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Transmitted Via Email

February 13, 2018

Honorable Mayor Siegel and Members of the City Council
City of Mountain View
500 Castro Street
Mountain View, CA

**Re: February 13, 2018 City Council Agenda Item 6.1 – Modifications to the City's
Below-Market-Rate Affordable Housing Program**

Dear Mayor Siegel, Vice Mayor Matichak, and Councilmembers Abe-Koga, Clark, McAlister, Rosenberg, and Showalter:

On behalf of our members, we write to convey our support for the Council's efforts to strengthen the City of Mountain View's BMR Program and design a comprehensive housing strategy that will make a real difference in the City's efforts to create more affordable housing options for its residents. We commend the Council for setting the direction to increase the BMR affordable housing requirement to 15 percent for both rental and ownership units. In doing so, the City has set an example for its neighboring jurisdictions and advanced the 15 percent requirement as a standard for the entire County, prompting a number of other nearby cities to pursue increases to their own inclusionary housing requirements.

SV@Home also supports the Council's direction to increase the Rental In-Lieu Fee and provide developers with alternative mitigation options. We look forward to further discussions regarding the details of these policy elements, and we offer the following comments for your consideration as the process moves forward:

- **Rental In-Lieu Fee Increase:** We support increasing the rental in-lieu fee, and we also recognize the challenge of identifying a balanced fee level that both generates a meaningful level of funding for affordable housing and does not deter new development. Further study and outreach regarding the proposed fee increase is needed to make this determination, and we strongly support the EPC recommendation to gather input from advocates and developers regarding the appropriate fee level as part of Phase II of the BMR Program modification process.
- **Alternative Mitigation Options:** We support the EPC recommendation to explore policy options that would encourage developers to meet their affordable housing requirements by integrating affordable units into their

projects, while also allowing for alternative means of compliance. An alternative compliance policy that provides developers with flexibility can be critical to achieving project feasibility, and furthermore, it allows the developer and the City to work together to determine an approach that suits the project while furthering the City's affordable housing goals. As also recommended by the EPC, we encourage the City to further explore the alternative compliance models like the City of San Jose's, which sets the in-lieu fee amount at the equivalent of providing 20 percent affordable units. This sort of approach could support efforts to create more affordable units through standalone 100% affordable developments and/or allow for the creation of more deeply affordable units.

We commend the City of Mountain View for prioritizing this BMR Program modification process – and furthermore, for creating a two-phase process that allows for both a quick response to the recent State policy changes, as well as a deliberative process involving the broader community in a discussion about additional future modifications to the BMR program. We appreciate the opportunity to engage in this process and provide our feedback. Again, thank you for your leadership and commitment to affordable housing.

Sincerely,



Pilar Lorenzana
Deputy Director

