



CITY OF SAN JOSÉ HOUSING

200 E. Santa Clara Street, Tower, 12th Floor | San Jose, CA 95113 | www.sjhousing.org (408) 535-3500

**COMMERCIAL LINKAGE FEE (CLF)
SATISFACTION PLAN APPLICATION**

This CLF Satisfaction Plan Application is required for Non-Residential developments adding 5,000 square feet or more of new or additional floor area. Please complete and sign this form, attach any required documents, and submit to the City's Housing Department. For Staff to assess the potential Commercial Linkage Fee obligations of a project and any credits that may apply, the Developer must complete this application in its entirety, along with a check made out to the “City of San José” in the amount adopted by the Schedule of Fees and Charges. The Developer should answer each question thoroughly, attaching additional documents as needed. Please enter "N/A" if a field is not applicable. Only an authorized representative of the property owner or Developer is authorized to sign this application.

For additional information, refer to the CLF Program Regulations ([CLF website](#)). To submit your project application for review, please complete the Satisfaction Plan for Developers (PDF) document and email to Anubha.Pathak@sanjoseca.gov. If you need further assistance, call the Ordinance & Fee team at (669) 250-8851, or email Darius Brown: Darius.brown@sanjoseca.gov.

| APPLICANT/OWNER INFORMATION | |
|---|------------------|
| Applicant’s Name: | E-Mail: |
| | Phone #: |
| Contact’s Name: | |
| Contact’s Address (Street, City, State, Zip Code): | |
| Property Owner Name(s): | |
| Attach owner’s authorization for each owner if the Developer is not the sole owner of the Project site. | |
| PROJECT INFORMATION | |
| Project Name: | Project Address: |
| Brief Project Description: | |
| Planning file number, if assigned: | |
| Project APN(s): | |

Geographic Subarea: Downtown and Nearby ; Edenvale ; Monterey Corridor ;
North San Jose and Nearby ; West San Jose Urban Villages ; South and East Growth Areas
[A map showing the Geographic Subareas can be found at this link](#)

Project removes existing structure(s) after the date of application: Yes No

Project results in a change of use of an existing structure(s): Yes No

Are residential uses included? Yes No

Residential uses may be subject to the City's inclusionary housing ordinance. For information on the Inclusionary Housing Ordinance please visit: <https://www.sanjoseca.gov/IHO>

Claimed Exception to CLF under SJMC 5.11.050. Please list any claimed exempt use and square footage below and attach documentation and supporting information regarding eligibility.

Claimed excepted use: _____ square footage: _____

Specify a Payment Option

Payment at 80% due Building Permit fee reduced to 80% of amount otherwise due at scheduling of Final Building Inspection. *This option can only be selected if there is a fee due at scheduling of the final inspection (no negative fees or credits).*

Payment in full at Scheduling of Final Building Inspection

Apply for a Deferred Payment Plan ONLY Office and Industrial / R&D Projects with 100,000 square feet or more. Terms are subject to City approval. Agreement must be executed prior to building permit.

Pay in five installments as follows:

- Installment 1: at building permit,
- Installment 2: at final building inspection,
- Installments 3, 4, and 5 on first, second and third anniversary of final building inspection plus 3% simple annual interest.

Letter of credit or performance bond required for this option.

Apply for Credits for Providing Affordable Housing Terms are subject to City approval. Agreement must be executed prior to building permit. If a remaining fee is due, also select a payment option. **(Must provide all submittals from Attachment A2 for City approval).**

Specify Included Attachments:

Attachment A – Building and Fee Summary, required for all projects, identify square footage of existing and proposed non-residential buildings consistent with your planning application, and estimate fees as of the application date.

Attachment A1 – Building Use, Fee, and Fee Credit Worksheet, required for all projects, identify square footage by building and use consistent with your planning application and provide an estimate of fees.

Attachment A2 – Credit for Providing Affordable Housing, required for projects selecting the option to provide affordable housing. Also attach additional required information listed.

- Title report for property
- Where units are located
- Owner consent
- Address
- Description of property and credit units
- # of bedrooms in each credit unit (must be at least an average of 1.3 bedrooms per unit)

- Occupancy of property (year constructed), *older than 5 years, must provide a physical needs assessment report*

Other Attachments, please specify: _____

PLANNING/BUILDING PERMIT TYPE

Type of Permit:

Permit # _____

Issue Date _____

PROJECTED PROJECT TIMELINE

Please fill in all actual or projected dates to the best of your knowledge (provide estimates as needed):

First Approval (Entitlement): _____(mm/dd/yyyy)

First Building Permit: _____(mm/dd/yyyy)

Final Building Inspection: _____(mm/dd/yyyy)

Estimated Commercial Linkage Fee from **Attachment A**: \$_____ (*final fee to be calculated by City*)

SIGNATURES

Application must be signed by an authorized representative of the developer or property owner. By signing below, the Applicant acknowledges that the Project must comply with the conditions of the Commercial Linkage Fee Ordinance and pay the required fee when required for the selected payment option.

Applicant Signature:

Date:

City's Approval of Application:

Date:

ATTACHMENT A BUILDING AND FEE SUMMARY

List all existing and proposed buildings on the Project site, attaching additional sheets as needed.
Each line corresponds to one building. A separate Attachment A1 should be included for each line.
Multiple existing buildings that will not be altered or that are proposed for demolition may be aggregated on one line.
Buildings removed prior to the date of application should not be listed.

| Building Name or Number | Square Feet (SF) of Non-Residential Floor Area as of Date of Application | | | | Change in Use? (Yes/No) | Commercial Linkage Fee or Fee Credit from Attachment A1 <i>[enter fee credits as a negative amount]</i> |
|-------------------------|--|----------------|-------------------------|-------------------------------------|-------------------------|--|
| | A. Proposed SF | B. Existing SF | C. Affordable Credit SF | D. SF Subject to CLF (A. - B. - C.) | | |
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| (1) Totals* | | | | | | |

*Total fee amount cannot be less than zero. Enter a zero if credits exceed the fee amount due.
All estimated fees in this application are subject to recalculation by the City at the time of building permit issuance.

Payment Options

Fill in Amount Due for Selected Payment Option

| | Due At Building Permit | Due at Scheduling of Final Building Inspection | Years after Final Building Inspection | | |
|---|------------------------|--|---------------------------------------|------------|------------|
| | | | Due Year 1 | Due Year 2 | Due Year 3 |
| Option 1 - Pay at Building Permit | | | | | |
| Percentage Factor | 80% | | | | |
| Amount Due (percentage x total CLF) ⁽¹⁾ | | | | | |
| Option 2 - Pay at Scheduling of Final Building Inspection | | | | | |
| Percentage Factor | | 100% | | | |
| Amount Due (percentage x total CLF) ⁽¹⁾ | | | | | |
| Option 3 – Pay in Five Installments (Only Office and Industrial / R&D Projects with 100,000 square feet or more) | | | | | |
| Percentage Factor ⁽²⁾ | 20% | 20% | 20.600% | 21.218% | 21.855% |
| Amount Due (percentage x total CLF) ⁽¹⁾ | | | | | |

(1) Multiply the total CLF fee due from the table above by the percentage factor from the line above to calculate the amount due. Amount due to be calculated based on rates in effect at the time of building permit. Amounts paid after building permit are subject to automatic adjustment of fees by the ENR Construction Cost Index through the date of payment.
(2) Percentage factors for Option 3 include 3% annual interest for payments occurring after final building inspection.

**ATTACHMENT A1
BUILDING USE, FEE, AND FEE CREDIT WORKSHEET**

[include a separate Attachment A1 for each line in Attachment A]

Building Name or Number: _____

| A. | B. | C. | D. | E. | F. | G. |
|--|---|--------------------|---|--|---------------------------------------|---|
| | Non-Residential Square Feet (SF) of Floor Area | | | | | |
| USE | Proposed SF | Existing SF | Apply Affordable Unit Square Footage Credits from Attachment A2 ⁽¹⁾ | SF Subject to CLF ⁽²⁾ (B. - C. - D.) | Applicable Fee Per Square Foot | Estimated Fee or (Fee Credit) ⁽³⁾ (E. * F.) |
| | <i>Enter gross floor area for Office, Retail, Industrial/R&D and Warehouse.</i> | | | | | |
| OFFICE, up to the initial 50,000 SF in projects with total floor area of <100,000 SF at completion | | | | | \$0 / SF | \$0 |
| OFFICE, all other | | | | | | |
| RETAIL | | | | | \$0 / SF | \$0 |
| INDUSTRIAL/R&D | | | | | | |
| WAREHOUSE | | | | | | |
| | <i>Enter net floor area excluding common area for Residential Care and Hotel.</i> | | | | | |
| RESIDENTIAL CARE | | | | | | |
| HOTEL | | | | | | |
| TOTALS | | | | | | |

(1) Credits apply if affordable units (Credit Units or Covenant Credit Units, as defined in SJMC 5.11.055) are provided. Apply credits to multiple buildings and / or uses as necessary until utilization of square footage credits is equal to the total square footage credit that is available from Attachment A2. Affordable unit credits may not reduce the fee for any use below zero.

(2) Where there is a net decrease in floor area, enter a negative number.

(3) Fee credits apply where there is a net decrease in floor area for the applicable use category. Where floor area has decreased, report Column G as a negative amount (or zero if no fee applies). Negative amounts represent a credit applied toward the total commercial linkage fee due.

**ATTACHMENT A2
CREDIT FOR PROVIDING AFFORDABLE HOUSING**

[Complete only if option to provide affordable housing is selected]

| | A. | B. | C. | D. |
|--|--|--|---|--|
| | Income Level Applicable to Affordable Rents | Number of Credit or Covenant Credit Units Proposed ⁽¹⁾ | Square Footage Credit for Each Unit ⁽²⁾ | Total Square Footage Credit (B. X C.) |
| 1. Credits to be Applied to Non-Residential *Except* Office in Downtown and Nearby (≥100,000 sq. ft.) | | | | |
| Credit Units (newly built affordable units) | | | | |
| Extremely Low | 30% of AMI | | 60,971 SF | |
| Very Low | 50% of AMI | | 46,817 SF | |
| Low | 60% of AMI | | 36,292 SF | |
| Moderate | 100% of AMI | | 8,710 SF | |
| Subtotal Credit Units | | | | |
| Covenant Credit Units (affordability restrictions placed on existing units) | | | | |
| Extremely Low | 30% of AMI | | 30,486 SF | |
| Very Low | 50% of AMI | | 23,409 SF | |
| Low | 60% of AMI | | 18,146 SF | |
| Moderate | 100% of AMI | | 4,355 SF | |
| Subtotal Covenant Credit Units | | | | |
| Total of 1. | | | | |
| 2. Credits to be Applied to Office in Downtown and Nearby Subarea (≥100,000 sq. ft.) | | | | |
| Credit Units (newly built affordable units) | | | | |
| Extremely Low | 30% of AMI | | 20,323 SF | |
| Very Low | 50% of AMI | | 15,605 SF | |
| Low | 60% of AMI | | 12,097 SF | |
| Moderate | 100% of AMI | | 2,903 SF | |
| Subtotal Credit Units | | | | |
| Covenant Credit Units (affordability restrictions placed on existing units) | | | | |
| Extremely Low | 30% of AMI | | 10,162 SF | |
| Very Low | 50% of AMI | | 7,803 SF | |
| Low | 60% of AMI | | 6,049 SF | |
| Moderate | 100% of AMI | | 1,452 SF | |
| Subtotal Covenant Credit Units | | | | |
| Total of 2. | | | | |
| 3. Combined Total (1. + 2.) | | | | |

(1) Affordable units provided in satisfaction of the City’s Inclusionary Housing Ordinance or that receive a funding or land contribution from the City or County of Santa Clara are not eligible for Commercial Linkage Fee credit and should not be included in Attachment A2.

(2) Commercial Linkage Fee payment shall be satisfied for the specified square footage of floor area for each Credit Unit or Covenant Credit Unit (as defined in SJMC 5.11.055) provided.

ATTACHMENT A2 (Continued)
ADDITIONAL INFORMATION FOR PROJECTS SEEKING
CLF CREDIT FOR AFFORDABLE UNITS

[required information to attach if option to provide affordable housing selected]

The following information must be attached to the CLF Satisfaction Plan for any projects requesting commercial linkage fee credit for providing affordable housing (Credit Units or Covenant Credit Units). Credit Units or Covenant Credit Units must meet the requirements of SJMC 5.11.055 and any adopted CLF guidelines.

1. Detailed information about the proposed Credit Units or Covenant Credit Units, including the following:
 - a. Specify whether the units are Credit Units or Covenant Credit Units.
 - b. Location including address, APN, and location map.
 - c. Name and contact information for property owner.
 - d. Number of units by income level and identification of units for which CLF credit is requested.
 - e. Unit type (e.g., multi-family, townhouse, etc.) and confirmation units are rental.
 - f. Number of bedrooms and bathrooms in each unit.
 - g. Parcel map(s)
 - h. Site plan(s) indicating the proposed location and square footage of each unit.
 - i. General Plan designation.
 - j. Current phase I environmental review and, if called for, phase II and evidence of completed hazard mitigation.
 - k. Construction and completion schedule that shows ownership or control of the site and that it will be zoned for development of the affordable units at an adequate density no later than the date of approval of the Development Permit for the Non-Residential Project and timing of construction of affordable units, or the recording of covenants in the case of Covenant Credit Units, in relation to construction of the Non-Residential Development.
 - l. Confirmation that the units are not being used to satisfy the City's Inclusionary Housing Ordinance.
2. Evidence of consent to record a CLF Satisfaction Agreement on the affordable housing site.
3. Title report.
4. If units are not located on the same site as the Non-Residential development, a letter stating that the site conforms to the City's adopted Affordable Housing Siting Policy. Staff will provide information on how to determine whether the proposed site conforms to the City's Affordable Housing Siting Policy.
5. Proposed financing:
 - a. Identification of anticipated construction and permanent sources and uses of funds for development of the affordable units.
 - b. Identify any public funding anticipated in connection with the project (units receiving a funding or land contribution from the City of San Jose or County of Santa Clara are not eligible).
 - c. A reliable financing mechanism for ongoing administration and monitoring of the units.
 - d. A description of the manner by which a capital reserve for repair, replacement and maintenance shall be maintained for the term of the affordability restriction, with provision for sufficient initial capitalization and periodic contributions to the capital reserve.
6. For any proposed Covenant Credit Units:
 - a. Year units were built.
 - b. For units older than five years, a discussion of the condition of the units and documentation of any substantial renovation occurring within the preceding five years, or planned prior to approval of the Covenant Credit Units for CLF credit.

- c. A physical needs and code compliance assessment to the satisfaction of the City for any units not built or substantially rehabilitated in the five years preceding the application. Include a plan to remedy identified repair or replacement needs and code compliance deficiencies such that proposed Covenant Credit Units will be brought into compliance and demonstrate a useful life of at least 55 years.
 - d. Confirmation that units do not have a current affordability restriction.
 - e. Confirmation units are vacant or occupied by income eligible household(s) and that no tenant has been or will be removed to create a vacancy.
 - f. For any Moderate Covenant Credit Units proposed, a market survey to provide evidence that market rents for comparable units located within one mile of the proposed Moderate Covenant Credit Units do not exceed 30% of 120% of Area Median Income.
7. Any other information, including a detailed narrative that facilitates the Housing Department's ability to evaluate compliance with the commercial linkage fee ordinance and guidelines.

Projects selecting the option to provide affordable units will be required to execute a CLF Satisfaction Agreement with the City. The CLF Satisfaction Agreement will be recorded against the Non-Residential project and the site applicable to the affordable units.