housing production and preservation. This letter serves as a leverage commitment in regard to the application.

The Housing Department is applying for funding that would support San Jose's efforts to support the preservation of low-cost housing. The funding request to develop a new process for subsidizing housing preservation by offering a pool of funding that is consistently available and supportive of local affordable housing developers and community groups. The funding will be invested in areas of high displacement to preserve existing multi-family affordable housing properties. The financing program will only fund units that will be income regulated to households at or below 80 percent of area median income, but the building itself could be mixed income.

The Department commits to roughly \$6,000,000 over the duration of the grant (for FY 24-FY29). The funding stems from revenue from a voter approved measure, Measure E, an imposed tax on property transfers of \$2 million or more.

If you have any questions, please feel free to contact me at rachel.vanderveen@sanjoseca.gov or (408)-535-3860.

Sincerely,

Rachel VanderVeen
Assistant Director