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December 18, 2018

Ms. Barbara J. Schussman
Attorney at Law
Perkins Coie
505 Howard Street, Suite 1000
San Francisco, California 94105-3204
Email: BSchussman@perkinscoie.com

Re: Request for Tolling Agreement related to the Inclusionary Housing Ordinance

Dear Ms. Schussman:

I am in receipt of your letter dated December 7, 2018, which confirms Stanford University's understanding that the County of Santa Clara ("County") will not enter into an agreement to toll the period by which Stanford must file a lawsuit challenging the Inclusionary Housing Ordinance, Ordinance No. NS-1200.368, unanimously adopted by the Board of Supervisors ("Board") on September 25, 2018.

In recognition of Stanford's application for a development agreement—and at the specific request of Stanford—the Board has allowed for flexibility by amending the Inclusionary Housing Ordinance on December 4, 2018, to add a provision expressly recognizing the Board's authority to suspend, amend, or rescind the Ordinance if another regulatory tool is approved that would otherwise address the housing impacts of development within the Stanford University Community Plan Area. In light of this action, there is no need to enter into a tolling agreement for Stanford to continue to work with the County to identify alternative means to achieve the goals of the Inclusionary Housing Ordinance.

Furthermore, on October 16, 2018, the Board directed the County Administration to commence development agreement negotiations with Stanford and appointed an ad hoc committee of two Board Members to participate in the negotiations, which among other things may identify creative solutions to addressing the affordable housing impacts caused by Stanford's development.

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Letter to Barbara J. Schussman

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The County strongly disagrees with Stanford's legal arguments regarding the validity of the Inclusionary Housing Ordinance. Inclusionary housing ordinances are vitally important tools to ensure that a fair share of housing constructed by a developer is affordable. Such ordinances have been upheld when challenged, including by the California Supreme Court.

The County is committed to good faith and continued efforts to work with Stanford to find solutions to the affordable housing demand created by Stanford-initiated development activities. Particularly against this backdrop, it is disappointing that Stanford is threatening litigation to attempt to overturn the Inclusionary Housing Ordinance, thereby seeking to stop the construction of affordable housing in a community that needs it in order to continue to support the many great successes made by Stanford.

Very truly yours,



JAMES R. WILLIAMS
County Counsel

c: Honorable Board of Supervisors
Jeffrey V. Smith, County Executive
Sylvia Gallegos, Deputy County Executive

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