

May 16, 2005

The Honorable Mayor and City Council  
San José City Hall  
801 N. First Street  
San José, CA 95110

**RE: REVISIONS TO THE PROJECT SELECTION SYSTEM FOR THE CITY'S  
AFFORDABLE HOUSING DEVELOPMENT PROGRAM**

Dear Mayor and City Council:

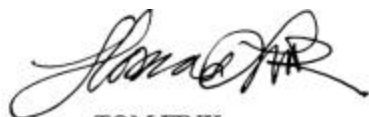
On April 14, 2005 and May 12, 2005, the Housing Advisory Commission heard presentations from the San José Housing Department regarding proposed changes to the City's housing project selection system for affordable housing programs. The Housing Department provided an overview of the five changes being recommended. These changes are being considered by the City Council on May 17, 2005.

Since the City Council approved a new project selection system for affordable housing developments in February 2004, the Housing Advisory Commission (HAC) has followed with interest the implementation and point scoring system established for the NOFA. The HAC primarily wanted to ensure that the limited resources available for housing would be utilized for those populations most in need of affordable housing. Since the NOFA project selection system was established, the Commission has stipulated its general support for the selection process, but noted its desire to see more emphasis placed on building extremely-low income units.

On May 12, 2005, the Commission was pleased to approve the five changes recommended by the Housing Department relative to the affordable housing project selection system. The Housing Advisory Commission is encouraged by the changes described to the current process, in particular the proposal to require 25% of all units for ELI. These changes are in line with the previous policy recommendations taken by the Commission and we would encourage your support for the changes on May 17, 2005.

Thank you for your time and consideration. Please don't hesitate to contact me if you have any questions about this issue or the Commission's actions.

Sincerely,



TOM FINK  
Housing Advisory Commission, Chair