From: MV TC

To: <u>City Council FORWARD</u>
Subject: Housing Element

Date: Tuesday, March 8, 2022 2:12:55 PM

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Dear Mayor Ramirez and members of the Mountain View City Council

The Mountain View Tenants Coalition would like to comment on the study session for the housing element (6.1). Since this is a plan for addressing the housing needs for the next 8 years, here are the needs we see among our community members:

We need an easy way to view all available affordable housing for our community

Currently, to apply for affordable housing, community members need to search through a number of different sites and apply to many different websites or paper applications. Since many people are applying for so few units, a community member in need of affordable housing will need to apply for multiple opportunities to increase their chances of success. This means that a renter will need to submit and resubmit the same information multiple times from many different sources. A single way to apply for affordable housing would help people find affordable housing without causing loss of time and resources to hunt for it and resubmit the same information. A single source would also allow the city or county affirmatively market or share all affordable housing opportunities to vulnerable and hard to reach populations - Similar to San Jose Doorways program currently in development, and Dalia in San Francisco, which provides a single start point for people to apply for affordable housing (inclusionary or standalone). A single source would also make it easier for the city, county or even the average resident to track the availability of affordable housing in their area.

· We need increase relocation assistance in cases of eviction

The financial cost of displacement is significant to the tenant and the community. We need the council to increase the amount of relocation assistance granted to affected community members.

We need help to create Community Development Corporations (CDCs) and Community Land Trusts (CLTs)

We want more options of multifamily affordable housing that allow for more community control and decision making tools such as Community Development Corporations (CDCs), co-housing, co-op housing, tiny home communities, and Community Land Trusts (CLTs). However, since many of these options do not exist in our city, we need financial and technical support and training to make these options viable. Training can be assisted by other and more established non-profit organizations.

The County recently created a grant program to assist with the creation of CDCs. With the strong level of community engagement in Mountain View, our city is well positioned to make use of such a program as well.

• We want a Community Opportunity to Purchase Act (COPA) Policy

We want renters, non-profits, and community organizations to get the first chance to purchase a rental property when a landlord wants to sell. This allows the community to compete against investment firms like BlackRock who purchase rental units so quickly, tenants do not even know that the building was for sale. This will help keep rental units affordable and allow the community to acquire housing. Local cities like East Palo Alto and San Jose are currently looking at adopting this policy and it will provide additional support to CDCs and CLTs mentioned in the policy above.

• We need more protections for COVID impacts, including secondary impacts

As renters continue to suffer from COVID, the city council should:

- Ban Evictions due to COVID impacts and secondary effects
- Non-payment of rent during Covid or when tenant has secondary impacts to COVID should not be a just cause for eviction
- Create a permanent rent debt forgiveness program/plan, especially for landlords who receive government assistance
- Rent Freeze: No rents increases during an economic emergency

• We need special housing protections and prioritizations for essential workers (cashiers, first responders, service workers, teachers, etc.)

We currently have hardship protections for low income tenants, but there is a hardship on the community when essential workers are displaced. We need additional relocation assistance to essential workers to ensure they can remain in our community. Our students need teachers, but they can't afford to live here. We need policies to prioritize building or acquiring housing for essential workers.

Protection against misrepresentation of specials offers to fill a vacancy (a.k.a move in specials)

Throughout the pandemic, landlords have been offering "special discounts" to fill vacancies. With the confusion of these discounts, landlords have been increasing the rents larger than allowed by our rent control law. This is a clear attempt to subvert our tenant protections and we need programs to prevent that.

We thank the council for considering our needs as they plan for housing sites and policies to be adopted for the next 8 years.

With gratitude, Mountain View Tenants Coalition



Mountain View Tenants Coalition



7 June 2022

Honorable Lucas Ramirez, Mayor and members of the Mountain View City Council City of Mountain View 500 Castro Street Mountain View, CA 94041

Re: Recommended Changes to Draft Housing Element

Dear Mayor Ramirez and Members of the Mountain View City Council:

On behalf of the members of the Mountain View Chamber of Commerce, we wish to comment on the Draft Housing Element. To inform this letter, we convened a meeting of the major developers with an interest in housing and have active residential projects in Mountain View.

The City staff has put in a great deal of effort to bring the Draft Housing Element to this point. The document is well organized and articulated but we find some of the conclusions significantly understate the impacts of current regulations, fees, and exactions on housing production in Mountain View. For example, the current Draft of the Housing Element lists numerous constraints posed by government regulation and fees, but nevertheless concludes that:

- 1) **Regulation** (p. 183): The cumulative impact of development standards established in the Zoning Ordinance and Precise Plans do not appear to unduly constrain residential development in the city, especially in the recently adopted Precise Plans.
- 2) **Fees and Exactions** (p. 187) Although development fees and exactions do increase the cost of producing housing, in general Mountain View's fees do not appear to create an undue constraint on residential development in the city.

We respectfully disagree with these conclusions, as the current Draft Housing Element neither addresses all the true constraints, nor does it include specific and meaningful programs to address the constraints in Goal #1 Zoning Ordinance Update or Goal #4 Development Streamlining and Processing Revisions.

We ask the City Council to amend the Draft Housing Element to include changes that would significantly improve Mountain View's likelihood of producing housing at all income levels during the life of the new Housing Element.



Governmental Constraints

The Problems

Developers cite the following regulatory challenges to producing housing in Mountain View:

1. Excessively long entitlement and building permitting process.

Projects that should take less than a year to receive discretionary approval in other Bay Area cities can take two years or longer in Mountain View. This is true even for projects within Precise Plan areas where the processing time should be much shorter than for projects seeking Zoning or General Plan amendments. The City's Development Review Study (also known as the Matrix Study), as well as Developers, cite poor internal coordination and communication (often leading to a lack of clarity of requirements), multiple design revisions often based on the subjective opinions of the planners rather than objective criteria, revisiting previously settled matters, a general lack of ownership leading to a systemic lack of problem-solving, and more. Developers also cite the slow start to the CEQA process as a significant constraint to efficient processing of a development application.

The Mountain View Planning Department has been continuously plagued by inadequate staff levels to process applications under the current rules. Solving for a headcount that is based on a broken process will not result in improving processing time.

The Building permit phase of the process, including interaction with Public Works, is almost equally drawn out. This means that obtaining building permits take as long as four years from the beginning of the entitlement process. During that intervening time, fees and exactions have gone up, construction costs have gone up, and regulations may have been added before a single shovel hits the dirt.

The bottom line is that the increasing complexity of the development review system over many years has resulted in a highly inefficient process which must be addressed for housing production goals in Mountain View to be achievable within the Housing Element plan period.

The City of Mountain View recognizes these problems and has undertaken the Matrix Study which identifies process improvements. Specific process improvement recommendations from this study and others not covered by the study are notably absent in the Draft Housing Element's proposed programs to address governmental constraints. Without inclusion in the Housing Element, the recommendations made in the Matrix Study remain suggestions rather than accountable actions.

A broken development review process is a significant problem of public interest: Housing production is unduly delayed for years when the demand for housing is now. Further, sometimes projects are canceled by developers altogether because they no longer are



economically viable after several years have passed. We have seen recent examples of this in North Bayshore and East Whisman.

2. Impact of fees and exactions

Mountain View's fees are among the highest in Silicon Valley as pointed out recently in the East Whisman Precise Plan Impact Fee study. The development community finds the park in-lieu fee a particularly significant constraint to housing production. The basis and process for calculating the park fee results in unpredictability and a prohibitively costly fee. These factors unduly constrain project feasibility.

In addition to City fees and exaction constraints, the potential of substantial increases in annual school assessments as discussed in the Draft Housing Element would render housing development feasibility <u>impossible</u> to achieve in Mountain View without major offsetting cost reductions.

3. Zoning constraints

Mountain View's Zoning rules pose a significant constraint to the production of new housing units in Mountain View:

Density

While Mountain View has adopted new Precise Plans in the city which expanded areas where housing is allowed, there is still an opportunity to push greater densities where appropriate in the city, and the public agrees. The community survey for the Housing Element shows that rezoning non-residential areas for housing and allowing higher density are the top two priorities for the respondents to the survey.

Gatekeeper Process

The City's current policy of requiring City Council authorization before allowing staff to accept applications for developments requiring Zoning or General Plan amendments, known as the "Gatekeeper" process, is keeping many good housing projects from even getting started. Further, it has been several years since a Gatekeeper authorization hearing has been scheduled and currently there are none planned for 2022. Potential housing projects have been waiting in the wings for years.

FAR Calculations

Some of the City's newer Precise Plans use Floor Area Ratio (FAR) rather than units per acre to drive the density. While there is nothing inherently wrong with a form-based approach, several aspects of the way this is being implemented in Mountain View constrain the production of more housing units. 1) Counting above-grade parking and storage toward FAR forces developers to relocate those uses underground at a



significant cost to project feasibility; 2) Counting balcony space against FAR (if designed a certain way) limits the number of units that can be provided on a site.

Parking Requirements

The development community finds the City's parking requirements to be excessive and antiquated. Parking garages at recently developed apartment buildings in Mountain View demonstrate this; anecdotally, notable numbers of spaces are going un-used. This observation was borne out in a City-required parking study for the 555 W. Middlefield project. The residents are not parking in the neighborhoods. They just have fewer cars and use alternative forms of transportation that these buildings were programmed to promote.

The Result: Death by a Thousand Cuts

Simply because there is robust development interest in Mountain View does not mean that regulations, fees, and exactions do not unduly constrain the production of both market-rate and affordable housing in the city.

As discussed above, a slow and expensive entitlement process, high fees, and zoning constraints unduly limit the number of units that can be produced, delay housing from being built, and severely constrain project feasibility. These cumulative constraints also prevent some entitled projects from moving forward.

Moreover, the City never hears about all the projects that developers consider but don't make it to an application because they are infeasible. Thus, the City cannot know how many units are being lost as a result of their policies.

Recommended Revisions to the Draft Housing Element

The Mountain View Chamber of Commerce and housing developers in Mountain View are united in their concerns that Mountain View's housing development process, fees, and zoning approach are severely constraining housing production and the production of more affordable units. This is an urgent matter of significant public interest. Therefore, we recommend that the City Council add the following program solutions to the Housing Element:

 Commitment to <u>specific</u> process improvements as contained in the Matrix Study, leading to a wholesale process review and revision within the next 2-3 years. Particular attention should be paid to coordination and communication, design review, eliminating re-opening of settled matters, slow start to the CEQA process, and a general lack of a problem-solving approach.



- 2. Implement the Permit Navigator position as called out in the Matrix Study, while making all requirements clear at the beginning of the process.
- 3. Review and revise the development fees and exactions that in totality pose constraints to housing development. Particular focus should be on the park in-lieu fee. Revise the basis and process for calculation of the park fee to increase its predictability in its calculation and decrease the per-unit cost of the fee.
- 4. Eliminate or modify the Gatekeeper process so that housing projects anywhere in the city can be considered in a timely manner, at least quarterly. This could include a pilot program that opens the Gatekeeper process to a certain number of projects per year that can go straight to staff without needing City Council approval to begin.
- 5. Modify the City's policies as to what is counted against the FAR (Floor Area Ratio) calculations so that true living area is maximized.
- 6. Reduce the City's parking requirements for housing development to be more consistent with current trends.

Thank you for your attention to these important and urgent matters of public interest.

Sincerely,

Peter Katz

President & CEO

Mountain View Chamber of Commerce