
Meeting Summary

Santa Clara Multi-City Inclusionary Zoning and Affordable Housing Study Informational Public Meeting

March 24, 2025 | 6:00 – 7:00 PM | Held Virtually on Zoom

Key Links

- [Recording](#)
- [Slide Deck](#)
- [Participant Survey](#)

Meeting Summary

The consultant team, Strategic Economics and Community Planning Collaborative, hosted a virtual informational public meeting for the Santa Clara Multi-City Inclusionary Zoning and Affordable Housing Study (also known formally as the Santa Clara County Grand Nexus and Feasibility Study). The meeting had four major objectives:

- 1) Introduce the study and its background, purpose and objectives;
- 2) Review the analysis approach and project schedule;
- 3) Answer questions from the public; and
- 4) Solicit feedback via a survey.

Participating jurisdictions include the Cities of Gilroy, Santa Clara, Mountain View, and Sunnyvale and the Towns of Los Altos Hills and Los Gatos.

Kristy Wang, Principal at Community Planning Collaborative, kicked off the meeting with introductions of the consultant team and then handed it over to Derek Braun, Principal at Strategic Economics, to walk through the main presentation. Braun noted that this study is exploratory in nature and only provides recommendations to the jurisdictions; any implementation measures would happen through each jurisdiction's regular transparent public processes.

Participants were asked to use the virtual meeting chat feature for any questions and comments during the presentation. The consultant team then responded to this feedback during a Q&A session that followed the presentation. After the Q&A Session, participants were invited to take a brief online survey and share any additional comments and questions via the project email address, stakeholderfeedback@strategiceconomics.com.

Attendees

Consultant Team

- Kristy Wang, Community Planning Collaborative
- Derek Braun, Strategic Economics
- Jake Cummings, Strategic Economics

City Representatives

- Elaine Phung, Santa Clara
- Ryan Dyson, Sunnyvale
- Jenny Carloni, Sunnyvale
- Jay Bradford, Los Altos Hills
- Christie Thomas, Gilroy
- Harsha Ramchandani, Mountain View

Approximately 60 stakeholders attended. These included residents, representatives of the real estate industry, and affordable housing advocates. The following businesses/organizations were represented:

- NCCRC (Northern California Carpenters Regional Council)
- BIA Bay Area (Building Industry Association)
- Gilroy Foundation
- Restorations Church
- Silicon Valley at Home
- Eden Housing
- Livable Sunnyvale
- Alta Housing
- Lennar
- UWBA (United Way Bay Area)
- MVCLT (Mountain View Community Land Trust)
- ROEM Development
- Charities Housing

Meeting Notes

6:00 PM | Welcome and Introductions: Led by Kristy Wang, Community Planning Collaborative

6:05 PM | Project Presentation : Led by Derek Braun, Strategic Economics

- **Purpose, Background and Objectives of the Study**
 - The study will provide recommendations for policy tools used to produce affordable housing from contributions from new, private development, either in the form of:
 - Fees to help fund new affordable housing and/or
 - Building affordable housing as part of new housing development
 - Types of requirements addressed by the study:
 - Residential impact fees for small residential projects (less than 10 units)
 - Residential inclusionary requirements and in lieu fees (10 or greater units)
 - Commercial linkage fees (applied to office, life science/R&D, hotel, retail, and or industrial development)
 - Levels of participation by jurisdiction and rationale for making the study a regional effort.
 - Goal to recommend a carefully considered set of policies for the six jurisdictions that is legally defensible, financially feasible, and coordinated.

- **Analysis Approach**
 - Explanation of the legal rationale of conducting a Nexus study
 - Both market rate residential and commercial development will tend to generate new employment and a portion of new workers are unable to pay for market-rate housing, creating a demand for affordable housing.
 - Nexus Study connects new households and employment with affordable housing needs.
 - Feasibility Study
 - Financial Feasibility analysis examines the ability of new development to contribute to affordable housing.
 - The study includes a multi-step process to develop recommended fees and inclusionary policies:
 - Calculate the maximum justifiable fee based on the nexus studies
 - Determine the financial feasibility and peer city policy analysis
 - Use Community Engagement and review city policy preferences
 - The project timeline currently is as follows:
 - Dec. 2024: Project Launch
 - January to June 2025: Stakeholder Outreach and Analysis
 - July to August 2025: Draft Reports
 - September 2025: Vetting with Cities
 - October 2025: Final Reports

6:30 PM | Q&A : Questions written to the chat, read by Kristy Wang, and answered by Derek Braun.

Questions and Answers (Condensed for clarity):

Will there be 6 different studies with regard to building costs at each separate city?

No, there will not be six different studies regarding building costs at each city. Instead, the study uses a prototype approach that are transferable across the jurisdictions.

How does the funding go towards affordable housing?

Money is typically collected in an affordable housing trust fund, which is used to pay for lower income housing.

Does priority go to the residents of the jurisdictions?

This will not be addressed in the study. Each city will set its own priorities for local preferences.

Are you taking into account what AMI (Area Median Income) is in each city? What numbers are you using?

While AMI may differ at the local level, the study uses the county AMI, which is the standard approach for setting affordability levels. However, jurisdictions have the option to set their policies in different ways to target different income levels, which could be more in line with the needs of their local residents.

Costs and revenues, for the same product type, in different cities is quite different. How will this be addressed?

Materials (e.g. the cost of wood) and labor do not vary significantly throughout the county. Fees and land costs vary more and these will be taken into account. On the revenue side, there will be some variation and customization based on the jurisdictions.

How did this study come into being, what was the impetus, was there an RFP and a scope of work for the public to review? Who issued the RFP and selected the consultants?

Many of the cities and towns in Santa Clara have committed to studying inclusionary housing and fees for affordable housing in their Housing Element, and this study is intended to meet those goals. The Santa Clara County Collaborative is a project of the Cities Association of Santa Clara County and issued and coordinated an RFP. Although the RFP has closed, it is available for review.

The consultants were selected by a committee of staff from the participating jurisdictions.

How are 100% affordable projects going to be awarded funding?

The 100% affordable projects require funding from many sources, with local funding being an essential part. They typically compete for Low Income Housing Tax Credits (LIHTC) and the process for funding varies from city to city.

Has Strategic Economics ever found through a feasibility study that IZ is infeasible?

Yes, quite frequently over the past few years. In Berkeley and Hayward, SE found that several development project types are infeasible. Jurisdictions want to have a tool in place for when development conditions improve and development becomes feasible again. The goal is that there

is some mechanism in place when development picks up. The study provides technical analysis and context for these decisions and recommendations but ultimately it is up to the cities about what policies to adopt.

What cities have a Strategic Economics Study posted online?

Recent work was completed in Marin County, Berkeley, and Hayward, but use Google search “Strategic Economics” and “Inclusionary Housing Study” since many of the studies are posted as part of City Council packets. A link to the [San Rafael Inclusionary/In-Lieu Fee Study](#) was included in the chat.

Do you consider public/private partnerships in your studies or prototypes?

It is not so relevant for this kind of study since it is not focused on the implementation.

Will the policy recommendations include considerations of incentives to encourage the building of all-electric housing (no gas for heating space or water or for cooking)?

No, this will not be a part of this effort but this information will be passed on to the jurisdictions.

What are the Key Performance Indicators the study looks at?

This is going to be a question of implementation for the individual jurisdictions. This study is giving the tools and recommendations for the jurisdictions, so there are not necessarily performance indicators. The metrics and thresholds for feasibility will be determined based on developer outreach.

Comments:

- Glad to hear that it is subsidizing supply and not demand. That is how we reduce costs for everybody.
- Also by making only a portion of each project "affordable", it has the effect of raising AMI, making future housing less affordable, even at affordable prices.
- The area median income (AMI) in Santa Clara County in 2024 is \$184,300, an increase of \$33,000 since 2021. This means that a family making \$215K is eligible for affordable housing.
- An affordable project targeting 50% AMI gets people making \$90K and does little to help those making \$60K or less.
- This study does not address current need, but is based on new development and any workers needed or added due to it.