September 18, 2018

Honorable Mayor Tran and Members of the City Council

City of Milpitas

455 East Calaveras Boulevard

Milpitas, CA 95035

RE: Item 4, Response to Santa Clara County Civil Grand Jury Report on “Affordable Housing Crisis: Density is our Destiny”

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

On behalf of our members, we write today to thank the city for its timely response to the Santa Clara County Civil Grand Jury’s request to address specific findings and recommendations that were included in its June report entitled “Affordable Housing Crisis: Density is our Destiny.”

From your staff’s response, it is evident that many suggested policies have either been implemented, or are in the pipeline. Notably, the city has recently updated its Inclusionary Housing Ordinance, and made strides towards identifying parcels of land where residential density can be increased.

The Grand Jury Report makes calls on the City of Milpitas to take a number of additional actions:

- **Adopt a Commercial Linkage Fee** - The city has discussed this item in the past, and we look forward to implementation of the fee as part of its affordable housing ordinance following outreach to the commercial development community. SV@Home has recommended adopting a fee that ranges from $4.00 to $8.00 depending on the type of non-residential development.

- **Implement an ordinance that encourages the development of Accessory Dwelling Units** - Work on this policy has been underway for some time, and staff expects to return to council this fall.

- **Set Inclusionary Housing Ordinance In-Lieu Fees high enough to incent developers to build affordable units on site**: The goal of your inclusionary ordinance is to integrate affordable housing into the construction of market rate developments. Ideally the in-lieu fee option would be set high enough to encourage this integration without seriously deterring residential development in the city. It is our understanding that council is considering a review of these fee levels later in the fall.
The Intent of the Grand Jury Report is to emphasize the severity of the housing crisis, and what measures local jurisdictions can take to address our county wide housing shortage. We see this report as an opportunity for Milpitas, and other cities in Santa Clara County to put policies in place that provides the city with a proper tool kit to address the housing crisis in your communities.

We thank the council for standing up and taking leadership by responding to this report and your ongoing efforts to ensure that Milpitas is part of the solution.

Sincerely,

Leslye Corsiglia
Executive Director