

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2014

A RESOLUTION TO AMEND THE EXISTING HOUSING IMPACT FEE SCHEDULE FOR NEW NONRESIDENTIAL DEVELOPMENT, TO INCREASE THE FEE ON OFFICE, HIGH-TECH, AND INDUSTRIAL DEVELOPMENTS FROM \$10.26 PER NET SQUARE FOOT TO \$20.00 PER NET SQUARE FOOT ON BUILDING AREA MORE THAN 10,000 SQUARE FEET AND HALF OF THAT FEE ON BUILDING AREA UP TO 10,000 SQUARE FEET

WHEREAS, the City Council adopts a Master Fee Schedule as a part of its annual budget, fixing and establishing fees, rates, and charges for goods and services provided by the City of Mountain View; and

WHEREAS, on December 11, 2001, the City Council approved an Ordinance, amending Chapter 36, Article X, of the City of Mountain View's Municipal Code that became effective on January 8, 2002, and established Housing Impact fees for three categories of nonresidential developments: (1) Office/High-Tech/Industrial; (2) Commercial/Retail/Entertainment; and (3) Hotel; and incorporated those fees into the City of Mountain View's Master Fee Schedule; and

WHEREAS, the Housing Impact fees may be updated or adjusted upon Council approval of a resolution; and

WHEREAS, on October 14, 2014, the City Council adopted the Housing Element of the General Plan in compliance with State law, which includes the goal of encouraging the development of affordable housing to meet the City's assigned share of the regional housing need and, to implement that goal, includes policies to collect Housing Impact fees to provide housing units that are affordable to households with extremely low, very low, and low incomes; and

WHEREAS, the lack of affordable housing in Mountain View forces many residents to pay a very high percentage of their income for housing or to commute considerable distances, adding to air pollution and traffic congestion in Mountain View and adjacent communities; and

WHEREAS, the lack of affordable housing has made it more difficult for businesses in Mountain View to recruit workers from out of the area, especially workers in lower-paying jobs, potentially affecting the economic vitality of the community; and

WHEREAS, housing units affordable to households with extremely low, very low, and low incomes are in very short supply in Mountain View and other available housing subsidies are inadequate to meet the need created by new nonresidential development; and

WHEREAS, the City Council has considered a Jobs-Housing Nexus Study, dated November 2012 ("Nexus Study") and two Supplemental Memorandums entitled "Supplemental Discussion of Factors Contributing to High Supported Affordable Housing Nexus Costs in Mountain View," dated November 6, 2012, and "Non-Duplication of Proposed Residential and Nonresidential Impact Fees," dated November 28, 2012, all three of which were prepared by Keyser Marston Associates and evaluated the impact of new nonresidential development on the need for affordable housing; and

WHEREAS, the Nexus Study documented a reasonable relationship between the need for affordable housing and the deleterious impacts of new nonresidential development; and

WHEREAS the Nexus Study demonstrated that to fully mitigate the impacts of new nonresidential development on the need for affordable housing, Housing Impact fees equivalent to \$59.31 per square foot for Office/High-Tech/Industrial development, \$243.61 per square foot for Commercial/Retail/Entertainment development, and \$44.69 per square foot for Hotel development would be needed; and

WHEREAS, to implement the affordable housing goals, policies, and objectives of the Housing Element, the City Council has determined that it is necessary to increase the existing Housing Impact Fees to more fully mitigate the impact of new nonresidential development on the need for affordable housing in Mountain View; and

WHEREAS, to ensure that nonresidential projects remain economically feasible, the adopted Housing Impact Fees are lower than the amount needed to fully mitigate the impacts for each type of nonresidential development, as shown in the Nexus Study; and

WHEREAS, to encourage and support small business development, the adopted Housing Impact Fees assessed on Office/High Tech/Industrial developments with less than 10,000 square feet and on Commercial/Retail/Entertainment and Hotel developments with less than 25,000 square feet shall continue to be half of the amounts charged to larger developments; and

WHEREAS, the use of the Housing Impact Fees will be restricted to mitigating the affordable housing impacts of nonresidential developments and will be deposited into the City's Affordable Housing Fund to be used for affordable housing programs and projects for low-, very low-, and extremely low-income households; and

WHEREAS, the City Council has held a Study Session on October 14, 2014 and a public hearing on December 9, 2014 and has considered information in Council Reports on adjustments to the Housing Impact Fees, dated December 11, 2012; October 14, 2014; and December 9, 2014; and

WHEREAS, at least 10 days prior to the date this resolution is to be considered, data was made available to the public indicating the amount of cost, or estimated cost, required to provide the affordable housing for which the impact fee is levied and the revenue sources anticipated to provide the affordable housing, including General Fund revenues in accordance with Government Code Section 66019; and

WHEREAS, notice of the hearing on the proposed Housing Impact Fees was published twice in the manner set forth in Government Code Section 6062(a) as required by Government Code Section 66018;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mountain View:

1. **Adoption of Amended Housing Impact Fee Schedule.** The Housing Impact Fee Schedule for the Community Development Department is hereby amended as shown in Exhibit A.

2. **Effective Date.** The effective date of this resolution is February 7, 2015.

LL/7/RESO
860-12-09-14r-E-2

FEE SCHEDULE – COMMUNITY DEVELOPMENT DEPARTMENT

State Code § (if any)	MVCC §§	Title of Fee	Current Fee	Proposed Fee	Fee Basis	Effective Date
§66000	§36.91.b.2	Housing Impact Fee				
		Office/High Tech/Industrial				
		– First 10,000 Square Feet	\$5.13	\$10.00	Per Net Square Footage	02/07/15
		– 10,000 + Square Feet	\$10.26	\$20.00	Per Net Square Footage	02/07/15