



2018 City Council Candidate Questions

HOUSING

Given the cost of land and construction costs, how do we make it economically viable to create Below Market Rate housing for low income residents (80% of AMI or lower) in Palo Alto? (80% of AMI is \$66,150 for one person or \$75,800 for two persons.)

PAT BOONE

I believe we need to revisit zoning options. But I have an issue with dense housing in neighborhoods, I predict it could lead to severe overcrowding.

As for tackling construction and land cost, I believe that every developer we approve for any housing project we must also commit to building a certain number of BMR affordable housing units.

ALISON CORMACK

The affordable housing overlay is a good first step and should help Palo Alto Housing make the financing work for their proposed project on Wilton.

TOM DUBOIS

1. We need to increase our commercial development impact fees to the levels supported by the Nexus study and affordable housing experts. We need these funds to generate enough revenue to actually build BMR housing
2. We need to hold developers to building inclusionary housing as part of their project, rather than paying in-lieu fees.
3. Where possible, we need to consider creative uses of existing land, such as Joe Simitian's (one of more endorsers) proposal to use the land next to the Courthouse for teacher housing.

ERIC FILSETH

Economics is at the root of most of the region's challenges.

A lot of money should come from higher impact fees. The challenge of BMR housing is that somebody has to pay for it. The Valley generates great wealth, but doesn't spend enough of that wealth on transportation and housing; so instead those costs get socialized to communities. Communities don't actually have the money, so the Housing and Transportation costs of the Valley's expansion ultimately end up carried by the lowest 60-70% or so of the region's income earners.

Instead, more of the Valley's Housing and Transportation costs should be paid from the proceeds of the Valley; which tend to be concentrated in Tech, Healthcare and Real Estate. Therefore: a lot of

money should come from higher impact fees. Ideas such as Mountain View's headcount tax are also worth trying.

CORY WOLBACH

Last year, a couple colleagues and I researched and identified a whole range of existing zoning rules which have had the unintended consequence of make BMR (i.e. subsidized) housing, along with reasonably priced market-rate (i.e. non-subsidized) housing, less economically viable. Essentially, our existing zoning code encourages offices first, then very expensive luxury housing, then moderately priced market-rate housing, then BMR housing. We need the last two, not the first two. So my colleagues and I introduced a memo last fall calling a work plan to change zoning rules to invert the incentive structure. The rest of council joined us in moving the memo forward, and then Housing Work Plan earlier this year. We have implemented an affordable housing overlay and the zoning changes from the Workplan are under consideration by the Planning commission.

I have also voted to limit office growth and expand housing generally, to at least slow down the worsening jobs-housing imbalance which is the root cause of the unaffordability crisis.