



Developers Roundtable November 3, 2023

Commercial Linkage Fee Nexus Study

Project Team



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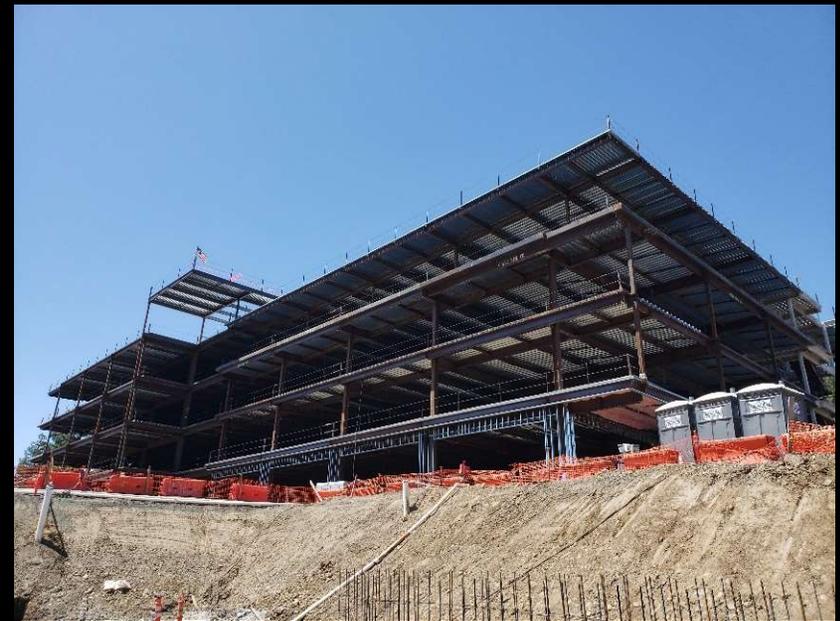


Purpose of Today's Discussion

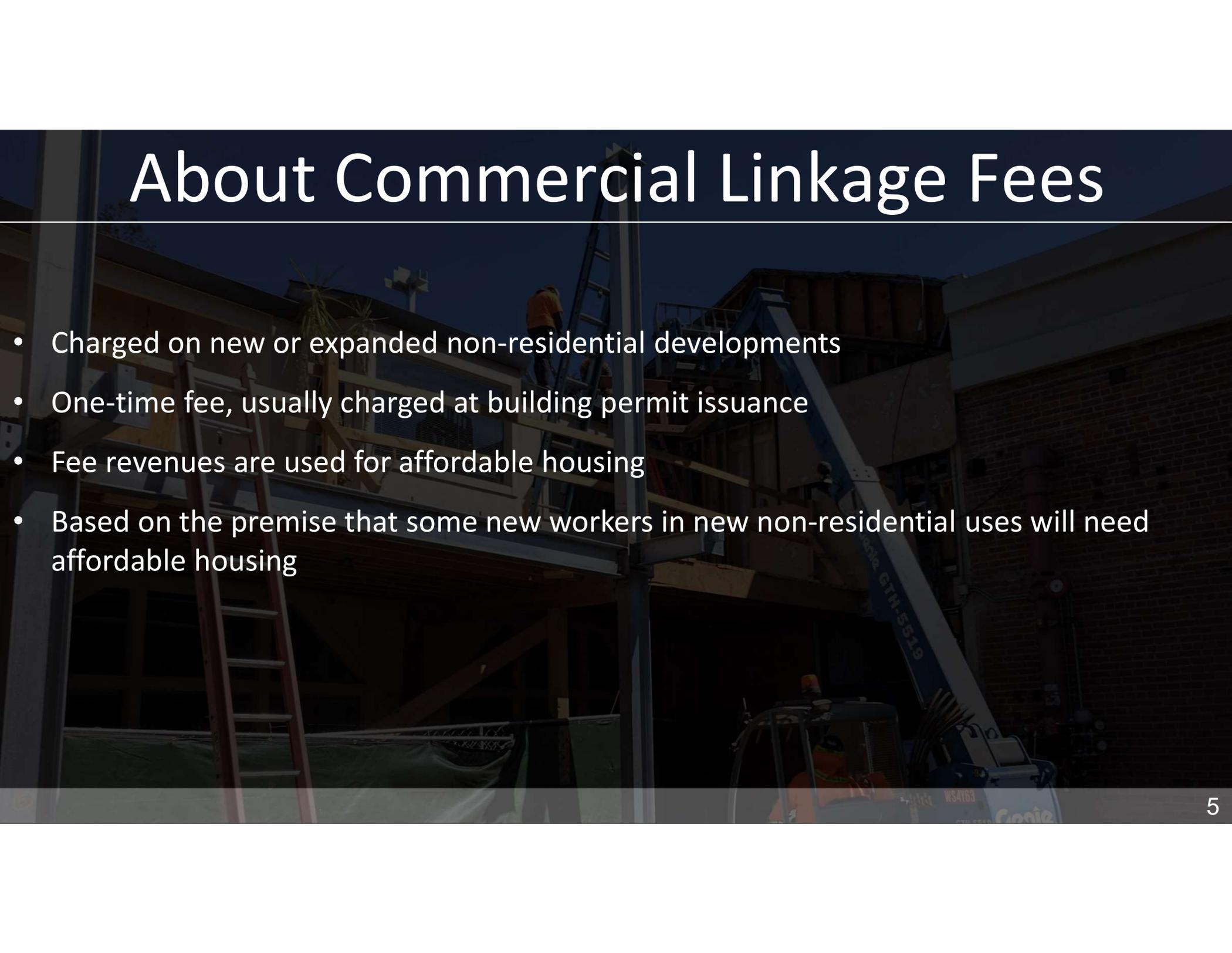
- Introduce potential commercial in-lieu fees under consideration
- Provide a brief overview of the work in progress
- Solicit feedback and comments

Agenda

- ❑ Project Team Introduction and Purpose of Meeting
- ❑ Overview of Commercial Linkage Fees
- ❑ Overview of Nexus Study Process
- ❑ Discussion
- ❑ Next Steps



About Commercial Linkage Fees



- Charged on new or expanded non-residential developments
- One-time fee, usually charged at building permit issuance
- Fee revenues are used for affordable housing
- Based on the premise that some new workers in new non-residential uses will need affordable housing

Nexus Study Components

- Study in progress to evaluate establishing commercial linkage fees in Campbell
- **Nexus Component:** Sets the maximum legal fee amount based on the new need related to new non-residential uses
 - Most cities set fees that are lower than the max. legal amount
- **Feasibility Component:** Evaluates potential impacts on development feasibility
 - Includes development pro formas and review of fees in nearby cities
- Study is also evaluating inclusionary housing in-lieu fees for residential developments

Commercial Linkage Fee Rates (per square foot)

	Cupertino	Mountain View	San Jose*	Santa Clara	Sunnyvale
Office/R&D	\$34	\$33	\$0-\$17	\$29	\$23
Retail	\$14	\$4	No Fee	\$7	\$21
Industrial	\$34	\$33	\$0-\$3	\$14	\$23
Hotel	\$17	\$4	\$6	\$7	\$21

Fee rates shown are the rates that would apply to most square footage. Some cities have lower fees/no fees for small projects or for a portion of the total square footage.

* Fee rates for some uses vary based on project size and location. Discount if paid prior to building permit issuance

Discussion

1. What have other jurisdictions done with similar fees that has worked well? What has worked poorly?
2. What type(s) of non-residential projects are you currently interested in building in Campbell?
3. What can new development absorb in terms of a commercial linkage fee? How does this vary by location or use type? What would need to change to allow new development to absorb more fees?

Next Steps

- Now through November 17: **Take the Nexus Study survey!**
 - Available at www.surveymonkey.com/r/BCSYPSZ
 - Presentation and other information available at campbellca.gov/751
 - Early 2024: Follow-up outreach to discuss findings from study
- Early 2024: Draft Nexus Study to be available to the public
- Feb/March 2024: Council hearing

Question/Comments:

Stephen Rose, Senior Planner

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Survey
QR Code



Thank you!

