

Mountain View passes rental housing impact fee

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Beginning in early February, developers who want to build apartments in Mountain View will have to pay a fee to offset additional demand for affordable housing caused by their projects.

The city council voted 4-3 Tuesday night to impose a fee of \$10 per square foot on rental housing projects. Council members also agreed to raise an existing fee for office, high-tech and industrial projects from \$7.43 per square foot to \$10, but kept the fee at \$2.47 for retail, entertainment and hotel projects.

The fees are intended to help fund development of additional affordable housing in the city, which has been wrestling with how to best address that need for the past year and a half.

"Honestly, as government, we can't do it all ourselves anymore and we need help," said Council Member Margaret Abe Koga, who voted in favor of the fees. "If it's important for the business community to have affordable housing for employees, they need to help us."

Mayor Mike Kasperzak expressed a similar point of view but ultimately opposed the rental housing impact fee because it wasn't high enough. He was joined by council members Ronit Bryant and Jac Siegel.

"Ten dollars is too low for the rental housing impact fee," Kasperzak said. "It's below everything we've talked about and it just does not seem to me to be the direction we've been heading for so long."

Bryant said she was in favor of charging rental housing developers \$21.94 per square foot. Such a fee might prompt them to instead set aside a portion of their projects as below-market-rate. It would essentially restore a practice the city was forced to abandon in the wake of a court case that challenged whether apartment developers could be forced to provide affordable units.

"If that is too high then we can negotiate and get units, which I think is the best way for us to go," Bryant said about the \$21.94 fee.

Although outspoken about their distaste for the fees, Vice Mayor John Inks and Council Member Tom Means supported them because they are lower than what other cities charge. By way of comparison, San Carlos requires rental housing developers to pay between \$23.54 and \$28.27 per square foot.

"I don't like this, but I'm trying to at least put us somewhere where we can say we did something," Means said.

Developers and industry representatives called on the city council not to adjust or impose new housing impact fees Tuesday.

"You have a solution to deal with that and that is to build more market-rate rental housing, not to levy an additional fee, not to extract more concessions from developers, but simply to build more housing and make it easier for the housing to be built," Joshua Howard of the California Apartment Association said in response to concerns about high rents in the city.

Affordable housing advocate Joan MacDonald countered that the city can still provide incentives and flexibility to ensure that developers make a profit.

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"The question is," MacDonald said, "is it fair to require market-rate developers to pay for affordable housing? The answer is yes."

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