



LEAGUE OF WOMEN VOTERS
of the Los Altos-Mountain View Area
97 Hillview Avenue, Los Altos, CA 94022

October 12, 2014

Mayor Chris Clark and Members of the City Council
City of Mountain View
500 Castro Street
Mountain View 94041

Re: Council Study Session, October 14, 2014 – Review of Affordable Housing Fees

Dear Mayor Clark and Members of the City Council:

The LWV would like to comment on the staff recommendations regarding changes to the current affordable housing fees. The LWV has consistently supported inclusionary zoning, or the requirement of below-market-rate units (“BMR’s”) being built as a percentage of market-rate housing developments. As a result, we endorsed a rental housing impact fee of \$21.94 per habitable square foot in 2012, as the staff recommended. We supported \$21.94 because that fee was equivalent to the cost to a developer of making available 10% of a development’s units as BMR’s, affordable to those with income levels at 65% of area median income (“AMI”). That is what is required by the City’s 1999 ordinance, currently unenforceable due to the Palmer decision. Once again, we urge that the rental housing impact fee be set at \$21.94, so as to make the fee equivalent to the 1999 ordinance.

We note, that after the fee was in place, the City successfully negotiated with developers to build BMR units equivalent to the cost of paying the rental housing impact fee. We support the concept of having the units built rather than collecting the fees, as this disperses housing affordable to those with lower incomes throughout new developments, thus providing economic diversity to those complexes and at the same time getting affordable units built in a timely, efficient and cost-effective manner.

Some argue that raising the fee will raise the rents of other tenants. However, rents are based solely on what the landlord can get; it’s a market-based system. If the various City fees are too high, then developers will not build apartments, but this is why the consultants recommended fees that are far less than what could be justified by the nexus study. The fees can be revisited regularly, also.

We also agree with staff’s recommendation to raise the Housing Impact Fee on office/high-tech/industrial development. We would support the fees of \$20.76 proposed in the staff report (with half that for smaller developments). Clearly, there is a strong nexus between office development and the need for housing affordable to those with lower incomes. And, also, with two potential all-affordable housing developments, there is clearly a great need for City funds to help finance these projects. Only through such developments can the City provide housing to those with incomes at 50% of AMI or less, where the greatest need exists.

Thank you for considering our input.

Donna Yobs
Co-Chair, Housing Committee
LWV of the Los Altos/Mountain View Area

Cc: Dan Rich Melissa Stevenson Diaz Randy Tsuda Linda Lauzze Jannie Quinn