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Transmitted via email

October 4, 2017

Honorable Mayor Tran and Members of the City Council
City of Milpitas
455 E. Calaveras Boulevard
Milpitas, CA 95035

Dear Mayor Tran, Vice Mayor Grilli, and members of the City Council,

**Re: October 4, 2017 City Council Agenda Item 22: Update Discussion on
the City's Inclusionary Housing Mandate and Housing Impact Fees**

SV@Home is the voice of affordable housing in Silicon Valley, representing a broad range of interests, from leading employers who drive the Bay Area economy to labor and service organizations, to nonprofit and for-profit developers who provide housing and services to those most in need.

On behalf of our members, we thank you for your discussion of the City's inclusionary housing strategy and housing impact fees. These tools are basic components of any city's policy toolkit.

Milpitas is home to one of the most unaffordable housing markets in the nation, with the median price of a home now exceeding \$909,900 (source: Zillow), and average rental costs at \$2,679 a month (source: Rent Jungle).

The City currently has a Low-Wage Jobs-Housing Fit Ratio of 8.98, which translates to nine (9) low-wage workers competing for one (1) affordable housing unit. During the most recent RHNA cycle, Milpitas fell short of shouldering its fair share of affordable homes – only permitting 45 percent of homes allocated.

We strongly encourage the City Council to take steps to employ the following tools to address its low and middle income affordable housing needs:

- **Adopt a residential impact fee and a commercial linkage fee to mitigate the additional demand for affordable homes created by new residential and job-generating uses.** A first step would be directing staff

Honorable Mayor Tran and Members of the City Council

Re: October 5, 2017 City Council Agenda Item 22: Update Discussion on the City's Inclusionary Housing Mandate and Housing Impact Fees

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to agendaize the completed residential and non-residential next studies for City Council discussion.

- **Updated and revised rental and ownership inclusionary ordinances that reflect best practices with respect to the percentage requirement, income targeting, and compliance alternatives.** Assembly Bill 1505, recently signed into law by Governor Jerry Brown, recognizes the rights of local governments to require that market rate residential rental development include affordable units.

SV@Home stands ready to be a resource and a partner to the City of Milpitas. We look forward to working with you to collaboratively address the City's housing crisis.

Thank you for the opportunity to provide input on this matter.

Sincerely,



Pilar Lorenzana
Deputy Director

