

From: [Stephen Mirabito](#)
To: [Rose, William](#)
Cc: [Gustavson, Andy](#)
Subject: Inclusionary housing ordinance
Date: Wednesday, September 25, 2019 6:42:21 PM

Hi Bill

Great to see you last week. I really appreciate the efforts from the entire City staff and look forward to delivering the community an attractive and needed services and housing.

I just learned about the *inclusionary housing ordinance*, and understand a potential January 2020 effective date if passed by the council. I support the city's desire to identify a sustainable funding mechanism to support affordable housing. However, I am concerned about the shock this ordinance will have on both my project and other housing and commercial activities currently in the city's pipeline. This ordinance comes as a surprise-- especially so late in an economic cycle. I understand a notice was posted on the PED Inclusionary Housing Policy website and distributed to interested parties by email. As an applicant in for entitlements, I have never seen such a notice.

Development projects take years to process and entitle. Properties like mine were underwritten to achieve a viable economic yield based upon pre-2017 fire market conditions. On top of that, we are now 11 years into an economic cycle. The shock of new fees late into the cycle I believe will have an adverse impact on proposed project yields and therefore future development.

If the City chooses to enact the ordinance, I urge a gradual phase in of the fees to avoid its shock on pending projects.

Thank you.
Steve

Stephen Mirabito – StoragePRO, Inc. - Making Self-Storage Work For You!® -

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September 16, 2019

Santa Rosa City Council
City Hall
100 Santa Rosa Avenue
Santa Rosa, CA 95404

Mayor Schwedhelm and Members of the City Council,

While we recognize the need for affordable housing, we do not feel that this is the right time to implement a Commercial Linkage fee as a policy solution. We applaud the City's recent efforts to encourage development, however adding fees at this time sends a conflicting message to developers. In essence this is a proposed tax on new job creation paid for by the developers. The cost of new construction is currently extremely high and prohibitive for many projects.

The cost estimates highlighted in the City nexus study are significantly underestimated. Adding a fee with an economic downturn looming will magnify the negative impact at a time when we should be making positive steps to endure a potential recession. Additionally, a commercial Linkage fee would create disincentives for employers to create jobs within the City limits at a time when we need to encourage both commercial and residential development, particularly in the downtown core. We question whether the above risks are worth the likely negligible reward and whether the revenue generated would be at all meaningful when considering the cost of studies, program administration, etc.

Should you decide to move forward with the addition of a Commercial Linkage fee, we urge you to stay aligned with the general plan by exempting development in the downtown core; to ensure that the fee is not applied to tenant improvements; and to provide a mechanism for annual council review of the fee so that it can be modified or suspended if necessary and especially in an economic downturn.

Additionally, it will be important to develop the technical details of the ordinance in collaboration with a small group of local practitioners who can provide current and relevant feedback, so the City of Santa Rosa doesn't discourage the very development it intends to promote.

Respectfully,

A handwritten signature in blue ink that reads "Joe Dietzen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Joe Dietzen

Advocacy Council Chair, Santa Rosa Metro Chamber

CC: Sean McGlynn, City Manager
David Guhin, Assistant City Manager/Director Planning and Economic Development

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