September 24, 2018

Honorable President Joe Simitian and Members of the Board of Supervisors
County of Santa Clara
70 West Hedding Street, 10th Floor
San Jose, CA 95110

Dear President Simitian, Vice President Chavez, and Supervisors Cortese, Wasserman, and Yeager:

Re: Item 8, 9, and 10 Relating to the Stanford Inclusionary Housing Fee

On behalf of our members, we write today to provide our comments on the proposals that seek to mitigate the impact of Stanford’s planned growth on the need for new homes.

We understand that there are differing thoughts about how to properly respond to the impact created by Stanford’s planned expansion and appreciate that both the County and the University have come closer to agreement, though we recognize that there is still a significant difference in the proposals that have been presented. We appreciate the efforts that have been made to find common ground, and have listened to the concerns of neighboring jurisdictions, including the cities of Palo Alto, Mountain View, and Menlo Park.

After hearing from all parties, SV@Home expresses its support for the following actions:

1. **Commercial Linkage Fee**— We support the staff recommendation to adopt a Commercial Linkage fee at a level that mitigates the demand for housing affordable to lower-income families. Although the proposed fee of $68.50 psf is higher than the $36.22 psf rate currently charged in neighboring Palo Alto, it is more reasonable than demanding full mitigation (which could have the unintended consequence of halting development) and is set at a level that could incentivize the onsite production of affordable homes.

2. **Inclusionary Housing Fee/Percentage**— We agree with the recommended inclusionary requirement of 16%, with for-sale housing capped at 120% of Area Median Income (AMI), and rental housing set at 15% for households earning less than 50% of AMI, 45% for households earning between 50 and 80% of AMI, and 40% for households earning between 80 and 120% of AMI.

3. **On-Site Development**— We believe that a significant number of the homes developed should be on Stanford land. However, we also support development of new housing throughout the County if it is adjacent to transit that enables easy access to campus.
While we support the staff recommendations, we also strongly believe that a negotiated settlement between the County and Stanford, which results in a different plan than a simple impact fee, should be the ultimate goal. We were particularly supportive and interested in Stanford’s proposed Evergreen Fund, provided it is scaled appropriately to mitigate the additional demand for housing that Stanford generates in addition to providing funding to many developments in Santa Clara County that are in the affordable housing pipeline but can’t move forward due to funding gaps. We encourage the County and Stanford to look at how a well-funded Evergreen Fund might be coupled with on-site affordable housing development to address the housing impact.

Sincerely,

Pilar Lorenzana
Deputy Director