



Affordable Housing Requirements and Fees Fee Schedule and Frequently Asked Questions

The goal of this document is to facilitate understanding and transparency regarding Affordable Housing Requirements including inclusionary requirements, in lieu fees, impact fees and any other necessary requirements. If you have any questions or need clarification, please contact Planning staff in the Community Development Department at 408-615-2450, planning@santaclaraca.gov.

Why are there Affordable Housing requirements and fees?

Updating the City's Affordable Housing Requirements and adopting residential and nonresidential in lieu and impact fees will allow enable the City to provide, support and subsidize affordable housing. Additionally, collected impact fees will give the City more flexibility in the type of affordable housing programs that can be delivered. This flexibility will allow the City to adapt programs in accordance with market changes to ensure the maximum affordable housing benefit is delivered.

The City of Santa Clara uses a range of methods and funding sources to pay for and support the provision of affordable housing. These fees are only one source of funding and represent the share of the cost of mitigating new development on the need for affordable housing.

What types of projects trigger development impact and affordable housing fees?

- Net additional floor area (gross floor area) of new residential construction, including for-sale projects, rental projects and conversion of rental to for-sale projects.
- Net additional floor area (gross floor area) of new nonresidential construction, including the following building types
 - Retail: Any enterprise involving the on-site transaction or transfer of merchandise to the general public, including but not limited to advertising products as available to the public and over-the-counter sales.
 - Hotel, motel, motor hotel, inn or auto court: An establishment consisting of one building or a group of attached or detached building containing lodging accommodation a majority of which are designed to use by transients, travelers, or temporary guests. Facilities provided may include maid service, laundering of linen used on the premises, telephone and secretarial or desk service, meal and beverage service, meeting rooms, incidental merchandise sales, barber and beauty shops, kitchens, and other incidental services and facilities.

- Office: Uses for which the floor area is primarily devoted to office and meeting spaces (including Industrial Office, R&D, Professional Office, General Office and Commercial Office)
- Professional Office: Architect, attorney, chiropractor, professional engineer, drafting office, collection agency, dentist, doctor, insurance office, private detective, real estate agency, social worker, or similar use.
- Other Commercial: Including the permitted uses as described in the thoroughfare commercial (CT), community commercial (CC) and neighborhood commercial (CN) zoning districts.
- Light Industrial: Characterized by a mix of manufacturing , service and warehouse facilities in the same building with a wide variation in the proportion of each type of use. Examples of light industrial uses include materials testing laboratories, assembly of data processing equipment, contractor offices, cabinetry work, machine shops, management services, photocopying services, software publishing/production, engineering/architectural services and electronic/computer component production.
- Low-Intensity Uses (Data Center and Warehouses)
- Data Center: A facility that centralizes an organization’s IT operations and equipment, as well as stores, manages and disseminates its data and may or may not include an office space.
- Warehouse: A facilities with no more than 20 percent of the gross floor area devoted to offices and balance of the floor area devoted to the storage of goods and materials or other uses with employee densities similar to the storage of goods and materials. Warehouses are used on a permanent basis for the receipt, storage, and redistribution of goods generally handled in containers, such a boxes, barrels, and/or drums, using equipment, such as forklifts, pallets and racks.

Are there any exemptions?

Yes. The following types of development are exempt from the provision of affordable housing requirements.

- Additions, remodeling or construction of a single residential unit or duplex unit on an existing lot of record, including Accessory Dwelling Units.
- Commercial square footage within a vertical mixed-use development where the commercial space is integrated into a single structure that also includes residential development at a density of 30 units per acre or greater and does not exceed 20,000 square feet.

- Assembly uses (such as lodges, clubs, youth centers and religious assemblies)
- Day care, nursery and school facilities
- Hospitals
- Other non-residential uses determined by the City Council to have a minimal impact upon the demand for affordable housing.

How are fees determined?

- Determine the land use category of your project based upon the information provided within the planning applicant and plans.
- Determine the requirements and/or fee categorie/s that apply to your project.
- Calculate the gross floor area (square footage) of the project by subtracting existing floorspace from the total.
 - Note: there are no subtractions for demolition of existing affordable dwelling units.
- Multiply the gross floor area (square footage) of the project by the fee that applies to the project.
- Staff can provide you with estimates of your fees at any time during the review process. The closer the project is to building permit issuance, the more accurately the fees can be calculated.

What are the applicable requirements and fees?

1. For-Sale Residential Development

New For-Sale Residential Development must provide up to 12.5% of units within the project as designated affordable (inclusionary) units for projects with 10 units or more. Projects with fewer than 10 units and fractional units can make a payment of the City's In-Lieu Fee or provide 1 inclusionary unit.

The Affordable Housing In-Lieu Fees for For-Sale Residential Development are as follows:

Tenure Type	January 18, 2018- July 17, 2018 (\$ per square foot)	July 18, 2018- January 17, 2019 (\$ per square foot)	January 18, 2019 and beyond (\$ per square foot)
Single-Family Home	Exempt	\$10.00	\$30.00
Townhome	Exempt	\$8.33	\$25.00
Condominium	Exempt	\$6.67	\$20.00

2. Rental Residential Development

New Rental Residential Development must provide up to 15% of units within the project as designated affordable (inclusionary) units for projects with 10 units or more. Projects with fewer than 10 units and fractional units can make a payment of the City's In-Lieu Fee or provide 1 inclusionary unit.

Tenure Type	January 18, 2018- July 17, 2018 (\$ per square foot)	July 18, 2018- January 17, 2019 (\$ per square foot)	January 18, 2019 and beyond (\$ per square foot)
Rental Residential (any tenure type)	Exempt	\$6.67	\$20.00

3. Nonresidential Development

Building Type	January 18, 2018- July 17, 2018 (\$ per square foot)	July 18, 2018- January 17, 2019 (\$ per square foot)	January 18, 2019 and beyond (\$ per square foot)
Retail <5,000 sf	Exempt	No Fee	No Fee

Retail \geq 5,000 sf	Exempt	\$1.67	\$5.00
Hotel	Exempt	\$1.67	\$5.00
Office ¹ <20,000 sf	Exempt	\$3.33	\$10.00
Office ¹ \geq 20,000 sf	Exempt	\$6.67	\$20.00
Other Commercial	Exempt	\$1.67	\$5.00
Light Industrial <20,000 sf	Exempt	\$1.67	\$5.00
Light Industrial \geq 20,000 sf	Exempt	\$3.33	\$10.00
Low-Intensity Uses ²	Exempt	\$0.67	\$2.00

1. Office including Industrial Office, R&D and Commercial Office

2. Low-Intensity Uses such as Data Centers and Warehouses

Does the City have a grandfathering provision?

To allow market based development to adjust to the new fee requirements, implementation of requirements and fees will be as follows:

1. If a project has been deemed complete by the Community Development Department within the first six (6) months of the effective date, no in-lieu or impact fee will be applicable.
2. If a project has been deemed complete by the Community Development Department from six (6) months of the effective date up to twelve (12) months of the effective date, one-third (1/3) of the total in-lieu or impact fee will be applicable.
3. If a project has been deemed complete by the Community Development Department on or after twelve (12) months following the effective date, the full requirements, including in-lieu and impact fees, will be applicable.
4. Exempt Projects: Projects that have a planning application, that meets filing requirements, on file with the City of Santa Clara Community Development Department prior to August 1, 2018 and receive planning approval by December 1, 2020, will not be subject to the requirements as set forth in this Chapter.

When is payment due?

Payment of fees is due before issuance of certificates of occupancy.