



**LEAGUE OF WOMEN VOTERS  
of the Los Altos-Mountain View Area**

September 10, 2017

Mayor Ken Rosenberg and Members of the City Council  
City of Mountain View  
500 Castro Street  
Mountain View 94041

Re: Council Study Session - 12th, Agenda Item 8.1 – Affordable Housing Strategies

Dear Mayor Rosenberg and Members of the City Council:

The LWV supports affordable housing for all Californians, including a variety of strategies to achieve this goal. We commend staff for the comprehensive report on Affordable Housing Priorities and Strategic Framework, which proposes numerous options which our LWV supports.

We comment on the last question posed to Council first; i.e. should the North BayShore Precise Plan (NBPP) be used as a template for other areas of the City? We have supported the NBPP Master Plan for both its inclusion of 9,850 housing units, as well as its goal of making 20% of these units affordable. The NBPP is not listed as part of Mountain View's affordable housing strategy, but obviously, adoption of this NBPP will encourage more affordable housing units than the other strategies described. We would like to see the NBPP template adopted throughout the City, taking into account the uniqueness of different areas.

Staff's Table 9 includes 7 strategies that our LWV has endorsed in the past. The 5th relates to whether the NBPP is appropriate throughout the City. We understand that at some point if the BMR requirement is too onerous, developers may not build. However, as staff point out, there are many cities, including Palo Alto, that have required 15% BMR units for many years without discouraging development. As staff suggest, if some moderate-income units are allowed as part of the affordable mix, the percentage can be higher without negatively impacting the cost to the developer.

We would like to stress the urgency of amending the City's BMR rental ordinance should SB 35 (streamlining bill) and/or AB 1505 (Palmer fix bill) become law. Under either scenario, the City's BMR ordinance would be key to getting the maximum number of inclusionary units possible. The process of amending the BMR ordinance would appear to be much faster than approving Precise Plans throughout the City.

With regard to the Rental Housing Impact Fee (RHIF), although Mountain View was a leader in adopting such a fee, at this point it is lower than other cities and does not incentivize developers to build the units on site. We urge that the fee be raised, as would be allowed within the existing nexus study, and, in addition, should AB 1505 pass, do not allow developers to pay the RHIF instead of building BMR units.

Modification of the BMR ownership program should be undertaken concurrent, or immediately after, modification of the rental part of the ordinance. The 3% fees have never been high enough; again neighboring cities have higher fees. Some cities do not allow in-lieu fees but insist that the units be built. (See attached tables.) The City's threshold for allowing payment of in-lieu fees instead of providing units has always been very high, inadvertently incentivizing payment of fees rather than building BMR units. As staff point out, there are numerous ways that this program could be modified to facilitate housing for the missing middle.

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

cc: Wayne Chen Dan Rich Randy Tsuda

**TABLE 3  
COMPARISON OF AFFORDABLE HOUSING REQUIREMENTS - RESIDENTIAL  
PARTICIPATING JURISDICTIONS: SANTA CLARA COUNTY<sup>1</sup>  
AFFORDABLE HOUSING NEXUS ANALYSES**

Draft

Year Adopted / Updated	Campbell	Los Altos	Milpitas	Santa Clara City	Palo Alto
<b>Minimum Project Size</b> For In-lieu/Impact Fee	FS, <6du/Ac: 10 units	n/a	FS/R: 5 units	n/a	FS/R: 3 units (except mixed use)
For Build Requirement	FS, >6 du/Ac: n/a FS, <6du/Ac: n/a FS, >6du/Ac: 10 units	FS: 5 units	no build req.	FS: 10 units	FS: 30 units
<b>Impact / In-Lieu Fee</b>	FS: \$34.50 /sf	none	FS/R: 5% building permit value	<i>Fractional units only</i> Market Value - Affordable Price) x fractional unit	FS detached: \$75/sf FS attached: \$50/sf R: \$20/sf
<b>Onsite Requirement/Option</b>					FS: <5 ac: 15%, 5+ ac: 20% Condo Conv: 25%
Percent of Total Units	FS: 15%	FS: 10%	FS/R: 5%	FS: 10%	FS: 2/3 of units - 80%-100% AMI, 1/3 of units - 100%-120% AMI
Income Level for Qualification	FS: Moderate	FS: Moderate	FS/R: Low and Very Low	FS: Moderate	CC: 4/5 of units - 80%-100% AMI, 1/5 of units - 100%-120% AMI
Income Level for Pricing(% AMI)	FS: Moderate @ 110%	If <10 units, one unit at 110%. Not Specified.	Not specified.	Not specified.	
<b>Fractional Units</b>	<0.5: round down, >0.5: round up	provide unit	not specified	pay fee or provide unit	> 30 units: pay fee 30+ units: 0.5 or more - round up
<b>Comments</b>		<4 du/Ac: no requirement. Also, requirements may be waived by City Council for projects of 9 units or less.	In-lieu/impact fee introduced as temporary measure while City prepares formal nexus study. Fee has not yet been assessed.		* see notes below.

Abbreviations:

R = Rental  
du = Dwelling Unit

FS = For Sale  
Ac = Acre

/sf = per square foot  
AMI =Area Median Income

MF = Multi-Family  
SF = Single Family

1. Santa Clara County and Saratoga do not currently have an Inclusionary housing requirement.

Notes: This chart presents an overview, and as a result, terms are simplified. For use other than general comparison, please consult the code and staff of the jurisdiction. Virtually all cities that do not allow fee payment by right allow developers to seek Council approval of fee payment instead of on-site units, in addition to providing options for off-site construction and land dedication.

**TABLE 3  
COMPARISON OF AFFORDABLE HOUSING REQUIREMENTS - RESIDENTIAL  
NON-PARTICIPATING JURISDICTIONS: SANTA CLARA COUNTY  
AFFORDABLE HOUSING NEXUS ANALYSES**

Draft

	Cupertino	Mountain View	San Jose	Sunnyvale
<b>Year Adopted / Updated</b>	Est. 1992, update 2015	Est. 1999, rental impact fee in 2012, update 2015	Est. 2010. Rental Fee 2014.	Update 2015
<b>Minimum Project Size For In-lieu/Impact Fee</b>	<b>FS/R:</b> 1 unit	<b>FS:</b> 3 units <b>R:</b> 5 units	<b>FS:</b> 20 units <b>R:</b> 3 units	<b>FS:</b> 8 units <b>R:</b> 4 units
<b>For Build Requirement</b>	<b>FS:</b> 7 units	<b>Mixed FS,R:</b> 6 units <b>FS:</b> 10 units	no build req.	<b>FS:</b> 20 units
<b>Impact / In-Lieu Fee</b>	<b>FS:</b> Detached \$15/sf, Attached \$16.50/sf, MF \$20/sf <b>R:</b> <35 du/Ac \$20/sf, >35 du/Ac \$25/sf	<b>FS:</b> 3% of sales price <b>R:</b> \$17/sf	<b>FS:</b> based on affordability gap <b>R:</b> \$17/sf	<b>FS:</b> 7% of sales price <b>R:</b> \$8.50/sf (4-7 units), \$17/sf (8+ units)
<b>Onsite Requirement/Option</b>	<b>FS/R:</b> 15%	<b>FS/R:</b> 10%	<b>FS:</b> 15%	<b>FS:</b> 12.5%
<b>Percent of Total Units</b>	<b>FS:</b> 1/2 Median <b>R:</b> 1/2 Moderate	<b>FS:</b> Median <b>R:</b> Low	<b>FS:</b> Moderate	<b>R:</b> On-site credits (see below) <b>FS:</b> Moderate
<b>Income Level for Qualification</b>	<b>R:</b> 40% Low, 60% Very Low, 1/2 Moderate	<b>FS:</b> One unit: 90% AMI Multiple units: 80 - 100% AMI <b>R:</b> Ranges btwn 50-80% AMI	Moderate @ 110% AMI	Moderate @ 100% AMI
<b>Income Level for Pricing(% AMI)</b>	<b>FS:</b> Moderate @ 110% Median @ 90% <b>R:</b> Low @ 60%, Very Low @ 50% AMI			
<b>Fractional Units</b>	<.5 unit owed: pay fee .5+ unit owed: round up	pay fee or provide unit	<b>R:</b> pay fee	pay fee or provide unit
<b>Comments</b>			<b>FS:</b> pay fee or provide unit Inclusionary zoning to be reinstated 2016. Downtown highrises exempt from impact fee for five years.	On-site rental: developer credited \$300,000/du (Very Low), \$150,000/du (Low). Projects with fewer than 20 units are eligible to pay in-lieu fee.

Abbreviations:  
R = Rental  
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FS = For Sale  
Ac = Acre

/sf = per square foot  
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MF = Multi-Family  
SF = Single Family

Notes: This chart presents an overview, and as a result, terms are simplified. For use other than general comparison, please consult the code and staff of the jurisdiction. Virtually all cities that do not allow fee payment by right allow developers to seek Council approval of fee payment instead of on-site units, in addition to providing options for off-site construction and land dedication.

TABLE 4  
SUMMARY OF JOBS HOUSING LINKAGE FEE PROGRAMS, CALIFORNIA

DRAFT

Jurisdiction	Yr. Adopted/ Updated	Fee Level (per Sq. Ft. unless otherwise noted)	Thresholds & Exemptions	Build Option/ Other	Market Strength	Comments
<b>SAN FRANCISCO, PENINSULA, SANTA CLARA COUNTY</b>						
San Francisco Population: 829,000	1981 Updated 2002, 2007	Retail / Entertainment Hotel Production Dist. Repair Office Research and Development Small Enterprise Workspace \$22.96 \$18.42 \$19.34 \$24.61 \$16.39 \$19.34	25,000 gsf threshold Exempt: freestanding pharmacy < 50,000 SF; grocery < 75,000	Yes, may contribute land for housing.	Very Substantial	Fee is adjusted annually based on the construction cost increases.
City of Palo Alto Population: 66,000	1984 Updated 2002 2017 proposed changes	Nonresidential Dvlpmnt Office/R&D/Medical: Hotel: Retail: \$19.85 \$35.00 \$20.37 \$20.37	Churches; universities; recreation; hospitals, private educational facilities, day care and nursery school, public facilities are exempt	Yes	Very Substantial	Fee is adjusted annually based on CPI.
City of Menlo Park Population: 33,000	1998	Office & R&D Other com./Industrial \$15.57 \$8.45	10,000 gross SF threshold Churches, private clubs, lodges, fraternal orgs, public facilities and projects with few or no employees are exempt.	Yes, preferred. May provide housing on- or off-site.	Very Substantial	Fee is adjusted annually based on CPI.
City of Sunnyvale Population: 146,000	1984 Updated 2003 and 2015.	Industrial, Office, R&D: Retail, Hotel \$15.00 \$7.50	Office fee is 50% on the first 25,000 SF of building area. Exemptions for Child care, education, hospital, non-profits, public uses.	N/A	Very Substantial	Fee is adjusted annually based on CPI.
Redwood City Population: 80,000	2015	Office Hotel Retail & Restaurant \$20.00 \$5.00 \$5.00	5,000 SF threshold 25% fee reduction for projections paying prevailing wage. Schools, child care centers, public uses exempt.	Yes. Program specifies number of units per 100,000 SF.	Very Substantial	Fee is adjusted annually based on ENR.
City of Mountain View Population: 77,000	Updated 2002 / 2012 /2014	Office/High Tech/Indust. Hotel/Retail/Entertainment. \$25.00 \$2.68	Fee is 50% on building area under thresholds: Office <10,000 SF Hotel <25,000 SF Retail <25,000 SF	Yes	Very Substantial	Fee is adjusted annually based on CPI.
City of Cupertino Population: 60,000	1993, 2015	Office/Industrial/R&D Hotel/Commercial/Retail \$20.00 \$10.00	No minimum threshold.	N/A	Very Substantial	Fee is adjusted annually based on CPI.

Note: This chart has been assembled to present an overview, and as a result, terms are simplified. The information is recent but not all data has been updated as of the date of this report. In some cases, fees are adjusted by an index (such as CPI) which may not be reflected. For use other than general comparison, please consult the code and staff of the jurisdiction.