

TRANSMITTED VIA EMAIL

February 1, 2018

Honorable Mayor Resnikoff and Members of the City Council
City of Campbell
70 N. First Street
Campbell, CA 95008

Re: February 2, 2018 City Council Strategic Priorities Session

Dear Mayor Resnikoff, Vice Mayor Waterman, and Councilmembers Cristina, Gibbons, and Landry:

On behalf of our members, we thank you for your leadership and ongoing commitment to addressing our region's affordability challenges. We write today to convey our support for your work and offer our recommendations regarding actions that the City of Campbell can prioritize in 2018 to strengthen its long-standing efforts to provide affordable housing for its community.

Local jurisdictions need three tools to create opportunities for affordable housing: land, financial resources, and community will. There are three immediate actions that the Council can take to unlock these tools, and we encourage you to include these in your 2018 priorities. These actions, which are discussed in further detail below, include the following:

- Continue work on the Council's 2017 priority to consider housing impact fees – specifically, **commercial linkage fees** – to generate new local resources for affordable housing;
- Consider opportunities to create vibrant, complete neighborhoods by encouraging **transit-oriented and mixed-use development** that maximizes the use of land in areas that the City has prioritized for further growth; and
- Encourage more homeowners to build **accessory dwelling units (ADUs)** to expand the City's stock of moderate-income housing.

Establishing Commercial Linkage Fees: Because all forms of development generate a need for more affordable homes, it is critical that non-residential developments contribute to local jurisdictions' efforts to build more housing. The City's non-residential nexus analysis clearly shows this, concluding that of all of the retail/restaurant, hotel and warehouse worker households that will come to work in Campbell as the result of new non-residential development, over 90% will be below 120% of the area median income level. SV@Home thus strongly recommends that the City of Campbell establish a commercial linkage fee based on the 2016 countywide nexus study to requires non-residential developers to share the costs of housing their

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local workforce. The revenue from these fees can be combined with housing in-lieu fees to increase the City's ability to pursue partnerships with nonprofit affordable housing developers to increase Campbell's stock of affordable housing.

Nearly all of Campbell's neighboring cities have taken action toward establishing Commercial Linkage Fees. For example, Santa Clara recently established fees as a follow up to the countywide nexus study, joining the cities of Cupertino, Mountain View, Palo Alto, and Sunnyvale in requiring non-residential developments to contribute to affordable housing. Other countywide nexus study participants, including Milpitas and Los Altos, are exploring adoption of these fees, and the San Jose City Council also recently voted to consider a Commercial Linkage Fee as part of its 2018 priorities.

Encouraging Transit-Oriented and Mixed-Use Development in Growth Areas: Through the General Plan Update, Campbell has the opportunity to move away from segregated land use patterns that generate traffic by allowing for multi-family and mixed-density residential uses near its light rail stations. In addition to allowing for this type of development, we recommend considering zoning changes to increase allowable densities near light rail stations as well as in multi-family zones to maximize housing opportunities in areas key growth areas. By integrating residential and commercial uses and expanding residential capacity near transit, the City can create complete communities where residents can easily access local goods and services, thus sustaining the local economy and contributing to the creation of vibrant neighborhoods. We encourage the City of Campbell to move forward with its General Plan Update process as quickly as possible while exploring additional options to expedite and adopt some of these zoning changes in 2018.

Encouraging the Creation of Accessory Dwelling Units: In addition to expanding housing options for Campbell's residents, ADUs provide a means for meeting the City's moderate-income RHNA goals by adding "hidden density" within the Town's existing land use patterns. In order to fully leverage ADUs as a policy solution, we recommend that the Council explore ways to ease barriers that prevent many homeowners from building ADUs, such as minimum lot size requirements and burdensome fees. Other cities have started to address these barriers; for example, Palo Alto and Sunnyvale recently reduced their minimum lot size requirements, and Mountain View and Santa Clara have eliminated such requirements. We also encourage the City to explore the legalization of existing unpermitted ADUs that can meet basic building, health and safety standards even if they are non-compliant with current planning codes.

Again, we thank you for your leadership and commitment to making Campbell more affordable to individuals and families from all walks of life. We appreciate the opportunity to provide our input and welcome further conversation with you about our recommendations. Thank you for your consideration.

Sincerely,



Pilar Lorenzana
Deputy Director

