



**Mountain View Coalition for Sustainable Planning
Mountain View, CA 94041**

December 8, 2014

Mayor Clark and Members of the City Council
City of Mountain View
P.O. Box 7540
Mountain View, CA 94039-7540

In re: Agenda Item 6.2, December 9, 2014: Potential Increases in Affordable Housing Fees

Honorable Mayor Clark and Councilmembers:

The Mountain View Coalition for Sustainable Planning strongly supports increasing the Housing Impact fees on office development, the Rental Housing Impact fee, and the BMR In-Lieu fees on new ownership development. We applaud the Council for its consideration of and interest in raising the affordable housing fees.

We unequivocally support staff's recommendation to raise the Housing Impact fee on office/high-tech/industrial development to at least \$25 per square foot. The nexus study demonstrates the clear relationship between the construction of new office space and the increased demand for housing at all levels. The revenue generated from these fees will be vital to help finance affordable housing projects. As rent and housing costs skyrocket, the need for affordable housing becomes increasingly urgent.

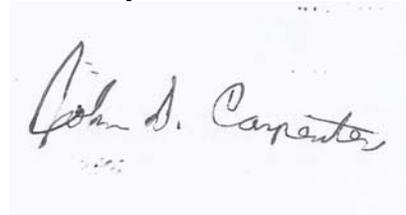
With San Jose's recent adoption of a \$17 per sq ft fee on new rental housing development, we encourage the Council to adopt a fee higher than the one contemplated in the staff report. San Jose's fee is equivalent to its inclusionary housing ordinance, currently unenforceable due to the Palmer decision. San Jose's inclusionary ordinance required 15% of the units in a market-rate development to be affordable. We believe it would be appropriate for Mountain View to adopt a fee that is equivalent to its inclusionary ordinance.

Prior to adopting its rental housing impact fee, San Jose conducted an economic feasibility study to determine the point at which the fee would cause development to cease to be profitable. This study solicited the input of all stakeholders, including developers. If the Council has any concerns that an excessively high fee will curtail rental development, then we encourage the Council to direct staff to conduct a similar economic feasibility study for Mountain View.

Finally, we support raising the BMR In-Lieu fee to 5% of the sales price. The current fee is well below those in nearby cities. Further, since housing costs are market-driven, this modest increase would not in and of itself cause housing costs to increase. With or without a fee, housing costs will continue to increase dramatically given insatiable demand for housing locally.

Thank you for considering our comments.

Sincerely,



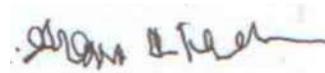
John D. Carpenter



Cliff Chambers



Bruce K. England



Gregory A. Fowler



Aaron L. Grossman



Julie B. Lovins



Ada Majorek

on behalf of all members of the Mountain View Coalition for Sustainable Planning

cc: Dan Rich, Jannie Quinn, Randy Tsuda, Linda Lauzze