



“After years of debate,” San Jose may charge non-residential developers to support affordable housing

By Sonya Herrera, San Jose Spotlight, July 18, 2020

“San Jose has taken the first step [to] charge high-tech office developers fees to fund affordable housing. Right now, San Jose only charges such fees on residential developments — not commercial — at about \$18 per livable square foot.

“A study released July 17 examines how much the city should charge commercial developers to fund affordable housing projects. The buildings subject to the new fee include office, retail, hotel, industrial, research and development, warehouse, and residential care.

“The city’s consultant, Keyser Marston Associates, found that a fee of up to \$176 per square foot for new retail buildings would ‘reflect the cost of mitigating affordable housing impacts of new development.’ The consultant identified \$151 per square foot as the reflective cost of new high-tech office buildings.

“Kim Walesh, the city’s director of Economic Development, said in a memo the new fees she’ll propose to the City Council will be far lower than the amounts identified in the nexus study.

“Housing advocates have proposed a commercial linkage fee for San Jose for some time. Years ago, the Civil Grand Jury of Santa Clara County [published a report](#) recommending the fees, listing them as an important source of funding for affordable housing.

“City officials will present their commercial linkage fee recommendation to the City Council on Aug. 25. If adopted, the fees would become effective on Nov. 14.”

Read more [here](#).