

TRANSMITTED VIA EMAIL

November 5th, 2019

Honorable Mayor Matichak and Members of the City Council
 City of Mountain View
 500 Castro Street
 Mountain View 94041

Re: East Whisman Precise Plan

Dear Mayor Matichak, Vice Mayor Abe-Koga, and Councilmembers Clark, Hicks, Kamei, McAlister, and Ramirez,

SV@Home commends Mountain View staff and the Council for their hard work on the East Whisman Precise Plan. We write to express our hearty support for the final Precise Plan before you today, particularly the 1,000 planned affordable homes, 20% of the overall 5,000 home Plan goal.

Having followed the East Whisman Precise Plan process from the beginning, we have identified several important tweaks to the final draft that would help ensure that the EWPP goes from a paper plan to a fully built-out complete neighborhood:

Jobs Housing Linkage (Question 1):

- 1) The jobs-housing linkage is an exciting and unprecedented mechanism to ensure jobs-housing balance in the plan and potentially accelerate housing production. Given its innovative nature, there may be challenges as implementation proceeds. In the case of any unanticipated difficulties for housing production, the **staff and council should be prepared to update or provide additional flexibility to the linkage strategy as needed to ensure that the full build-out of 5,000 homes is reached.**
- 2) We support staff's recommendation of increased flexibility in timing of the jobs-housing linkage strategy, which we feel will make the mechanism more successful.

Community Benefits Value (Question 3):

- 3) Setting defined benefit levels will allow developers to plan ahead when assembling funding for their project, as opposed to engaging in long, uncertain negotiations. Increased certainty around these fee levels should speed up development once the Plan is adopted.
- 4) We appreciate the setting of Community Benefit Fee \$/sq. ft. levels lower for housing than for office, and **we support the \$25/sq. ft community benefits fee**

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Staff

Leslye Corsiglia
Executive Director

on bonus office FAR. This recognizes the varying economic returns from each type of development, as well as the fact that Silicon Valley is in a severe housing crisis, and we need all the housing we can get.

- 5) With that said, **the feasibility analysis on page 10 of Attachment 7 shows that residential development is already infeasible in the Plan area and can't support any further fees.** Absent a City strategy to lower land costs, which would be difficult politically and legally, the City should not charge additional fees on residential development, and in particular eliminate this \$5/sf community benefits fee. **If future analysis show that housing development can support a community benefits fee, then a fee could more reasonably be imposed.**
- a. The fee may sound small when represented as \$5 per square foot, but for a residential project of 800,000 square feet with an FAR of 3.5, the community benefits fee would add **\$2.86 million** in cost.
 - b. **If the infeasible residential community benefit fee generates revenue that is determined to be absolutely indispensable, the council should consider transferring the extra cost to office space rather than housing.** Raising the office fee above the feasible level of \$25/sq. ft. might have some risk for office development and the linkage strategy, but it would be more appropriate to risk slowing office development than housing development. We are in a housing crisis and need to encourage as much housing to be built as possible.

Residential LASD TDR options (Question 4)

- 6) **We support the Staff and EPC recommendation (Alternative 1)** to incentivize residential LASD TDR projects to remain in the program by allowing them to participate in the jobs-housing linkage strategy. This preserves the deal struck between the school district and developers, and keeps the residential projects from pulling out of the program or dropping their proposed housing.

Thank you for your consideration of our comments. We again commend and thank Mountain View staff and the City Council for your years of work on the draft under consideration tonight, and look forward to actually achieving the planned 5,000 new homes, 1,000 of them affordable.

Sincerely,



David K Meyer
Director of Strategic Initiatives

