Citizens for Fiscal Responsibility (CFR) strongly encourages San Jose voters to reject San Jose Measure E, the real property transfer tax, projected to raise about $50 million annually, supposedly dedicated to addressing our affordable housing and homelessness problems. For starters, providing affordable housing is not one of San Jose’s core service mandates. Second, the tax proceeds would flow into the General Fund. This City Council cannot guarantee that these taxpayer dollars won’t be diverted to more pressing General Fund budget needs as they arise. For instance, a future council may deem paying down the unfunded pension liability (now over $3 billion) a better use of the funds, and there is nothing to stop them from deploying the transfer tax collections to that end. Or a future City Council may believe that maintaining Public Safety staffing trumps affordability efforts and divert funds to that purpose. To top it all off, there is no sunset period for the tax. Even in the unlikely event that our housing situation is resolved, the tax would persist.

CFR similarly opposed San Jose’s 2018 Measure V, a $450 million bond measure for affordable housing, based on a variety of factors, none of which have changed appreciably. Very little has been done to address the bureaucratic quagmire that frustrates participants in the development process. Virtually nothing has been done to reduce fees totaling in excess of $60 thousand per residential unit, except for some relief for downtown high-rises. Our zoning philosophy is geared more toward protecting the value of existing homes than encouraging creative solutions to the housing problem.

Besides, there are already significant state and local funds committed to helping resolve our housing crisis by the government entities chartered to do so. Santa Clara County is deploying funds authorized by the $950 million Measure A, committing $234 million for about 1,600 units scheduled for completion by 2022, along with down payment assistance for first time buyers and other support. The $4 billion State Proposition 1 passed in 2018, and Governor Newsom is now deploying over $1 billion for infill infrastructure grants, veterans housing assistance, down payment assistance and affordable housing development. The Governor’s 2020-2021 state budget proposal includes $1.4 billion to fight homelessness, with $750 million set aside to develop an Access to Housing and Services Fund. Additionally, local companies are stepping up big time, with Apple, Facebook and Google committing $4.5 billion for housing.

Of course, we believe that San Jose should be part of the solution to our homelessness and housing problem, just not through additional direct funding of construction. The City must streamline its planning and permitting processes so that projects can move from conception to completion in a reasonable amount of time. We must reevaluate our zoning priorities, creating opportunities for increased density in residential projects where possible. We must reevaluate our development fees, rationalizing the need for each dollar involved.

It has been over a decade since the Great Recession, but our City has yet to return core services to acceptable levels. Until they do, taxpayer dollars must remain focused on providing the core services we all deserve, in short, the Three Ps: Public Safety, Parks, and Pavement.

Citizens for Fiscal Responsibility asks that voters vote no on Measure E, sending a strong message to the City Council that their primary focus should be on core service delivery.

*Pat Waite is the President of Citizens for Fiscal Responsibility, a non-partisan organization working to ensure that San Jose city government responsibly allocates tax dollars. Find out more at www.cfr-sj.org.*