

October 17, 2018

Mayor Sam Liccardo
Members of the City Council
200 East Santa Clara St., 18th Floor
San Jose, CA 95113

RE: Recommendation to the City Council to Study a Commercial Impact Fee

Dear Honorable Mayor Liccardo and City Council,

This letter is to convey to the Mayor and City Council the San José Housing and Community Development Commission's recommendation at its October 11, 2018, meeting that the City Council direct staff to engage a nexus study and feasibility study for a potential Commercial Impact Fee.

The purpose of the City's Housing and Community Development Commission (Commission) is to advise the City Council and the City's Housing Department on policies, programs, and the City's performance in housing and community development. This focus includes issues related to the City's mobilehome rent ordinance, apartment rent ordinance and other programs in Chapters 127.22 and 17.23 of the San José Municipal Code.

Given the Commission's responsibilities, its members are focused on a range of strategies and programs that can help San Jose's current housing crisis and shortage of affordable housing. To that end, Commissioners requested information on commercial impact fees and their studies.

At its October 11, 2018 meeting, Housing Department staff presented the Information Memo prepared in January 2018 entitled [Update on Regional Grand Nexus Studies for Commercial Impact Fees to Fund Affordable Housing](#). Staff also reviewed the City Council's actions regarding this topic since 2015.

The Commission's discussion focused on the need for affordable housing funding, that businesses create the need for housing, and that conducting a nexus study and feasibility study would give additional information as to whether businesses could afford such a fee in San José. At the meeting, the Commission recommended by a vote of 8-4 that the City Council **direct Housing Department staff to conduct and engage a nexus study and feasibility study for a potential Commercial Impact Fee.**

Hon. Mayor and City Council

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Thank you for your consideration of this recommendation. If you have any questions, please feel free to contact me at _____ or HCDC6@sanjoseca.gov.

Sincerely,

/s/

Andrea Wheeler

Chair, San José Housing and Community Development Commission