



Memorandum

TO: MAYOR LICCARDO

FROM: Councilmember Carrasco

SUBJECT: BUDGET DOCUMENT

DATE: May 24, 2022

Approved

Date:5/24/2022

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: East Side Preservation Plan – South Bay Land Trust

Amount of City Funding Required: \$1,000,000.00

This change is:

X One-time _____ Ongoing

Cost Estimate Number (if applicable):

Proposal Description, including the reason for the need and anticipated outcomes (Please describe how the proposal will affect services for San José residents, community groups, businesses, etc.):

The Virginian Apartments located at 1718-1730 Virginia Ave, San Jose CA 95116 is an 18-unit, three-building complex in the historic Mayfair Community of Eastside San Jose. Built in 1962, the complex is home to a close network of majority Spanish-speaking, immigrant neighbors who have built close ties over decades of living here - including Don Ramiro’s multigenerational family who has resided here for over 25 years. Families cherish the easy access to public transportation, groceries and schools in their neighborhood.

The goal is to develop a Community land trusts (CLTs), which is a transformative strategy to take land off the speculative market in order to provide housing and create stable communities that are permanently affordable. CLT ownership of underlying land will preserve the buildings above in a state of permanent affordability, providing one of the few possible vehicles for low-income residents to obtain permanently affordable housing, including the only viable opportunity for home ownership and asset building.

Between October through December, the South Bay CLT and SOMOS Mayfair co-led meetings with the tenants on community ownership opportunities. The tenants were unaware that their building was up for sale, and related a long history of habitability issues, including plumbing leaks, inoperable heaters, and bug infestations. After learning about the community land trust model, tenants formally voted in support of SBCLT to pursue purchase of the \$5.5 million (now \$5,300,000) complex. Residents are already the caretakers of the property due to landlord neglect, using their own money in addition to rent for upkeep and repair.

Our commitments translate to where we put our money. It's one thing to talk about keeping people in their homes during a pandemic by providing rent relief, but it's a gamechanger when you're able to put the title of a house into the hands of a community.

Please approve \$1,000,000 to serve as a down payment in the acquisition of the Virginian Apartments.

As we pass policies to build wealth through equity, a strategy that we know works, we need to leverage every tool in our toolbox. It's my hope that at some point a *Le*, or a *Sanchez*, will sign escrow, and that piece of land will be theirs. But until then, this is the next best thing.

Funding Source

Essential Services Reserve:

Other (Please specify program/project/fund):_General Fund

Department or Organization Contact

Please list the contact information for the individual that certified cost estimates contained within your recommendation:

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Department or Organization: Councilmember Carrasco

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