

Community and Economic Development Committee

# Council Priority #9: Commercial Linkage Fee for Affordable Housing

November 18, 2019

Item d3

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# Project Background and Current Status



## March 12, 2019 Council Direction

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- Consider including high tech office, single user office, retail, industrial, hotel, and office as commercial building types.
- Conduct sensitivity analysis of the impact of potential shifts in development costs and income on the feasibility of fees for different types of non-residential development.
- Ensure that the City's outreach plan includes developers, employers and other stakeholders.
- Bring back the final study results and policy proposals to Council no later than January 2020, or as soon as possible, for consideration.

## RFP Results

- RFP issued in June 2019
- Received qualifying proposals from three consultants
- Awarded contract to Keyser Marston Associates

# Project Scope

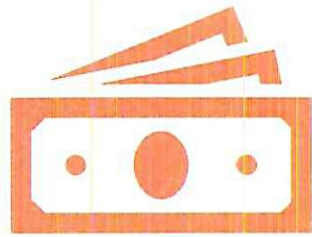
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- Development Prototype and Geographic Subarea Selection
- Nexus Study
- Feasibility Study
- Fee Comparison and Policy Options
- Meetings and Outreach

# Nexus and Feasibility Study Proposed Prototypes and Geographic Subareas



# Nexus Study Purpose



**Establishes Maximum Commercial  
Linkage Fee Levels**



**Addresses Legal Requirement to  
Implement a Commercial Linkage Fee**



# Proposed Building Types: Nexus Study

Retail

Office

High-Tech Office

Hotel

Industrial

Warehouse

Research and Development

Residential Care / Assisted Living

## Objectives

1. Cover range of non-residential development potentially subject to fee
2. Address major distinctions in employment density and occupation



# Feasibility Study Purpose

- Evaluate Feasibility of Representative Projects
- Inform Selection of Fees at Feasible Level
- Calibrate by Building Type and Geographic Area



# Proposed Building Types: Feasibility Study

Office / R&D: 1-2 stories

Office / R&D: mid-rise

Office - high-rise

Office - high-tech owner / user

Retail - neighborhood or com center

Hotel - mid-rise

Light Industrial / R&D

Warehouse / Distribution

## Objectives

1. Focus on most common development types
2. Address differences in development cost and feasibility
3. Include development types of specific interest

# Proposed Geographic Subareas

Downtown and Vicinity

Edenvale

North San Jose and Vicinity

West San Jose Urban Village

Monterey Corridor

South and East San Jose Growth Area

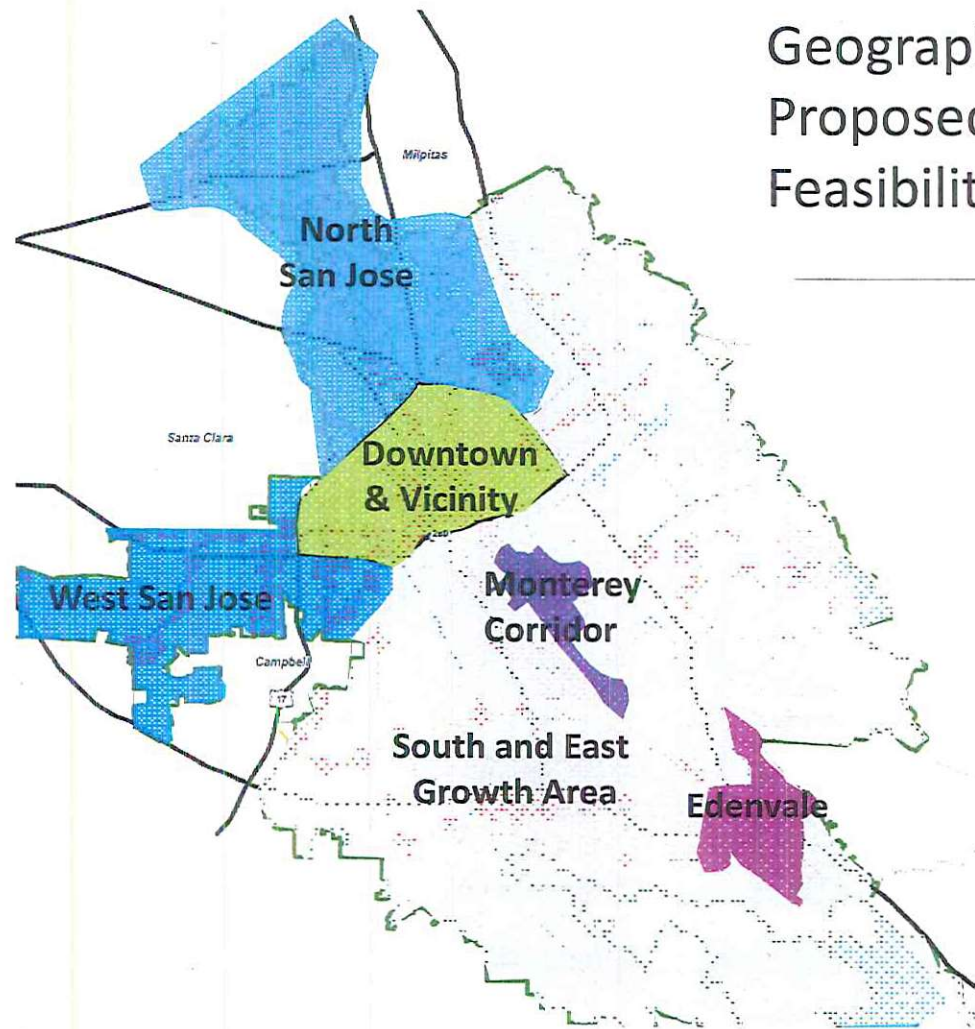
## Address Differences in

1. Market Conditions
2. Typical Development Types
3. Land Costs
4. City Fees

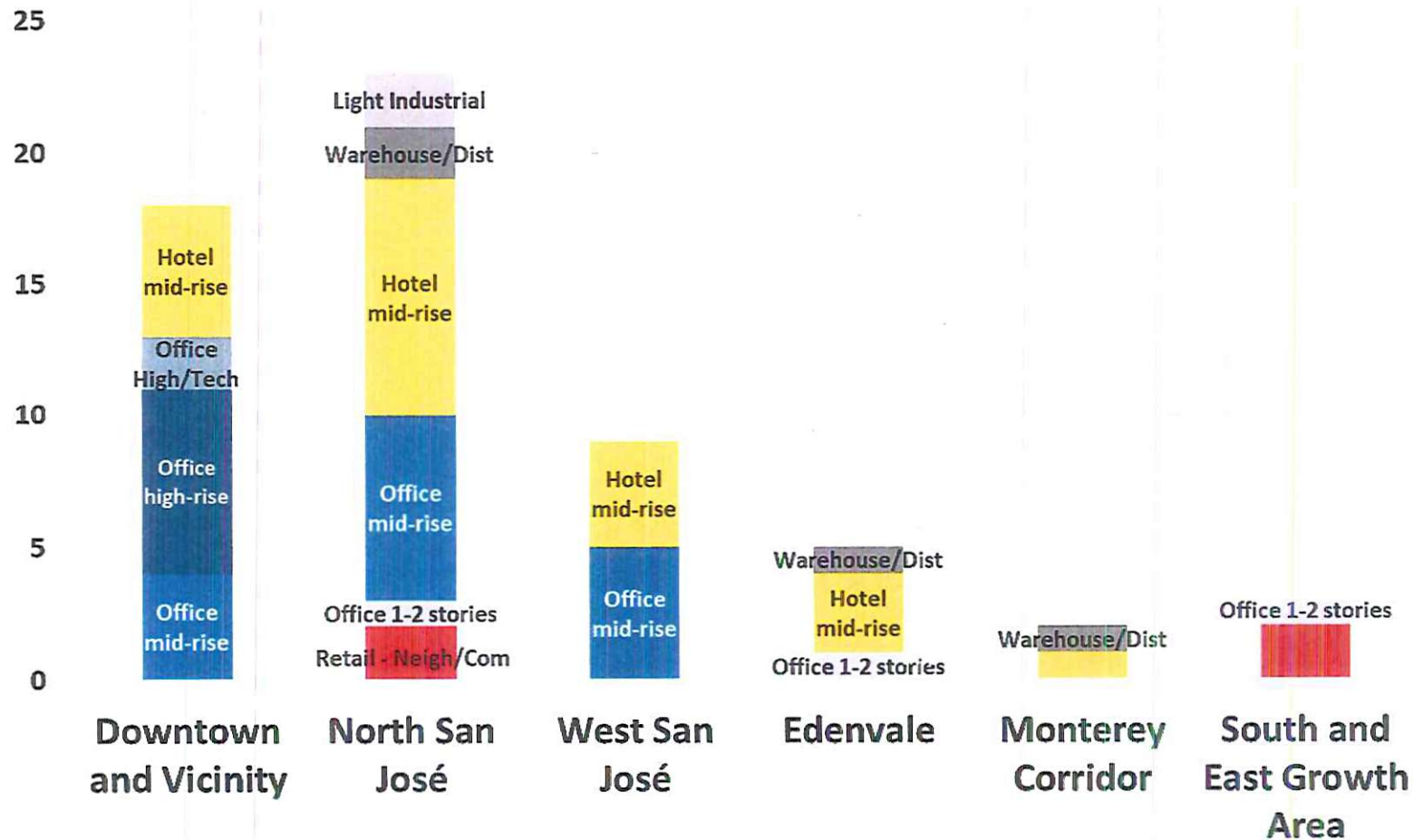
A detailed map of San Jose, California, illustrating growth areas and transportation infrastructure. The map is color-coded: blue for water bodies (San Jose Bay, San Antonio Bay, San Carlos Reservoir), green for parks and open space, and various shades of pink, red, and orange for different types of development or land use. Major highways are shown as thick black lines, including SR 880, SR 88, SR 101, SR 17, and SR 283. The map also shows the locations of major airports (SFO, MIA, JEP, etc.) and the surrounding cities of Milpitas, Santa Clara, and Campbell. The title 'San Jose Growth' is prominently displayed in the top right corner.



## Geographic Subareas Proposed to be Addressed in Feasibility Analysis



## Building Types Proposed to be Addressed in Study



## Building Type / Subarea Combinations Proposed for Analysis

	Downtown and Vicinity	North San Jose and Vicinity	West San Jose Urban Village	Edenvale	Monterey Corridor	South & East San Jose Growth Area
Office/R&D – 1-2 stories		X		X		X
Office/R&D - mid-rise	X	X	X			
Office - high-rise	X					
Office - high-tech owner / user	X	X	X			
Retail - Neighborhood or Community Retail Center		X	X	X		X
Hotel - mid-rise	X	X	X	X		
Light Industrial / R&D		X		X	X	
Warehouse / Distribution		X		X	X	



# Timeline and Next Steps

# Timeline

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Timeframe	Task
November 2019	Draft development prototypes and geographic sub-areas. Stakeholder outreach on proposed prototypes.
December 2019	Nexus and feasibility draft technical analysis submittal
January 2020	Admin draft nexus and feasibility reports
February 2020	Public Review Draft Report
February-March 2020	Public Outreach Meetings on Public Draft
April 2020	Final Draft Report
April 2020	City Council Meeting

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