



**COMMUNITY DEVELOPMENT DEPARTMENT
HOUSING DIVISION
OFFICE MEMORANDUM**

DATE: September 23, 2011
TO: Housing and Human Services Commission
FROM: Staff
RE: Analysis of Impediments (AI) to Fair Housing Choice

Attached for your review is the final draft of the City's *Analysis of Impediments to Fair Housing Choice (AI)* report. HUD requires entitlement grantees such as the City to prepare an AI as a condition of receiving federal entitlement grants for community development activities to meet the requirements of 24 CFR 570.904(c)(1) in Part IV of HUD's Community Development Block Grant Programs' Final Rule. The AI serves as a resource to enable local policy makers to understand and address any identified impediments to fair housing within the City.

HUD recommends that its grantees update their AI's periodically, such as upon update of the City's Consolidated Plan, or as demographic changes or other changing conditions occur that create a need to update it.

The AI examines housing-related policies and practices that may limit an individual's or household's access to housing due to unlawful discrimination whether intentional or inadvertent, and proposes actions to eliminate or minimize those barriers. The U.S. Department of Housing and Urban Development (HUD) defines impediments to fair housing choice as:

- Actions, omissions or decisions taken because of race, color, religion, sex, disability, familial status or national origin which restrict housing choices or the availability of housing choices; or
- Actions, omissions or decisions that have the effect of restricting housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

While this document does not require formal approval by the Commission, staff seeks input from the Commissioners and/or the public on the AI. Staff will incorporate input received during the public hearing at this meeting.

Staff recommendation:

- 1) Hold a public hearing to receive comments from the public on the AI; and
- 2) Provide Commissioner comments on the AI.



City of Sunnyvale

**Analysis of Impediments (AI) to
Fair Housing Choice**

Prepared by the HOUSING DIVISION

Based on:

2006 AI prepared by Vernazza-Wolfe and Associates

2009 County of Santa Clara AI prepared by Bay Area Economics

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City of Sunnyvale
ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

EXECUTIVE SUMMARY

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING

As an entitlement jurisdiction under the Community Development Block Grant (CDBG) program administered by the Department of Housing and Urban Development (HUD), the City of Sunnyvale is required to affirmatively further fair housing choice and complete an Analysis of Impediments to Fair Housing Choice, or fair housing assessment, every three to five years as part of the required Consolidated Plan process.

The basic HUD requirements for fair housing planning for a local jurisdiction include the following:

- Conduct an Analysis of Impediments (AI).
- Take appropriate actions to overcome the effects of any impediments identified through the AI.
- Maintain records documenting the AI and actions taken. (Annual monitoring of actions and results)

HUD defines fair housing to mean the ability of persons of similar income levels to have the same housing choices regardless of race, color, religion, sex, handicap, familial status or national origin. Discrimination in the sale or rental of housing against these protected classes is prohibited. Fair housing laws are intended to further equal opportunity in housing, mortgage lending, and the purchase of mortgage insurance.

This report presents information on fair housing issues in the City of Sunnyvale using numerous data sources including the U.S. Census, the State of California Department of Finance, the Association of Bay Area Governments, and Claritas, Inc., a private demographic data provider.

The report reviews the wide range of activities that the City currently participates in or supports to further fair housing choice. The City's activities include allocating CDBG funding for handicapped access and accessibility improvements, translating public documents as identified in its Language Access Plan, and expanding outreach efforts to residents with limited English proficiency.

The report concludes with an affirmation of the City's fair housing goal to *provide equal opportunity for housing for all people regardless of their ethnicity, race, religion, marital status, disability, gender, sexual orientation or age.*¹ The document lists the actions and strategies that

¹ Housing and Community Revitalization Sub-element of the General Plan

the City plans to pursue over the next five years to further fair housing choice and opportunities. These actions are in the following categories:

- Educate and increase awareness of fair housing issues.
- Research and measure the extent of housing discrimination in Sunnyvale.
- Coordinate with other public and private organizations to address fair housing issues countywide.
- Review and monitor the City’s progress in its fair housing activities.
- The report also has an attachment, “Affirmative Marketing Policies and Procedures” which is used to market affordable housing funded by CDBG or HOME.

I. INTRODUCTION

Purpose of the Analysis of Impediments to Fair Housing

HUD requires grantee jurisdictions to develop an Analysis of Impediments (AI) and update it periodically, as needed. The U.S. Department of Housing and Urban Development (HUD) defines impediments to fair housing choice as:

- Any actions, omissions or decisions taken because of race, color, religion, sex, disability, familial status or national origin which restrict housing choices or the availability of housing choices; or
- Any actions, omissions or decisions that have the effect of restricting housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

California law includes additional protected classes: marital status, sexual orientation, age, ancestry, source of income, and "any arbitrary discrimination." This AI consists of fair housing information about the City and, where applicable, the County of Santa Clara. The AI identifies potential barriers that may limit housing choice, and proposes actions to overcome those barriers. Market-rate and subsidized housing data and fair housing complaints were reviewed to gain a local perspective. A number of entitlement jurisdictions in the County collaborated in 2010 to collect countywide data and background information for preparation of their AIs. The data was used to evaluate and plan for fair housing services as they relate to foreclosure, homeless needs, and other issues that span jurisdictional borders and could be addressed on a regional scale. This AI was drafted in 2011 in order to take advantage of recently released 2010 Census data.

This AI has been prepared in compliance with HUD requirements and federal and state fair housing law to describe the City of Sunnyvale's commitment to fair housing choice, and to help local residents and service providers understand fair housing issues in the City. The City has clear policies, codes and guidelines that support fair housing and is committed to achieving equal housing opportunities throughout the City.

The City of Sunnyvale will continue to take an affirmative stance to further fair housing opportunities and choices for its diverse population. The City will make every attempt possible to be sensitive to the needs of all residents in formulating policies and programs. The City will continue its strong support of the affordable housing programs and policies identified in this document.

METHODOLOGY AND COMMUNITY PARTICIPATION

Data Collection

In assessing possible barriers to fair housing, data was analyzed using variables such as population, household, and race and ethnicity trends, age, household income, concentration of minority populations, housing affordability indicators, overcrowding, and the geographic distribution of affordable housing and employment centers. The AI used numerous data sources

including U.S. Census data, State of California Department of Finance demographic data, Association of Bay Area Governments data, and data provided by Claritas, Inc., through contract with Bay Area Economics.

Complaints about fair housing are one indicator of the presence of impediments to fair housing choice. Data on fair housing complaints and cases filed between 2004 and 2010 were obtained from Project Sentinel and the HUD Office of Fair Housing and Equal Opportunity (FHEO), and was analyzed to produce this AI.

In addition to analyzing quantitative data, the City's zoning code and General Plan, including its Housing Element policies, were analyzed to determine any direct or indirect impacts on fair housing choice.

Consolidated Plan/AI Outreach

Community input for developing the AI was obtained through a variety of sources. The City participated in three countywide workshops held in September 2009 to engage the public and local stakeholders in the Consolidated Plan and AI planning process. This outreach process was used to inform the Draft 2009 AI prepared by BAE. for all entitlement jurisdictions within the community. That draft, as well as the City's 2006 AI, form the basis for this AI. The draft 2011 update was reviewed by the City's Housing and Human Service Commission at its June 2011 meeting where a public hearing was held. The final draft was circulated for public review and comment at a public hearing in September, incorporating comments received and current data. A public notice was published in the Sunnyvale Sun on September 16, 2011.

DEFINITION OF FAIR HOUSING

Federal fair housing laws prohibit discrimination in the sale, rental, lease or negotiation of real property based on race, color, religion, sex, national origin, familial status, and disability. California fair housing laws added marital status, ancestry and "any arbitrary discrimination" as protected categories under state law.

Fair Housing is defined by HUD in 24 CFR 570.904 [c][1] to mean "the ability of persons of similar income levels to have the same housing choices regardless of race, color, religion, sex, handicap, familial status or national origin." Discrimination in the sale or rental of housing against these protected classes is prohibited. Fair housing laws are intended to further equal opportunity in housing, mortgage lending, and the purchase of mortgage insurance.

Impediments to fair housing choice consist of the following:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, ancestry, national origin, marital status, or any other arbitrary factor that restrict housing choices or the availability of housing choices; or
- Any actions, omissions or decisions, policies, practices, or procedures that have the effect of restricting housing choices or the availability of housing choices on

the basis of race, color, religion, sex, disability, familial status, ancestry, national origin, marital status, or any other arbitrary factor.

To affirmatively promote equal housing opportunity, a community must work to remove impediments to fair housing choice. HUD interprets a jurisdiction's obligations to include the following:

- Analyze and eliminate housing discrimination in the jurisdiction.
- Promote fair housing choice for all persons, including those with limited English proficiency.
- Provide opportunities for racially and ethnically inclusive patterns of housing occupancy.
- Promote housing that is physically accessible to and usable by, all persons, particularly persons with disabilities.
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

Impediments to fair housing include actions or omissions within a jurisdiction's public or private housing sector that:

- Constitute a violation, or a potential violation of the Fair Housing Act;
- Are counter-productive to fair housing choice, such as NIMBYism (resistance to new developments, such as affordable or special needs housing, by current residents of the neighborhood);
- Have the effect of restricting housing opportunities on the basis of race, color, religion, sex, disability, familial status or national origin.

Examples of impediments in the public sector include local building, occupancy, and health and safety codes that may affect the availability of housing for minorities, families with children, and persons with disabilities. Public policies related to approval of new developments such as zoning and building codes, can be potential impediments if overly restrictive or if they do not allow feasible construction of housing in a range of prices and types, such as multi-family housing. Language may also be a barrier for families or individuals with limited English proficiency to access critically needed housing opportunities, programs, and services.

In the private sector, examples of impediments include real estate practices such as steering or blockbusting, discriminatory deed restrictions, inaccessible design, and "occupancy quotas". Other examples include banking and insurance policies or practices pertaining to the financing, sale, purchase, rehabilitation, and rental of housing that may affect the achievement of fair housing choice.

II. BACKGROUND DATA

SUNNYVALE OVERVIEW

The City of Sunnyvale's Consolidated Plan 2010-2015 provides detailed demographic data, maps and other relevant data regarding the characteristics of the City's population, the housing needs of the population, the type, availability and condition of the local housing stock, job characteristics, availability of housing and services for special needs groups and other issues and conditions important in analyzing impediments to fair housing choice. The City's Housing and Community Revitalization Sub-element, adopted in August 2009, addresses many of these same topics as well.

Sunnyvale has been a regional leader in addressing the shortage of affordable housing, which is one of the most difficult challenges facing cities in the Silicon Valley. The high cost of housing is the most daunting housing problem in Sunnyvale and in the region, affecting lower and moderate-income residents and workers of all racial and ethnic backgrounds. The need for more affordable housing is critical, and Sunnyvale has been a model for local governments in addressing affordability issues. Through adoption of inclusionary zoning in 1980, creation of the housing mitigation impact fee in 1983, and establishment of housing as a priority in the use of Federal Community Development Block Grant funds, the City has created 1,342 affordable housing units² with prices affordable to low and very-low income households. The City continues to assist in development of new affordable housing, and provides direct assistance to housing consumers through various local housing programs.

DEMOGRAPHIC PROFILE

Population and Household Trends

In 2010, approximately 140,081 people resided within Sunnyvale, which equaled approximately 7.8% of the total population of Santa Clara County. As shown in Table 1, Santa Clara County's total population increased by 5.9% between 2000 and 2010. Between 2000 and 2010, Sunnyvale's population increased at an even greater rate of 6.3%, from 131,760 to 140,081 as shown on Table 1 below.

Table 1: Population and Household Growth, 2000-2010

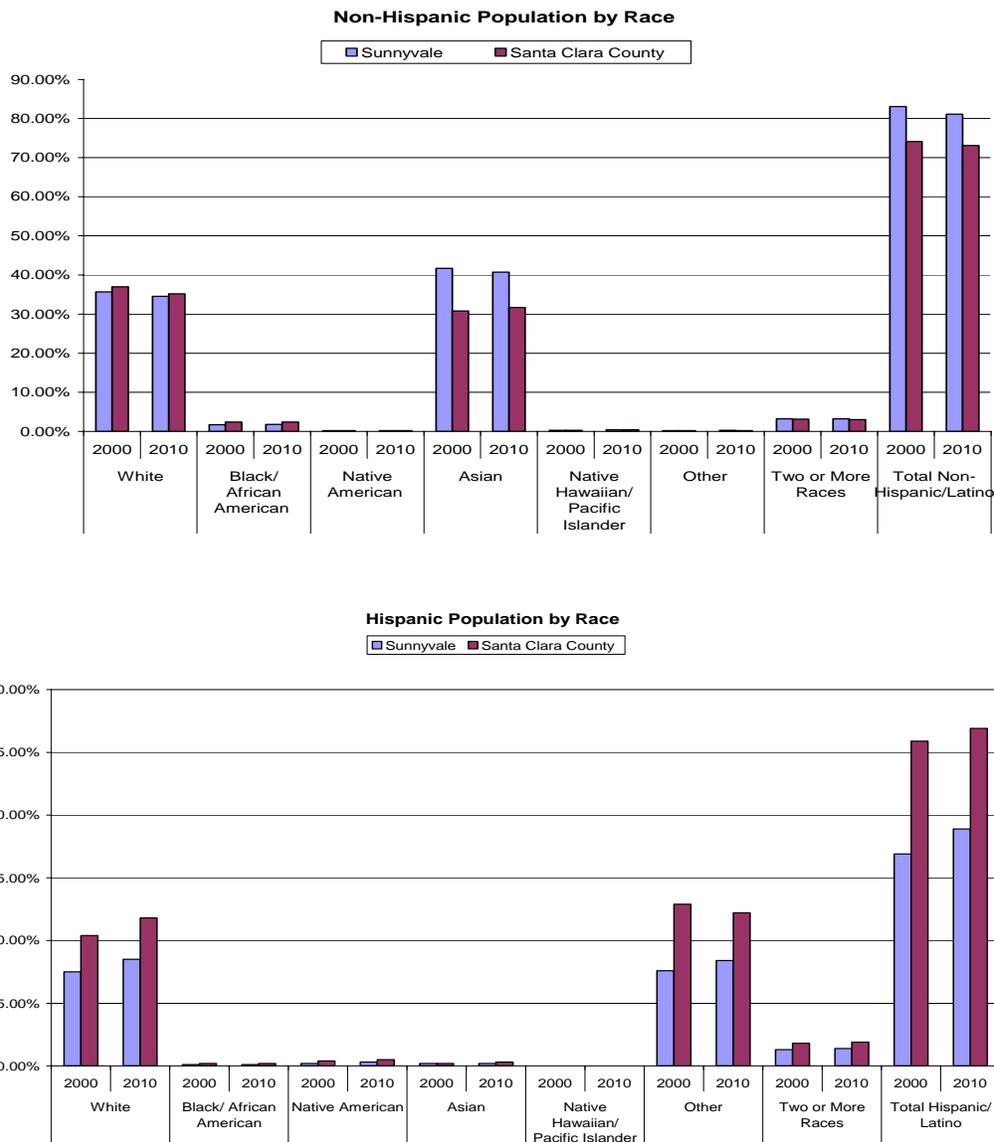
	Population		2000-2010	Households		2000-2010
	2000	2010	% Change	2000	2010	% Change
Sunnyvale	131,760	140,081	6.32%	52,539	53,384	1.61%
Santa Clara County	1,682,585	1,781,642	5.90%	565,863	604,204	6.80%

Source: U.S. Census Bureau, 2010 Census.

² Community Condition Indicators - 2010

The City's racial and ethnic composition shifted slightly over the last ten years, with changes of 1% or less in racial group's percentage of the City's total population. The largest shift was an increase of approximately 2% in the proportion of City residents who self-reported as Hispanic during the Census counts. The percentage of Asian residents decreased from 41.7 percent to 40.7 percent, and the number of whites decreased from 35.7% to 34.5% while Black/African Americans increased slightly from 1.7 percent to 1.8 percent, the percentage of Hispanics increased from approximately 17 percent to 19 percent.

Chart 2: Race and Ethnicity, 2000-2010



Source: U.S. Census Bureau, 2010 Census.

Race/Ethnicity

Sunnyvale is one of the most racially and ethnically diverse cities in the U.S., particularly among cities of similar size, due to the Silicon Valley's attraction of immigrants from all over the world. As shown in Table 2, Non-Hispanic White persons accounted for 34.5% of the population. Asians represented nearly 41% of the population, while Hispanic/Latino residents represented almost 19% of the City's population.

Although no one race or ethnic group constitutes a majority in the City or County, HUD defines "areas of minority concentration" as Census block groups where at least 50% of the population is comprised of a single ethnic or racial group other than Whites. As shown in Figure 1, based on 2009 Claritas data, Hispanic residents comprised the majority of the population in much of the central portion of Sunnyvale while Asians represented the majority of residents primarily to the north and several block groups in the southern portions of the City.

Another way HUD defines "minority concentration" is census tracts where the percentage of all minorities combined is at least 20% greater than it is county-wide. In 2009, the non-White population comprised approximately 63% of the County's population. Therefore, under this definition, Census block groups where non-Whites represent over 83% of the population are considered areas of "minority concentration." Figure 2 shows that Sunnyvale has three small census block groups of minority concentration under this definition, which are located in the northern, central, and south-western portions of the City.

Figure 1: Concentrations of Population by Race/Ethnicity, Santa Clara County, 2009 Claritas Estimate

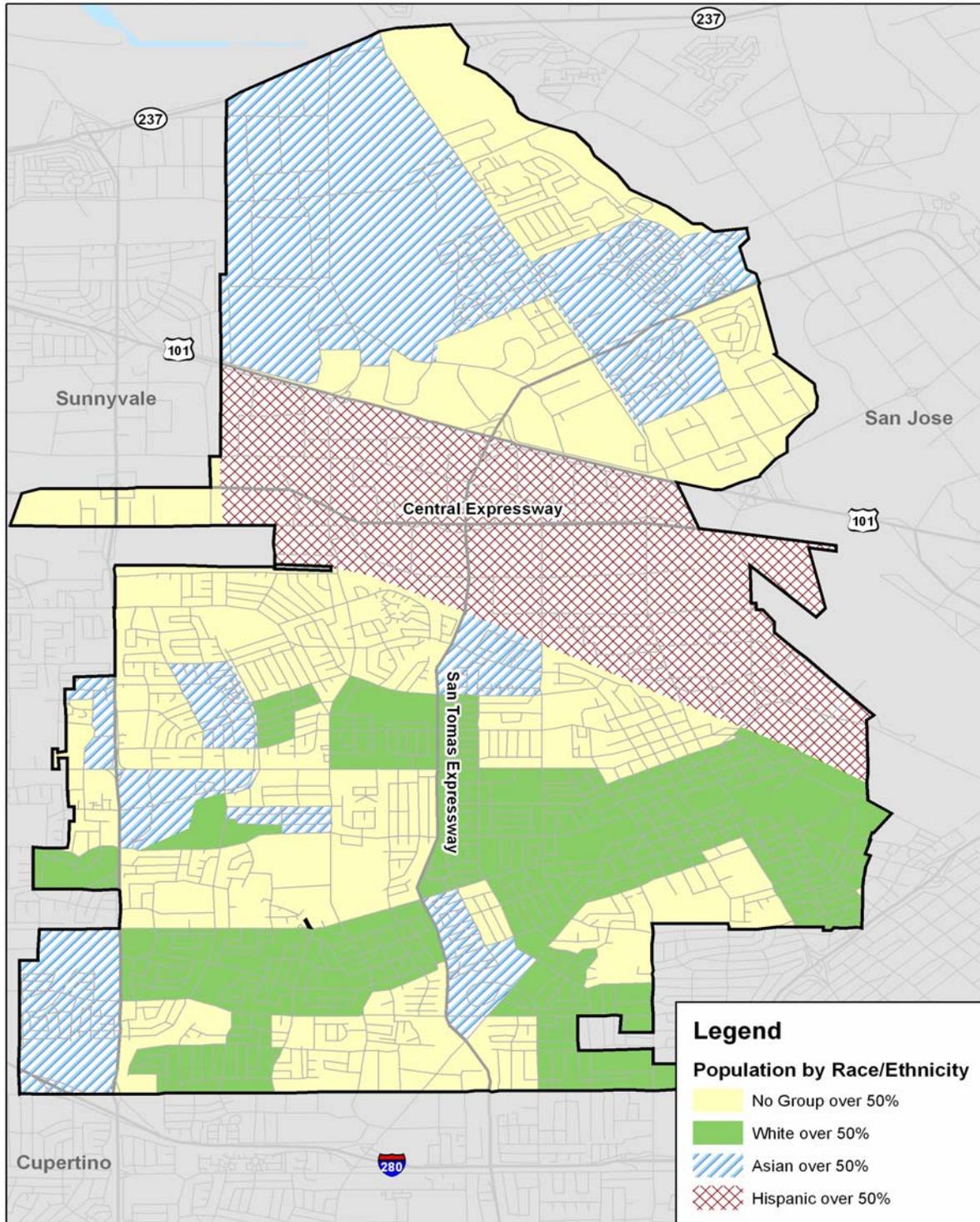
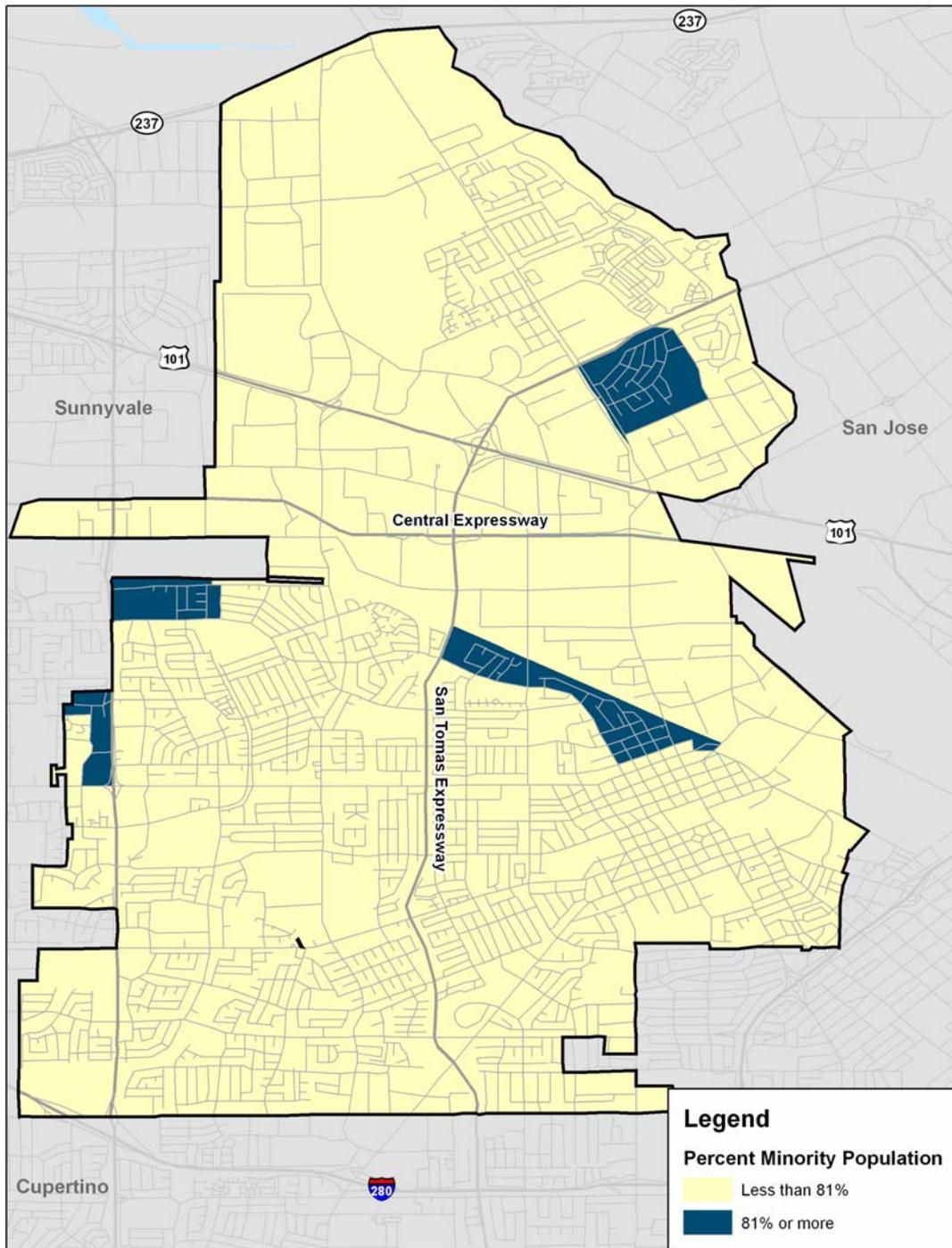


Figure 2: Areas of Minority Concentration, Sunnyvale, 2009, Claritas Estimate



Household Income

According to 2010 Census data, Santa Clara County households had a median household income of \$88,430 in 2009. Sunnyvale households had a median household income of \$89,206 in 2009, slightly higher than that of the County.

The HUD income categories are defined below:

- Extremely Low-Income: Up to 30 percent of Area Median Income
- Very Low-Income: 31 percent to 50 percent of Area Median Income
- Low-Income: 51 percent to 80 percent of Area Median Income

Elderly households had the highest percentage of lower-income households earning less than 80 percent of MFI when compared to all other household types. The majority of elderly households in the City and County were lower-income in 2000. It should be noted that income measures do not take factor in assets and home equity, which is a relevant consideration, particularly for many elderly households. A substantial percentage of large families (with five or more members) were lower-income in 2000. Approximately 31 percent of large families in Sunnyvale earned less than 80 percent of MFI.

Table 3: Percent Low- and Very Low-Income by Household Type, 2000 (a)

	Elderly	Small Family	Large Family	All Others	Total
Sunnyvale	56.7%	19.2%	30.7%	22.7%	27.5%
Santa Clara County	53.5%	21.8%	34.3%	29.1%	30.5%

Notes:

(a) Very low-income households were defined as those earning less than 50% of area median income (AMI). Low-income households defined as those earning between 51% and 80% of AMI

Definitions: Elderly households: 1 or 2 person household, either person 62 years old or older; Small family: 2 to 4 related members; Large family: 5 or more related members

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy (CHAS) special tabulations from Census 2000; BAE, 2009.

Persons with Disabilities

A disability is a physical or mental impairment that limits one or more major life activities. Persons with a disability generally have lower incomes and often face barriers to finding employment or adequate housing due to physical or structural obstacles. This segment of the population often needs affordable housing that is located near public transportation, services, and shopping. Persons with disabilities may require units equipped with wheelchair accessibility or other special features that accommodate physical or sensory limitations. Depending on the severity of the disability, people may live independently with some assistance in their own homes, or may require assisted living and supportive services in special care facilities.

According to the 2000 Census, there were 17,360 individuals with disabilities in Sunnyvale, accounting for 14% of the City’s civilian, non-institutionalized population age five years and older. The share of persons in the City with disabilities is slightly lower than the countywide percentage of 16%.

Table 4: Persons with Disabilities, Aged 5 years and older, 2000

	Population with a Disability	% of Total Population (a)
Sunnyvale	17,360	14.2%
Santa Clara County Total	254,729	16.4%

Note:

(a) Total percentage of population taken from universe of non-institutionalized civilians, age five years and older.

Sources: U.S.Census, BAE 2009.

The U.S. Census Bureau places disabilities into six categories, defined below:

- **Sensory disability** – blindness, deafness, or a severe vision or hearing impairment
- **Physical disability** – a condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying
- **Mental disability** – a physical, mental or emotional condition that made it difficult to perform certain activities like learning, remembering, or concentrating
- **Self-care disability** – a physical, mental, or emotional condition that made it difficult to perform certain activities like dressing, bathing, or getting around inside the home
- **Going-outside-the-home disability** – a physical, mental, or emotional condition that made it difficult to perform certain activities like going outside the home alone to shop or visit a doctor’s office
- **Employment disability** – a physical, mental, or emotional condition that made it difficult to perform certain activities like working at a job or business

As shown in Table 5, the largest proportion (51%) of disabled individuals had an employment disability. The second most common disability type was go-outside-home disability, representing 43 % of disabled individuals, followed by physical disabilities at 31 %. Disabled individuals may have more than one disability.

Table 5: Disabilities by Type and Age, Santa Clara County Residents, 2000

Disability Type	Age 5-15		Age 16-64		Age 65+		Total	
	Number	Percent of Persons with Disabilities (a)	Number	Percent of Persons with Disabilities (a)	Number	Percent of Persons with Disabilities (a)	Number	Percent of Persons with Disabilities (a)
Sensory Disability	1,804	19.2%	16,480	8.9%	20,564	16.9%	37,044	14.5%
Physical Disability	1,640	17.4%	40,257	21.8%	39,508	32.5%	79,765	31.3%
Mental Disability	6,875	73.0%	28,044	15.2%	18,128	14.9%	46,172	18.1%
Self-Care Disability	2,222	23.6%	12,663	6.9%	12,897	10.6%	25,560	10.0%
Go-Outside-Home Disability	N/A	N/A	79,636	43.1%	30,596	25.1%	110,232	43.3%
Employment Disability	N/A	N/A	130,246	70.5%	N/A	N/A	130,246	51.1%
Total Disabilities (b)	12,541		307,326		121,693		441,560	

Notes:

(a) Total percent of persons with disabilities exceeds 100 percent because individuals may have more than one disability type.

(b) Total disabilities exceed total persons with disabilities because individuals may have more than one disability type.

Source: U.S. Census, SF3-P41, 2000; BAE, 2009.

HOUSING PROFILE

Housing Units

Sunnyvale’s housing stock consists of single family homes (48%), multi-family homes (45%) and mobile/manufactured homes (7%). According to the California Department of Finance, the majority of housing units in the County as a whole were single-family (attached and detached) in 2009 (see Table 6).

Table 6: Housing Unit Type by Jurisdiction, 2009

	Total Units	Housing Unit Type		
		Single-Family (a)	Multifamily	Mobile Homes
Sunnyvale	55,630	47.8%	44.8%	7.4%
Santa Clara County (includes Sunnyvale)	626,659	62.7%	34.1%	3.1%

Notes:

(a) Includes single-family detached and single-family attached units.

Sources: CA Department of Finance, Table E-5, 2009; BAE, 2009.

Often, a jurisdiction’s housing stock correlates with the tenure distribution of the occupied housing units. Cities with a higher proportion of single-family residences generally have a higher homeownership rate. As shown in Table 7, an estimated 59% of Santa Clara County housing units were occupied by homeowners in 2009. In Sunnyvale, 53% of all housing units were occupied by renters, while 47% of units were owner-occupied.

Tenure

Although in many jurisdictions tenure aligns closely with type of unit (i.e., single family homes are predominately owner-occupied, while multi-family units are strictly rental housing, and mobile homes are generally owner-occupied), Sunnyvale has a significant number of owner-occupied and rental units of various types. For instance, many condominiums (counted as multi-family units) are owner-occupied, while a number of single family homes are rented out.

Table 7: Tenure Distribution by Jurisdiction, 2009

	Total Occupied Units	Owner	Renter
Cupertino	18,408	63.7%	36.3%
Gilroy	14,408	62.1%	37.9%
Mountain View	31,244	41.6%	58.4%
Palo Alto	25,525	55.8%	44.2%
San Jose	295,221	61.4%	38.6%
Santa Clara	42,034	45.0%	55.0%
Sunnyvale	52,585	46.8%	53.2%
Santa Clara County	595,646	59.4%	40.6%

Sources: Claritas, 2009; BAE, 2009.

Barriers to Affordable Housing

Governmental policies and/or market factors may act as barriers to affordable housing development, maintenance and/or preservation.

Governmental Policies. Governmental barriers may include very restrictive zoning or land use policies, such as those contained in General Plans and zoning ordinances of some local governments. Sunnyvale's recent housing element update received a very favorable review and was certified as compliant with State housing element law by the HCD in July 2009. This certification of compliance is a determination by the State that the City's land use and zoning policies do not present a barrier to affordable housing. This determination verifies the City's compliance with state laws relative to affordable housing reasonable accommodation, permitting of shelters and other special needs housing or residential facilities, parking requirements and permitting or impact fees.

The Home Builders Association of Northern California conducted a South Bay Area Cost of Development Survey, 2006-2007, which compared permit and development impact fees in Santa Clara County jurisdictions. The total of entitlement fees, construction fees, impact/capacity fees,

and development taxes, for a single-family home in a typical 50-lot subdivision ranged from a low of \$27,000 per unit in Sunnyvale to \$80,000 in Cupertino.³ Sunnyvale's fees, being the lowest in the County and only 34% of Cupertino's, a neighboring city with similar physical features and development patterns, are not perceived to be a barrier to affordable housing. While these fees can affect the costs of housing production, they are necessary to provide adequate environmental review, planning services, and to provide public services and facilities such as streets, sewer and water infrastructure for the new units. Some jurisdictions provide fee waivers or reductions for affordable housing projects for housing for special needs populations.

Market Barriers. Currently, the largest non-governmental barriers to affordable housing in the County are market factors, such as availability of construction financing, as well as high local land and construction costs. The high land and housing costs indicate the desirability of Sunnyvale and the County as a whole, due to its high quality of life, proximity to good jobs and schools, relatively high median incomes, and provision of high quality public services and infrastructure. Construction financing has become much more difficult to obtain in the last 12 – 18 months due to the national real estate collapse. However, financing appears to be available for some market-rate projects in desirable locations, although more rigorous underwriting is being conducted than in recent years, and it may take longer to obtain loan approval.

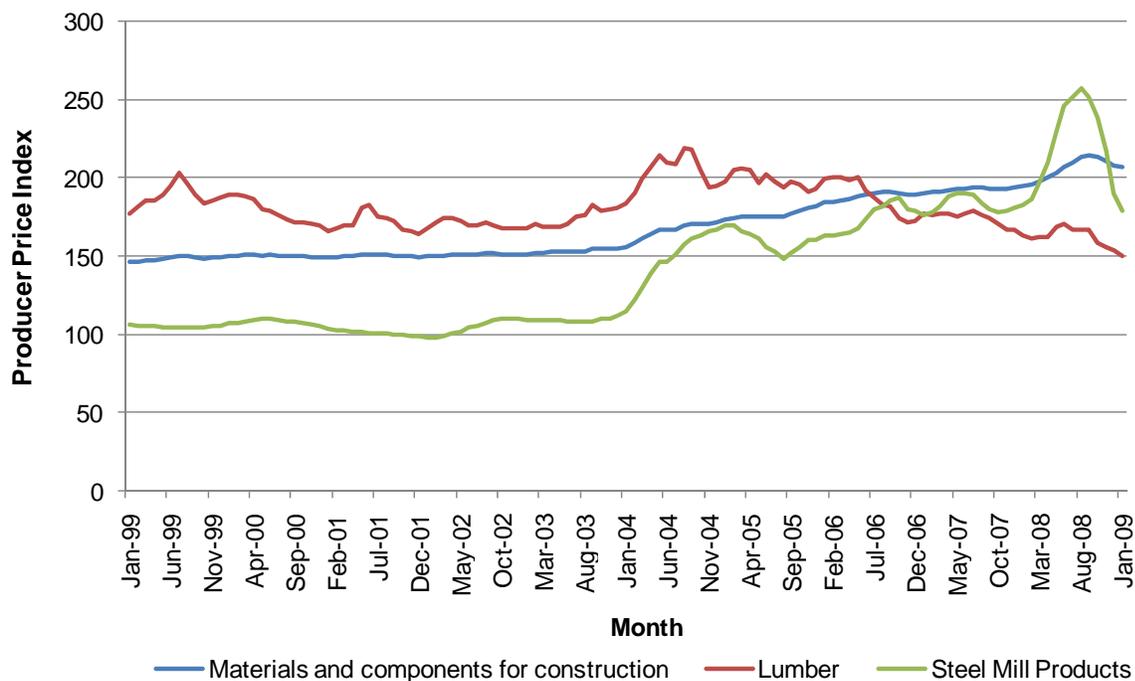
Supply of Available Land. The limited availability of land for housing development constrains new housing production. These constraints are particularly challenging for cities like Sunnyvale that do not have the potential to expand outward, because they are completely surrounded by adjacent incorporated cities. As a result, new residential production will largely occur as infill projects, often a more challenging and costly development type. It is worth noting, however, that infill development offers the benefits of greater transit accessibility, reuse of underused sites, and proximity to jobs, goods and services and other civic and cultural amenities.

Land Costs. Due to the limited supply and high demand, land in Santa Clara County generally costs significantly more than in most similar, primarily suburban, metropolitan areas. For example, just before the real estate market downturn, a general rule-of-thumb for estimating land costs in Sunnyvale (likely similar to its neighboring jurisdictions) was \$3 to \$4 million per acre, for land virtually anywhere in the City, with almost any type of zoning (residential, commercial or industrial). Such land costs are probably not typical of most areas where HUD programs are being implemented, particularly those outside the major coastal metropolitan areas, and these prices obviously make it difficult to meet affordable housing goals. Local developers indicate that land prices are slowly adjusting downward during this economic downturn. However, developers generally report that the market is not efficient and land owners' expectations of what their land is worth declines slowly. Unless land owners are compelled to sell their property, many will wait for the market to recover. Currently, in late 2011, developers report land costs of \$70 per square foot for prime sites in Sunnyvale, and \$50-\$60 per square foot for less desirable sites. This equals \$2.4 - \$3 million per acre; although a recent mixed-use market-rate apartment site in downtown Sunnyvale sold for more than twice that amount per acre.

³ Home Builders Association of Northern California, *South Bay Area Cost of Development Survey, 2006-2007*, http://www.sanjoseca.gov/development/docs/06-07_COD_Survey_Results.pdf

Construction Costs. In recent months, key construction costs (materials and labor) have fallen nationally in conjunction with the declining residential real estate market. Figure 5 illustrates construction cost trends for key materials based on the Producer Price Index, a series of indices published by the U.S. Department of Labor’s Bureau of Labor Statistics that measures the sales price for specific commodities and products. Lumber prices have declined by 19% between 2004 and 2008. As shown in Figure 5, steel prices have fallen sharply since August 2008. Local developers report that construction costs, including labor, have fallen by approximately 20% in tandem with the weak housing market.⁴

Figure 5: Producer Price Index for Key Construction Costs



Base year: 1982 = 100
Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, 2009; BAE, 2009

Availability of Construction Financing. According to regional affordable housing developers, the availability of financing presents the biggest barrier to producing new subsidized housing. Although the cost of land and construction have declined slightly, the associated tightening of the credit market has made it very difficult for affordable housing developers to take advantage of lower construction costs. The sharp decline in state funding availability for affordable housing, as the funds authorized under Proposition 46 and Proposition 1C have largely been allocated and/or expended, as well as a shortage of local housing funds in many cities, has also contributed to the financing difficulties. In addition, last year the City’s CDBG and HOME grants were reduced by an average of 15%.

⁴ Papanastassiou, Andrea, Director of Real Estate Development, Eden Housing, Inc., phone interview with BAE, July 14, 2009.

The value of low-income housing tax credits (LIHTC) has also fallen with the recession, as the number of investors with large federal tax liabilities has dropped due to the recession, and therefore the value of tax credits has dropped. Tax credit investors also now have an even greater preference for new construction, family housing, and senior housing developments, which they perceive to be a safer investment than rehabilitation projects and permanent supportive housing.⁵ This loss in tax credit funding further reduces the amount of capital and financing for those types of affordable housing development. The state's weak fiscal condition has led to uncertainty of future bond financing, a strategy used in prior years to generate affordable housing funds. Given California's current fiscal difficulties, this constraint will likely remain in effect during some or all of the 2010-2015 Consolidated Plan cycle.

Public Resistance. Very often, public resistance to new affordable housing developments may act as a barrier. Community opposition may arise from neighbors who live near a proposed new development, or even just within the same city or urban area. Residents may have concerns about a project's proposed physical dimensions, and/or impact or perceived impact on parking and traffic conditions, schools and/or other community facilities. Fortunately, Sunnyvale residents, like those of most of the larger South Bay cities, have generally been quite supportive of affordable housing, as evidenced by popular public-private efforts to raise funds and improve public policies for affordable housing, such as the Housing Trust of Santa Clara County. Sunnyvale also has a nearly thirty-year track record of supporting affordable housing through local inclusionary zoning and similar programs. The fact that approximately 45% of the City's housing units are in multi-family structures demonstrates that public resistance has not been a significant barrier to affordable housing development in Sunnyvale.

EXISTING FAIR HOUSING SERVICES

There are a number of fair housing agencies that currently serve all residents of Santa Clara County, including:

- Asian Law Alliance
- ECHO Housing
- Housing First
- Law Foundation of Silicon Valley/Fair Housing Law Project
- Bay Area Legal Aid
- Project Sentinel
- Senior Adults Legal Assistance (SALA)

In addition, HUD entitlement jurisdictions in the County, including Sunnyvale, also provide education and outreach about fair housing, as described more fully in Section V.

LINKAGES BETWEEN HOUSING AND EMPLOYMENT CENTERS

Impediments to fair housing choice may exist when poor linkages exist between the locations of major employers and affordable housing. Under these conditions, persons who depend on public

⁵ Sawislak, Dan, Executive Director, Resources for Community Development, phone interview with BAE, July 2, 2009.

transportation, such as lower-income households, seniors, and disabled persons, would be more limited in their housing options. As such, affordable housing developments and community care facilities should be located in transit accessible areas.

Public Transit

Several regional transit systems provide rail and bus service within Sunnyvale:

Valley Transportation Authority (VTA). The VTA provides bus and light rail service throughout the County. This service includes 75 bus routes and three light rail lines, with total boardings of 34.5 million and 10.8 million, respectively, in Fiscal Year 2009.⁶ The VTA also offers specialized accessible paratransit services to those eligible, as specified in the Americans with Disabilities Act. VTA's Paratransit Program is operated under contract with Outreach, a private non-profit paratransit broker. The City of Sunnyvale also typically provides a grant of approximately \$28,658 to Outreach annually to provide paratransit for seniors.

Caltrain. Caltrain operates rail service between San Francisco and San Jose, with weekday commute-hour service to Gilroy. The line has 32 stations spanning Santa Clara, San Mateo, and San Francisco counties. Half of these stations are in Santa Clara County. Caltrain has 98 daily trains, and approximately 39,100 boardings annually. There are two Caltrain stations in the City of Sunnyvale.

Major Employers, Housing, and Community Care Facilities

Sunnyvale's inventory of subsidized housing and community care facilities are relatively well-connected to public transportation. The majority of subsidized housing facilities and community care facilities in the City are within a quarter-mile of a transit station or bus stop.

LIMITED ENGLISH PROFICIENCY (LEP)

Executive Order 13166, titled "Improving Access to Services by Persons with Limited English Proficiency", was issued on August 11, 2000. The Executive Order emphasizes that people who are otherwise eligible, but who have limited English proficiency (LEP), must have reasonable and meaningful access to federally funded programs and activities.

The Executive Order requires all entities providing federal financial assistance to evaluate their programs, and issue guidance on the provision of meaningful access to programs and activities to persons with LEP consistent with Title VI of the Civil Rights Act and the implementing regulations. The Executive Order requires greater emphasis on the existing Title VI requirements to protect persons based on national origin.

The regulations require agencies to assess their programs and activities for accessibility by persons with LEP and to prepare an assessment that evaluates and balances the following four factors: the number or proportion of LEP persons in the eligible service population; the frequency with which LEP individuals come in contact with the program; the importance of the benefit, service, information or encounter to the LEP person (including the consequences of a

⁶ http://www.vta.org/services/vta_ridership.html

lack of language services or inadequate interpretation/translation); and the resources available to the grantee/recipient or agency, and the costs of providing various types of language services.

Serving the needs of LEP individuals is of vital importance if they are to have meaningful access to federally funded services and programs. As part of its 2010/2011 fair housing activities, the City of Sunnyvale updated its Language Access Plan (LAP) to ensure the City's compliance with Title VI of the Civil Rights Act of 1964; (7 CFR 273 et seq.; and 42 CFR 435 et seq.) related to equal opportunity and non-discrimination against those with limited proficiency in English. The LAP helps the City provide LEP services and monitor the accessibility of its sub-recipients' programs and activities.

The 2010 U.S. Census reported that there were 140,081 residents of the City of Sunnyvale in 2010. Of those, 57,272 persons, or 41% of the total population, were foreign born. Details on the City's foreign born population in 2010 have not yet been released by the 2010 census. The 2000 U.S. Census reported the following: 67% from Asia; 19% from Latin and North America, 12% from Europe, and 2% from Africa and Oceania. The birth countries for most foreign-born residents are listed below:

Table 8– Country of Birth of Foreign Born, Sunnyvale Population 2000

Country of Birth of Foreign Born	Number of Individuals	Percentage of Foreign Born Population
India	10,485	20%
China/Hong Kong/Taiwan	9,023	18%
Mexico/Central/South America	8,921	17%
Philippines	4,702	9%
Vietnam	3,046	6%
Other	15,813	30%
Total	51,990	100%

Source: 2000 U.S. Census

Of the 121,234 Sunnyvale residents over five years of age, 47.6% spoke English at home, and 52.4% spoke a language other than English at home. Table 9 identifies the primary languages spoken by residents over the age of five in their home.

Table 9– Language Spoken at Home

Language Spoken at Home	Persons Over 5 Years of Age	Percentage of Persons Over 5 Years of Age
English	57,668	47.6%
Asian/Pacific Island Languages	32,136	26.5%
Spanish	16,851	13.9%
Indo-European Languages	13,597	11.2
Other Languages	982	0.8%
Total	121,234	100%

Source: 2009 American Community Survey (ACS)

Households who speak a language other than English may also speak and understand English. In contrast, households who speak English “not well” or “not at all” are at risk of linguistic isolation. A linguistically isolated household is defined as a household in which no member 14 years of age and over: (1) speaks only English or (2) speaks a non-English language and speaks English “very well.”

2000 U.S. census data identified 14,432 Sunnyvale residents over the age of five as linguistically isolated. This equals approximately 12% of the population over the age of five. Of those, 59% spoke Asian/Pacific Islander languages, 26% spoke Spanish, 12% spoke Indo-European languages and 3% spoke other languages. Data on individual languages is not available at the City level.

A critical aspect of community integration is the ability to bridge language and cultural barriers. Persons or households who do not speak or understand English may also have difficulty obtaining housing and other vital community services, programs, or activities. Full and complete access to these community resources are especially critical to lower income LEP households who may need shelter, housing subsidies, food services, childcare or other subsidies and services just to survive.

A City of Sunnyvale report prepared in 2004 entitled “Outreach to Multi-Cultural Populations With Limited or No English Language Skills” identified a diverse student population from the two largest public school districts serving Sunnyvale residents. The study found that 28.2% of Sunnyvale Elementary School students and 13.1% of Fremont Union High School students speak a language other than English. Of the total 2,857 students from the two schools, the five most commonly spoken languages were: Spanish (44.2%), Filipino (10.8%), Mandarin (8.1%), Vietnamese (7.4%) and Cantonese (5.2%).

Based on interviews with local organizations serving multicultural populations, the report identified residents that spoke the following languages were those whose English language skills were most likely to be limited or minimal: Spanish, Cantonese, Mandarin, Vietnamese, Tagalog, Korean and Russian. Many of the foreign-born elderly were identified as having particular difficulties with the English language. Spanish was identified by most agencies as the language for which translation was most often requested. Most non-profit organizations report that they employ bilingual staff to assist clients who have difficulties with the English language. Fortunately, as the diversity of the community increases, so do the language capacities of non-profit organizations, governmental agencies, and businesses, as more and more multicultural/multilingual staff are employed.

In 2011, the City of Sunnyvale Department of Community Services staff also identified Spanish as the language most frequently needing translation by members of the community. This is not surprising given the fact that the Asian/Pacific Island languages in the census data are grouped to include Chinese (Mandarin, Cantonese), Filipino (Tagalog), Vietnamese, Japanese, and many more distinct languages and dialects, while the single category of “Spanish” encompasses all the languages of Latin American and Hispanic countries, even though numerous native dialects or

indigenous languages are also spoken. So, while the Asian/Pacific Island languages may represent the most linguistically isolated group as a combination of languages, Spanish is the single language most frequently requested language for translation.

City of Sunnyvale Outreach

The Sunnyvale City Council has been proactive in developing and implementing strategies leading to greater participation by multicultural populations in the Sunnyvale community. In March 2004 the City Council convened a community advisory task force to assess and make recommendations on improving the City's outreach to multicultural populations. A report from the 10-member task force was delivered to Council in June 2004. The report, prepared by the Neighborhood and Community Services Program in the Office of the City Manager, included 16 recommendations that were approved for implementation. The recommendations were organized into five broad strategies:

1. Expand representation and participation of multicultural populations at all levels of City government and in community life.
2. Increase the awareness and responsiveness of City government to multicultural issues within the community.
3. Acknowledge value and celebrate Sunnyvale's multicultural populations.
4. Facilitate an increased "sense of community" within Sunnyvale.
5. Communicate more effectively with populations speaking limited English.

Since that time some of the accomplishments have included: a grant for the library to purchase Chinese and Spanish language materials, select news releases sent to multicultural media in the Bay Area, a database compiled and utilized to reach various community, religious and cultural associations to further outreach efforts, cultural activities listed on the City's online Community Events Calendar, "multi-lingual services available" signs posted in eight languages at select City contact points, and guidelines prepared for translating documents into other languages.

The City has identified and compiled a list of bilingual staff to provide translation services to all departments (in person, over the phone, etc), on an as-needed basis. Certified bilingual staff members have passed a language certification review and receive a stipend for their bilingual skills. Following are the languages currently available for translation by City staff and the number of staff fluent in that language (as of Jan. 2010): Spanish (29); Chinese (Cantonese - 3, Mandarin - 9); Vietnamese (2); Tagalog (3), Russian (3), Hebrew (1), Farsi (2), Portuguese (1). Additionally, the City has an on-going contract for phone translation services with *Language Line Services (LLS)*. City materials are routinely translated into Spanish, Chinese and other languages as required.

III. FAIR HOUSING PROCESSES AND TRENDS

This section outlines the federal fair complaint process and provides data on the number of fair housing complaints filed from HUD's Office of Fair Housing and Equal Opportunity (FHEO) and local complaints.

Complaints filed with HUD are automatically be filed with the California Department of Fair Employment and Housing (DFEH) as well. In most cases, HUD will send the complaint to the State DFEH for investigation as part of a contractual agreement between the two agencies. Similarly, if a complaint is filed with the State DFEH and is jurisdictional with HUD, it will be filed at the federal agency as well.

In addition to filing complaints directly with FHEO and the State DFEH, individuals may also file fair housing complaints with local fair housing service providers such as Project Sentinel, Fair Housing Law Project, Bay Area Legal Aid, and Asian Law Alliance of Santa Clara County. These agencies will contact HUD and/or DFEH if they feel a complaint has merit.

Fair Housing Complaint Process

Federal Complaint Process

Fair housing rights are protected under the Fair Housing Act of 1968. Individuals may file complaints about violations with HUD or local fair housing providers through the following process:⁷

- **Intake.** Any entity, including individuals and community groups, can file fair housing complaints at no cost by telephone (1-800-669-9777), mail, or via the internet (<http://www.hud.gov/offices/fheo/complaint-process.cfm>). An intake specialist will interview the complainant, usually by telephone, and determine whether the matter is jurisdictional.
- **Filing.** If the local fair housing provider or HUD accepts the complaint for investigation, the investigator will draft a formal complaint and provide it to the complainant. The complainant must sign and return the form to HUD. HUD will then send the complaint to the respondent, who must submit an answer to HUD within 10 days.
- **Investigation.** As part of the investigation, the local provider or HUD will interview the complainant, the respondent and pertinent witnesses, as well as collect relevant documents and conduct onsite visits and audits (tests) when appropriate. Local providers refer some cases that warrant federal scrutiny to HUD. For these types of cases, HUD has the authority to take depositions, issue subpoenas, conduct interrogations, and compel testimony or the submittal of

⁷ U.S. Department of Housing and Urban Development, HUD's Title VIII Fair Housing Complaint Process, <http://www.hud.gov/offices/fheo/complaint-process.cfm>

documents. Local fair housing providers may take the same course of action by filing injunctions or similar complaints first with the courts.

- **Conciliation.** The Fair Housing Act requires HUD to bring the parties together to attempt conciliation. Most local fair housing agencies also prescribe to this process. The choice to conciliate the complaint is voluntary on the part of both parties. If a conciliation agreement is signed, HUD will end its investigation.
- **No Cause Determination.** If HUD's or the fair housing provider's investigation finds no reasonable cause to believe that housing discrimination has occurred or is about to occur, it will issue a determination of no reasonable cause and close the case. Complainants who disagree with the decision may request reconsideration. If complainants disagree with a no cause determination upon reconsideration, the complainant can file a civil court action in the appropriate U.S. district court.
- **Cause Determination and Charge.** For cases filed with HUD, if the investigation finds reasonable cause to believe that discrimination has occurred or is about to occur, HUD will issue a determination of reasonable cause and charge the respondent with violating the law. A HUD Administrative Law Judge will then hear the case, unless either party elects to have the case heard in federal civil court. Local fair housing providers may file their complaints directly in civil court.
- **Hearing in a U.S. District Court.** For federal cases filed by HUD or the local housing providers, the Department of Justice will commence a civil action on behalf of the complainant in U.S. District Court. If the court finds that a discriminatory housing practice has or is about to occur, the court can award actual and punitive damages as well as attorney fees.
- **Hearing before a HUD Administrative Law Judge (ALJ) (For cases referred directly to HUD).** If neither party elects to go to federal court, a HUD ALJ will hear the case. An attorney from HUD will represent the complainant before the ALJ. The ALJ will decide the case and issue an initial decision. Either party may petition the initial decision to the Secretary of HUD for review.

Fair Housing Complaints

Table 10 summarizes fair housing complaint data obtained from HUD's Office of Fair Housing and Equal Opportunity (FHEO). Between 2004 and 2008, an average of 56 complaints were filed each year in the County. During the same period, an average of 5 complaints per year were filed in Sunnyvale, accounting for approximately eight percent of all complaints filed in the County during the same time period.

Table 10: Fair Housing Complaints, Santa Clara County, 2004-2009

	2004	2005	2006	2007	2008	2009 (a)	Total Complaints	Percent of County Total
Sunnyvale	1	1	4	7	12	3	28	8.0%
Santa Clara County	32	51	71	60	80	54	348	100.00%

Notes:

(a) YTD 2009 data is current through August 30, 2009.

Sources: The Department of Fair Housing and Equal Opportunity, HUD San Francisco Regional Office, August 2009; BAE, 2009.

Table 11 provides data on the type of fair housing complaints filed in Entitlement Jurisdictions. As shown, disability and familial status emerged as the most common type of complaint, accounting for 30.8% and 28.2%, respectively, of all complaints filed between 2004 and 2010. National origin also appeared as common basis for complaints, appearing in 12.8 percent of all complaints. It should be noted that one housing complaint may include several bases for complaint.

Table 11: Fair Housing Complaints by Type, Sunnyvale, 2004-YTD 2010

Basis	2004	2005	2006	2007	2008	2009	2010	Total Bases for Complaints	Percent of County Total
Race	0	0	0	2	1	0	0	3	7.7%
Color	0	0	0	0	1	0	0	1	2.6%
National Origin	0	1	1	1	2	0	0	5	12.8%
Sex	0	0	1	0	1	0	1	3	7.7%
Disability	0	3	2	0	5	2	0	12	30.8%
Religion	0	0	0	0	1	0	0	1	2.6%
Familial Status	1	1	0	3	3	0	3	11	28.2%
Retaliation	0	0	1	0	1	0	1	3	7.7%
Total	1	5	5	6	15	2	5	39	100.00%

Notes:

Sources: The Department of Fair Housing and Equal Opportunity, HUD San Francisco Regional Office.

As shown in Table 12, 23.3% of the complaints filed in Sunnyvale between 2004 and 2010 were found to not have probable cause for fair housing violation. The largest proportion of

complaints, 43%, were conciliated or resolved. Another 20% of cases were found by investigation to find reasonable cause that discrimination occurred.

Table 12: Fair Housing Complaints by Resolution, Entitlement Jurisdictions, 2004-2010

Basis	2004	2005	2006	2007	2008	2009	2010	Total Bases for Complaints	Percent of County Total
	Admin Closure	0	0	1	0	1	1	1	4
Conciliated or Resolved	1	1	2	1	6	0	2	13	43.3%
No Cause	0	0	0	3	3	1	0	7	23.3%
Cause	0	0	0	3	2	1	0	6	20.0%
Referred and Closed by DOJ	0	0	0	0	0	0	0	0	0.0%
Total	1	1	3	7	12	3	3	30	100.00%

Sources: The Department of Fair Housing and Equal Opportunity, HUD San Francisco Regional Office.

Table 13 contains a summary of the cases processed between July 2004 and June 2010 by Project Sentinel. As shown, the majority of the cases, 37%, involved allegations of discrimination against persons with disabilities, followed by familial status with 28% and race/national original with 13% of the total number of complaints.

Table 13: Local Fair Housing Complaints by Type, reported by Project Sentinel, Sunnyvale, 2004-2009

Complaint Case Type	YTD						Total Types of Complaints	Percent of Total
	2004	2005	2006	2007	2008	2009 (b)		
Disability	12	14	20	11	10	9	76	37%
Race	3	2	2	7	12	1	27	13%
National Origin	7	7	3	5	1	3	26	13%
Familial Status	15	9	14	2	5	13	58	28%
Sexual Orientation	1	1	0	0	0	0	2	1%
Marital Status	0	0	0	2	0	0	2	1%
Gender	1	2	2	0	0	0	5	2%
Income Source	0	0	0	2	1	1	4	2%
Age	0	2	0	0	1	2	5	2%
Religion	1	0	0	0	0	0	1	0%
Other	0	0		0	0	1	1	0%
Total	40	37	41	29	30	30	207	100%

IV. IDENTIFICATION OF IMPEDIMENTS TO FAIR HOUSING

To document potential impediments to fair housing, BAE interviewed staff of several local fair housing organizations such as Project Sentinel. Local service providers and community members also provided input on housing needs at a series of four workshops held in 2009. In addition, the City's Housing Element was reviewed.

Public Sector

Local policies and regulations can impact the price and availability of housing and in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, and various other issues may constraint the maintenance, development and improvement of housing. Publicly imposed constraints on housing supply can subsequently lead to fair housing concerns, as particular segments of the population can be priced out of the local market. This section examines these public sector constraints in more detail to evaluate their impact on fair housing choice in the City.

Local Land Use Controls (Zoning)

The Land Use and Transportation Element of the City of Sunnyvale's General Plan sets forth the City's policies for guiding local development. These policies, together with the City's zoning codes, establish the amount and distribution of land allocated for different uses and describe the type, location, density, and scale of residential development that is allowed. Sunnyvale zoning allows a mix of residential development with densities ranging from 7 to 78 dwelling units per acre.

Accessory Living Units (ALUs)

The purpose of permitting additional living units (often referred to as “granny units”) in single-family zones is to allow more efficient use of the existing land and infrastructure. These small housing units are designed to house individuals or families who may be rental tenants or extended family members. Due to their smaller sizes, second units can provide affordable housing opportunities for lower-income households, seniors, and/or disabled individuals. Local land use regulations that constrain the development of second units may therefore negatively impact housing for those populations.

California law requires local governments to use a ministerial process to approve second unit permit applications, in order to eliminate potential barriers to affordable housing development. This law allows cities to impose reasonable development standards on second units to specify building size, parking, height, setbacks, and lot coverage. In compliance with State law, Sunnyvale allows accessory living units (ALUs) in various zoning districts, with a staff-level, ministerial permit.

Regulations for Residential Care Facilities.

Local zoning ordinances also may affect the availability of residential care facilities, such as group homes that serve special needs populations. In particular, zoning ordinances often include

provisions regulating residential care facilities and outlining processes for reasonable accommodation. The Lanterman Developmental Disabilities Services Act of California requires local jurisdictions to treat licensed group homes and residential care facilities with six or fewer residents no differently than other permitted residential uses. Cities must allow these licensed residential care facilities in any area zoned for residential use and may not require conditional use permits or other additional discretionary permits. Sunnyvale is in compliance with this law.

Reasonable Accommodation Policies

Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to allow covered ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments.

The City has reviewed its zoning and building codes, and has not identified any barriers to the provision of accessible housing. Sunnyvale accommodates most major accessibility modifications through issuance of a simple remodel permit. Handicapped ramps or guardrails are allowed within setbacks as needed to allow first-floor access for physically disabled residents. The Building Division has adopted the 2010 California Building Code without amendment, and enforces the disabled access regulations delineated in chapters 11A (Housing Accessibility) and 11B (Accessibility of Publicly Funded Housing). New apartment buildings with three or more units are subject to requirements for unit “adaptability” on ground floor units, and accessibility to common use areas. Adaptable units are built for easy conversion to disabled access, with appropriate doorway and hallway widths, and added structural support in the bathroom to allow installation of handrails.

In December 2004, the Sunnyvale City Council created an Advisory Committee on Accessibility (ACA). The ACA advises and provides input to City staff on accessibility issues related to City services, programs and facilities. The City also has a dedicated Americans with Disabilities Act Coordinator, and identifies resources and local programs for persons with disabilities on its website.

Sunnyvale also provides a “Home Access” Grant program with its CDBG funds, providing up to \$6,500 to lower income disabled homeowners to retrofit their homes. Common accessibility improvements funded by the program include ramps, hand rails, grab bars, hand-held showerheads, widening of doors, modification of steps, and wheelchair lifts.

It is the policy of the City of Sunnyvale to provide reasonable accommodation for persons with disabilities seeking fair access to housing in the application of its zoning and building laws. While Sunnyvale has not identified any constraints on the development, maintenance and improvement of housing for persons with disabilities, the City has not developed specific written procedures for handling reasonable accommodation requests. To better facilitate reasonable accommodations requests, Sunnyvale's Housing Element Update includes a program to adopt

formal procedures describing its reasonable accommodation policy. This policy is currently being drafted, with adoption by Council anticipated in December 2011.

Definition of Family

A jurisdiction's zoning ordinance can constrain access to housing if it contains a restrictive definition of a family. For example, a definition of family that limits the number of persons and differentiates between related and unrelated individuals living together can be used to discriminate against nontraditional families, and could illegally limit the development and siting of group homes for individuals with disabilities.

The California courts have invalidated the following definition of “family” in local zoning codes: (a) an individual, (b) two or more persons related by blood, marriage or adoption, or (c) a group of not more than a certain number of unrelated persons operating as a single housekeeping unit. Court rulings state that defining a family in a limited manner does not serve any legitimate or useful objective or purpose recognized under the zoning and land planning powers of the city, and therefore violates rights of privacy under the California Constitution. A zoning ordinance also cannot regulate residency by discrimination between biologically related and unrelated persons.

Sunnyvale’s zoning code currently contains the following definition of “family”:

- a) An individual living alone in a dwelling unit; or
- b) Two or more persons related by blood, marriage or legal adoption, or a group of two or more persons who need not be related, living together in a single dwelling unit as a group where the individual or group is in possession of the entire dwelling unit.”

As it does not limit the number of related or unrelated persons who may be considered a family, nor does it distinguish between related and unrelated members, it complies with the law.

Parking Requirements

Parking requirements may serve as a constraint on housing development by increasing development costs and reducing the amount of land available for project amenities or additional units. Developers may be deterred from building new housing in jurisdictions with particularly high parking ratios due to the added costs associated with such requirements.

While Sunnyvale’s parking requirements are not onerous, the City is in the process of re-evaluating its parking standards for special needs housing and sites with close proximity to transit.

Private Sector Impediments

In addition to governmental constraints, there may be non-governmental factors which may constrain the production of new housing or impede fair housing. These could include market-related conditions such as the availability of mortgage financing, or other private sector activities such as production of high cost, rather than moderately priced housing for sale or rent

For-Sale Housing Market

Affordability

Between 2000 and 2007, home prices soared in Sunnyvale and Santa Clara County. Price is currently the main barrier to housing choice, although this barrier is primarily based on income rather than on membership in a protected class. Although home prices have declined slightly as a result of the current economic downturn, market-rate ownership housing remains out of reach for most lower-income households in Sunnyvale. In addition, although rents dipped by over 10% during the recession, they have recovered and appear to be rising again.

In addition to housing affordability, lack of good credit and uncertainty in the economy have emerged as challenges for potential homebuyers. Challenges associated with mortgage financing will be discussed later in this section.

Foreclosures

The spike in sub-prime lending, adjustable-rate mortgages and 0% down payment loans which occurred primarily between 2003 and 2007, combined with other economic factors, caused California and the nation to undergo an unprecedented wave of foreclosures beginning in 2008. During the third quarter of 2009, at least 3,890 homeowners within the County received notices of default from their lenders. This included 148 homeowners in the City of Sunnyvale, almost two times the number of defaults issued during the third quarter of 2008. These notices are the first step in the foreclosure process. This represented a 45% increase in the number of defaults compared with the third quarter of 2008. In contrast, 789 trustee's deeds, the final step in foreclosure, were recorded by the County Assessor in the third quarter of 2009. This was 55% less than the number of trustee's deeds recorded in the third quarter of 2008 (see Table 4.37). Greater willingness among lenders to work with homeowners in default, as well as foreclosure prevention efforts by the federal, State, and local government have contributed to this trend. See page 65 of the Consolidated Plan for more detail.

The Center for Responsible Lending (CRL), the Federal Reserve Bank of San Francisco, and the University of Southern California report that data regarding the income, ethnicity, and other characteristics of households losing their homes to foreclosure is not readily available. However, the CRL has examined the ethnicity of borrowers receiving subprime loans, using Home Mortgage Disclosure Act (HMDA) data. Given the strong link between subprime lending and foreclosure, this analysis serves as a rough proxy for the ethnicities of buyers undergoing foreclosure nationally, at least during the initial wave of foreclosures which began in 2007-08. Later waves of foreclosure have been caused by job losses as much as sub-prime lending.

The national CRL study of 2006 found that subprime mortgages were disproportionately provided in communities of color. African-American and Latino borrowers were over 30 percent more likely to receive a high-cost loan (a proxy for subprime lending) than White borrowers, even controlling for credit risk. Approximately 52 percent of African-American borrowers and 40 percent of Latino borrowers received a higher-cost loan in 2005, compared to only 19 percent of White borrowers.⁸

⁸ *Unfair Lending: The Effect of Race and Ethnicity on the Price of Subprime Mortgages.*

In response to rising foreclosures across the country, the federal government initiated several programs that provide homeowners facing foreclosure with opportunities to modify or refinance their mortgage to make monthly payments more affordable. According to local fair housing service providers, one challenge associated with some of these programs is that borrowers must actually be in default to qualify for assistance. Homeowners who have not yet missed payments but are struggling to make their payments are ineligible.

Local fair housing service providers also report a growing number of private loan modification scams that prey on low-income homeowners in default or having difficulty meeting their mortgage payments. Some of these groups scam borrowers by illegally collecting up-front fees⁹, misrepresenting services, or knowingly taking on borrowers would clearly not qualify for a loan modification. As discussed later in this AI, homeowners with limited English proficiency are particularly vulnerable to these scams.

Lending Policies and Practices

Home Mortgage Disclosure Act (HMDA)

Enacted by Congress in 1975, the Home Mortgage Disclosure Act requires lending institutions to publicly report home loan data. Lenders must provide information on the disposition of home loan applications and disclose applicant information, including their race or national origin, gender, and annual income. HMDA data indicates which banks are lending in certain communities and provides insight into lending patterns, including denial rates and the types of loans issued (e.g., home improvement loans, home purchase loans). This data, however, cannot be used to prove redlining or discrimination definitively, because many factors, such as income income-to-debt ratio, credit rating, and employment history, affect approval and denial rates.

In Sunnyvale, 3,381 home purchase loan applications were submitted to lenders in 2007 according to HMDA data. Of those, 64 percent were approved. By comparison, only 58 percent of the 46,407 loan applications submitted in Santa Clara County were approved. This is probably due to the slightly higher per capita income of Sunnyvale residents compared to the County as a whole.

Conventional Mortgages

As a result of the recession and credit crisis, access to financing has been as major barrier to prospective homebuyers in Sunnyvale, Santa Clara County, and across the state and country. Lenders are implementing stricter underwriting, reporting, verification of information practices. According to various homeownership counseling agencies, buyers need a credit score of 720 to 740 to qualify for a conventional home mortgage. Banks also look for larger downpayments of 10 percent to 20 percent of the purchase price, which is higher than what was previously required. Many of these requirements directly address problems in the lending industry that contributed to the current housing and economic downturn. Nevertheless, these standards make it more difficult for buyers to obtain a mortgage, particularly those with lower incomes, weaker credit scores, and lacking downpayment funds. Although this barrier is based on financial

⁹ In California, as of October 11, 2009, Senate Bill 94 prohibits any person, including real estate licensees and lawyers, from demanding, charging, or collecting an advance fee from a consumer for loan modification or mortgage loan forbearance services.

factors rather than the applicants' membership within a protected class, many correlations have been found between lower income and credit scores, and membership in certain protected classes.

FHA Loans

Households which face difficulty qualifying for a conventional mortgage may decide to use a Federal Housing Administration (FHA) loan. FHA loans are insured by the federal government, and have traditionally allowed lower-income households to purchase homes that they could not otherwise afford. Thanks to the FHA insurance, these loans have lower interest rates, require a low downpayment of 3.5 percent, and have slightly more flexible underwriting criteria. In general, lenders report that households with a credit score of at least 640 and a two-year employment history can qualify for a FHA loan. FHA loans have become more popular as underwriting practices for conventional mortgages have become stricter.¹⁰ In addition, more homebuyers are eligible for FHA loans as a result of declining home prices. In Santa Clara County, the FHA loan limit for a single-family residence is \$729,750.¹¹

Despite the more favorable terms associated with FHA loans, there are some challenges associated with purchasing a home with a FHA-backed mortgage. First, stringent guidelines regulate what properties are eligible for purchase. Properties must meet certain requirements related to the condition of the home and pass an inspection by FHA representatives. This requirement is a particular challenge for homebuyers who are purchasing foreclosed properties that have been vacant for a prolonged period and have associated maintenance issues. One major problem that has occurred recently in Sunnyvale is that FHA has decided not to lend on new townhomes or condominiums that include "below market rate" or inclusionary housing units. City staff have contacted FHA's underwriters and legal staff to request reconsideration but have not received any favorable response to date. This means FHA will not lend in many new developments in the City and most of California, posing a significant barrier to housing choice.

FHA also has stringent requirements for condominium purchases that pose additional challenges. One requirement is that a certain percentage of units in a condominium project must be under contract before FHA will back a condominium mortgage. Additionally, FHA will not back mortgages in developments where more than 15 percent of homeowners are 30 days delinquent on homeowners' association dues or in projects where a single entity owns more than 10 percent of units.

Another potential barrier is that not all banks issue FHA loans. Moreover, many loan officers prefer to focus on conventional mortgages because of the added time and effort associated with processing and securing approval on a FHA loan.

First-Time Homebuyer Programs

In addition to conventional mortgages and FHA loans, many public agencies offer various first-time homebuyer programs. These include downpayment assistance programs such as the California Homebuyers Downpayment Assistance Program (CHDAP), which offers a deferred-payment junior loan of up to three percent of the purchase price or appraised value. The City

¹⁰ Thompson, Samuel, Chase Bank, phone interview with BAE, July 8, 2009.

¹¹ FHA Loan Limits for California, http://www.fha.com/lending_limits_state.cfm?state=California

currently offers a First-Time Home Buyer (FTHB) Loan Program which provides silent second down payment assistance of up to \$50,000 for eligible first-time home buyers. Assistance may be used to purchase market-rate or below-market rate homes in Sunnyvale. The program is available to first-time home buyers who live or work in Sunnyvale and whose incomes do not exceed the maximum for their household size. The City also supports the Housing Trust of Santa Clara County's first-time homebuyer programs and the Mortgage Credit Certificate Program administered by the County of Santa Clara.

Downpayment assistance and second mortgage programs are attractive to potential homebuyers, particularly during times when financial institutions are approving loans at lower loan to value ratios. However, loan officers sometimes seek to avoid homebuyers utilizing first-time homebuyer programs due to the added time and effort perceived to be required with these programs. While lenders typically process conventional loans in 30 days, the closing period for homebuyers using first-time homebuyer programs is often 45 days. In addition, loan officers receive smaller commissions under these programs, as they reduce the amount homebuyers need to borrow from the first lender.

Some real estate brokers also prefer not to work with homebuyers using first-time homebuyer programs or below market-rate housing. Brokers aim to expedite the escrow period, while first-time homebuyer programs can result in extended loan approval processes. As a result, agents may not tell homebuyers about potential State and local programs they would qualify for. Homebuyers who do not attend first-time homebuyer classes or work with nonprofit housing counseling agencies are often unaware of programs available to assist them.

Subsidized Housing

Affordable Housing Application Processes

Due to the requirements associated with various affordable housing funding sources, certain households may encounter difficulties in applying for subsidized housing. For example, applications can involve a large amount of paperwork and require households to provide records for income verification. In some cases, short application time frames and submittal requirements (e.g., by fax) create additional challenges. These requirements present obstacles for homeless or disabled individuals who lack access to communication systems and information networks, as well as the skills to complete and submit the necessary documentation.

Affordable housing developers often receive hundreds to thousands of applications for a limited number of units. As a result, applicants who are not selected through the lottery process are put on a waiting list. Households must be proactive and regularly follow-up with property managers to inquire about the status of the waiting list. If applicants on the waiting list move or change their phone number, property managers may not be able to contact them when a unit becomes available. Again, this procedure can make it more difficult to remain on a waiting list for transient individuals or families who don't have a regular address, phone number, or email address.

Housing Opportunities for Special Needs Populations

Service providers who assist various special needs populations, including the elderly, individuals with disabilities, the homeless, and limited English proficiency (LEP) individuals consistently report that one of the greatest barriers to housing choice for these populations is the lack of affordable housing. In addition, special needs populations may face particular challenges to housing choice, as discussed below.

Elderly Housing

Seniors often need accessible units located in close proximity to services and public transportation. Many seniors are also living on fixed incomes, making affordability a particular concern. Sunnyvale offers a number of housing resources for seniors. The construction of 124 units of new affordable senior housing in Sunnyvale is nearing completion and scheduled for occupancy for October 2011.

Housing for Persons with Disabilities

Individuals with mobility disabilities need accessible units that are located on the ground floor or have elevator access, as well as larger kitchens, bathrooms, and showers that can accommodate wheelchairs. Building codes and HOME regulations require that five percent of units in multifamily residential complexes be wheelchair accessible and another two percent of units be accessible for individuals with hearing or vision impairments. Affordable housing developers must follow these requirements and provide accessible units in their subsidized housing developments.

Disabled individuals may have difficulty obtaining reasonable accommodations from housing providers. The Fair Housing Act prohibits the refusal of reasonable accommodations in rules, policies, practices, or services, when such accommodations are necessary to afford a person with a disability equal access to housing. This applies to those involved in the provision of housing, including property owners, housing managers, homeowners associations, lenders, real estate agents, and brokerage services. Local fair housing organizations, including ECHO and Project Sentinel, indicate that some individuals have difficulties with landlords approving their reasonable accommodation request. Examples of reasonable accommodation requests include permission to have a service animal in the residence or securing parking closer to the unit. ECHO and Project Sentinel report that reasonable accommodation requests for disabled individuals are one of the more common fair housing complaints seen throughout Santa Clara County. Part of the problem is that tenants and some landlords are not always aware of their rights to reasonable accommodation under fair housing law.

Housing for Homeless Individuals

The primary barrier to housing choice for homeless individuals is insufficient income. This is not technically a fair housing issue because “persons with insufficient incomes,” is not a protected class, nor is homelessness. Fair Housing is defined by HUD in 24 CFR 570.904 [c][1] to mean “the ability of persons of similar income levels to have the same housing choices regardless of race, color, religion, sex, handicap, familial status or national origin.” However many homeless people do belong to one or more protected classes. Local and regional service providers report that many homeless rely on Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI), which do not provide enough income to pay rent even at

many subsidized housing developments. In addition, both affordable housing developers and market-rate landlords may screen out individuals with an inconsistent rental history, a history of evictions, or poor credit.

Securing housing can prove more difficult for homeless families than for homeless individuals, due to occupancy regulations, potential landlord biases against households with children, and the more limited supply of larger rental and affordable units.

Sunnyvale and other Santa Clara County jurisdictions are addressing issues of housing choice and accessibility for homeless individuals and families through strategies identified in the “10-Year Plan to End Chronic Homelessness in Santa Clara County” and through the efforts of Destination: Home, a taskforce focusing on ending chronic homelessness. Destination: Home opened two One-Stop Homeless Prevention Centers in November 2008, serving over 3,700 homeless and at-risk clients to date. The County of Santa Clara Department of Social Services has Supplemental Security Income (SSI) advocates at each One-Stop location, allowing eligible clients to begin the process of applying for benefits at the same time they search for employment, receive housing assistance, or get assistance with other needs.

Access to Housing by Limited English Proficiency (LEP) Individuals

As financial institutions continue to institute more stringent lending practices, LEP individuals may face greater challenges in navigating the mortgage process. According to regional housing counseling agencies, at the height of the housing boom lenders were very interested in lending to the Latino and Asian LEP populations. However, bank outreach to these communities has declined during the recession.

While bank outreach to LEP communities has declined, these individuals have been more vulnerable to scams related to loan modification. In addition to HUD-certified housing counselors who offer services through nonprofit organizations and local jurisdictions, there are a variety of private loan modification institutions offering services of varying quality. Some of these groups scam borrowers by illegally collecting up-front fees, misrepresenting services, or knowingly taking on borrowers who clearly do not qualify for a loan modification. LEP individuals are particularly vulnerable to these types of scams because of the challenge they face in understanding documentation that is usually provided in English.

Undocumented individuals are also vulnerable to lending scams. Also, some households within the Spanish-speaking community and other LEP populations are "unbanked," or rely on a cash economy. These households usually have a more difficult time qualifying for a mortgage or even a rental unit in tight rental markets. In addition, undocumented immigrants are generally more reluctant to file fair housing complaints with HUD or the State.

Housing Opportunities for Families

Fair housing law prohibits discrimination based on familial status, which usually means discrimination against families with children. Nonetheless, local service providers report that households with children often face discrimination, particularly when searching for rental housing. Landlords may view households with children as less desirable tenants, due to potential noise issues or damage to units. While landlords and property managers may not legally deny

families housing just because they have children, they may place them in less desirable units such as units at the back of a complex or a downstairs unit. The challenge in identifying discrimination on the grounds of familial status is that often families do not know that other units in a complex are available, and therefore may not realize that they are being offered a less desirable unit. Local fair housing service providers report that differential treatment on the basis of familial status is another common fair housing issue in the County.

Lack of Awareness of Fair Housing Law

Many fair housing violations are committed by unsophisticated "mom-and pop" housing providers and/or by untrained or unsupervised property managers. These landlords and managers often have little understanding of fair housing laws and requirements. Project Sentinel's analysis of fair housing complaints by housing development size conducted found that the majority of eviction complaints were associated with small properties with one to 10 units. Specifically, 58 percent of eviction complaints filed with Project Sentinel between 2003 and 2006 were in properties with one to 10 units. In each of these cases, the owner was the offending party. A large share of refusal to rent complaints was also associated with small properties; 39 percent of the complaints in this category occurred in properties with 10 or fewer units. Of the refusal to rent cases associated with properties with 10 or fewer units, 74 percent involved the property owner. Other than eviction and refusal to rent case, the majority of fair housing complaints were filed for properties with 50 or more units.

At the same time, fair housing service providers also report a lack of understanding among homeseekers regarding their civil rights, and the process for identifying and lodging a fair housing complaint.

Public and Private Sector

In addition to governmental and non-governmental impediments to fair housing, there are some impediments to housing choice that span both the public and private sectors.

Linkage between Housing and Employment Centers

As discussed earlier, the City's inventory of public and subsidized housing, community care facilities, and major employers are well dispersed throughout the City and well-connected to public transportation. Local affordable housing developers report that transit accessibility significantly affects site selection decisions for subsidized housing. In addition to the fact that lower-income households tend to have a lower rate of vehicle ownership, the funding structure for affordable housing favors sites with better accessibility. Developers are required to compete for various affordable housing funding sources like low-income housing tax credits (LIHTC). Public transportation access is a critical scoring criterion in tax credit competitions, so developments with better transit access receive higher scores. Because the competition for tax credit financing is so great in California, developers report that projects must receive the maximum score in the transit category in order to be competitive. As a result, affordable housing projects are almost always within less than a quarter mile of a bus stop or other transit facilities, such as light rail.

V. ASSESSMENT OF CURRENT FAIR HOUSING PROGRAMS AND ACTIVITIES

Programs and Activities that Promote Fair Housing

Fair Housing Laws

Federal, state, and local governments all share a role in enforcing federal and state fair housing laws and in affirmatively furthering fair housing.

Title VIII of the Federal Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes. The laws prohibit a wide range of discriminatory actions, including refusal to rent, sell, or negotiate for housing, make housing unavailable, set different terms, conditions, or privileges, provide different housing services or facilities, refusal to make a mortgage loan, or impose different terms or conditions on a loan.

At the State level, the Rumford Housing Act prohibits housing discrimination toward all classes protected under Title III, and adds marital status as a protected class. The Unruh Civil Rights Act prohibits discrimination in all business establishments in California, including housing and public accommodations, based on age, ancestry, color, disability, national origin, race, religion, sex, or sexual orientation.

The California Fair Employment Act prohibits discrimination and harassment in all aspects of housing including sales and rentals, evictions, terms and conditions, mortgage loans and insurance, and land use and zoning. The Act also requires housing providers to make reasonable accommodation in rules and practices to permit persons with disabilities to use and enjoy a dwelling and to allow persons with disabilities to make reasonable modifications of the premises.

The City of Sunnyvale requires the developers it assists with CDBG, HOME, or local housing funds to comply with all fair housing laws and develop affirmative fair housing marketing plans, which include strategies to solicit applications from a diverse group of households, including those “least likely to apply.”

Public Housing Admissions and Continued Occupancy Policies

The City of Sunnyvale does not operate a housing authority of its own, and has no legal or other authority over the County’s Housing Authority. The information regarding the County Housing Authority is provided here for reference. The City partners with the Housing Authority on some housing projects and programs such as, a Tenant-Based Rental Assistance program and Project-based Section 8 housing in the City. In its Admissions and Continued Occupancy Policy, the Housing Authority of the County of Santa Clara (HACSC) outlines measures to affirmatively further fair housing in the administration of its public housing and Section 8 programs, including its provision of Section 8 vouchers to Sunnyvale tenants. These measures include: taking

appropriate action to ensure individuals with disabilities will have equal access to available services and activities, and providing bilingual staff to assist for LEP families.¹²

HACSC policy also includes measures to deconcentrate poverty and promote economic integration of its clients. As such, HACSC attempts to place some lower income tenants (up to 80% AMI) into extremely low income projects, and vice versa.¹³

Fair Housing Services

Sunnyvale supports fair housing by providing information to the public about fair housing in various ways. The City recently developed a new web page dedicated to fair housing on its website, and sponsored a Fair Housing workshop at the Sunnyvale Library with a fair housing attorney as guest speaker. Staff handle public inquiries about fair housing and refer the public to appropriate qualified fair housing agencies for discrimination complaint intake and investigation, legal advice, and assistance in filing complaints with HUD or DFEH, and/or resolving complaints between parties. A number of non-profit agencies also provide similar services to Sunnyvale residents, such as:

- Asian Law Alliance
- ECHO Housing
- Housing First
- Law Foundation of Silicon Valley/Fair Housing Law Project
- Bay Area Legal Aid
- Project Sentinel
- Senior Adults Legal Assistance (SALA)

Sunnyvale was involved in the following activities to affirmatively further fair housing during FY2010-11:

- Provided funds for handicapped accessibility improvements at 14 homes.
- Continued to provide translation and interpretation services for the City's housing and CDBG programs.
- Provided a fair housing component as part of the City's homebuyer education workshops.
- The Fair Housing page on the City's website provides information and videos about Fair Housing and a link for residents to report discrimination complaints directly to HUD.
- The City actively implements an affirmative marketing plan to inform the public about its housing and CDBG programs. Housing programs are available to all residents of the City, and minority and LEP participants are actively sought. All program brochures are translated into Spanish. Last year, staff marketed housing programs in the Sunnyvale Quarterly newsletter. Staff also displayed brochures at the Sunnyvale Senior Center, Sunnyvale Public Library, Sunnyvale City Hall and the

¹² Housing Authority of the County of Santa Clara. *Admissions and Continued Occupancy Policy for the Public Housing Program*. October 1, 1999. Chapter 1, Section D.

¹³ Housing Authority of the County of Santa Clara. *Admissions and Continued Occupancy Policy for the Public Housing Program*. October 1, 1999. Chapter 1, Section J.

Sunnyvale Community Center. Staff also attended community meetings at various Neighborhood Enforcement Action Team target areas to provide presentations on the City's programs. Staff reviewed and approved the Affirmative Marketing Plan prepared by the developer of the Fair Oaks Senior Housing project, to be used for initial lease-up and filling vacancies on an ongoing basis. The City's outreach materials include a notice in five language advising residents about the program, and that interpretation services are available.

Other Local Fair Housing Services

Countywide Fair Housing Task Force

In fiscal year 2003, the Santa Clara County Fair Housing Task Force was established, including representatives from all Santa Clara County jurisdictions, fair housing providers, legal service providers, and other community service providers. Since its inception, the Task Force has implemented a calendar of countywide fair housing events and sponsors public information meetings, including Accessibility training, First-Time Homebuyer training, and Predatory Lending training. The City actively participates in the Countywide Fair Housing Task Force to promote fair housing choice in the local and regional area.

Affordable Housing Programs

The lack of available and affordable housing can be an impediment to fair housing in many areas of Santa Clara County. In response to high housing costs in the region, the City funds various housing programs to provide affordable housing to lower-income households who are unable to afford market rate housing such as (FTHB, HIP, etc.). The Below Market Rate Housing Program requires developers to provide 12.5% of new homes developed and sold to lower- and moderate-income households.

Challenges

Limited Resources

Given the diversity of Sunnyvale and Santa Clara County as a whole, and in particular, its sizeable multi-lingual immigrant community, fair housing is an important issue. The City continues to support fair housing efforts using available resources. However, due to reductions in its HUD grants and state and local budget cuts, funding available to pay outside contractors to provide fair housing programs has decreased. The City collaborates with other jurisdictions, such as participating in the Countywide Task Force, and provides outreach, education and referrals using available City resources. .

Lack of Awareness of Fair Housing

According to fair housing organizations, general public education and awareness of fair housing issues is limited. Tenants often do not completely understand their fair housing rights, while landlords and property managers, especially owners of small rental properties, are often unaware of fair housing law. To address this issue, the City and regional fair housing organizations provide public outreach to housing providers and to the general public through mass media, such as websites, cable access television, newsletters, newspaper columns, multi-lingual pamphlets,

flyers, and radio announcements. Fair housing organizations also reach out to protected class resident groups by collaborating with organizations that serve target protected class populations.

VI. RECOMMENDATIONS

This section summarizes the key findings from the AI, and presents policies and supporting actions that support fair housing in the City of Sunnyvale. These policies and actions build upon the current fair housing programs and activities described in the previous section.

Recommendations to Support Fair Housing

Fair Housing Services

Need: The AI finds that, based on 2009 interviews with local fair housing agencies conducted by BAE, fair housing is an ongoing concern throughout the County and in Sunnyvale. Sunnyvale's highly diverse population indicates that local housing is generally available to most homeseekers, including many in protected classes. Price, rather than overt illegal discrimination, is the primary challenge to most households seeking housing in Sunnyvale. However, some fair housing agencies reported that many homeseekers are unfamiliar with the legal protections available to seniors, disabled people, families, and other protected classes.

- **Action #1: Continue to provide public outreach about fair housing.** To address the lack of awareness of fair housing laws among landlords and homeseekers, continued fair housing education will provide property owners, managers, and homeseekers with greater awareness of fair housing laws and obligations. City staff will continue to present educational events and provide fair housing information through various outreach methods.
- **Action #2: Continue to participate in the countywide fair housing task force in order to improve the provision of fair housing services regionally.** The City will continue to network with other jurisdictions in the County and with fair housing agencies on on-going issues and findings. This regular communication allows jurisdictions to learn from any fair housing trends and key policy issues arising anywhere in the County.

Access to Subsidized Rental Housing

Need: As explained in Section IV, some special needs households, such as the elderly, disabled, and/or homeless people may have difficulty completing complex applications for subsidized housing within often short application time frames. Moreover, affordable housing providers often have difficulty filling wheelchair accessible units with eligible disabled tenants. Greater coordination is needed to connect eligible households with available rental units in a timely manner.

- **Action #3: Continue broad community outreach about available housing programs and affordable housing units.** The City of Sunnyvale shall continue to assist affordable housing providers in advertising the availability of affordable rental units through its website, the County's 2-1-1 information and referral phone service, the Santa Clara County Collaborative, and various other media outlets.

The City follows its affirmative marketing/fair housing plan and Language Access Plan in marketing housing programs and projects, and requires its subrecipients to do so as well.

- **Action #4: Continue to require outreach to the homeless and special needs households.** The City will continue to require developers of subsidized units to notify agencies that serve special needs clients to help expand the access of subsidized rental units to those who may have difficulty applying.

Local Zoning

Need: Ensure that appropriate zoning and development standards are available to encourage the development of various types of housing for all economic segments of the population.

- **Action #5: Allow for reasonable accommodation.** The City is developing formal policies and procedures to address reasonable accommodation requests in zoning and building codes to accommodate the needs of persons with disabilities. These policies will be adopted by December 2013.
- **Action #6: Inclusionary Zoning.** The City has implemented an inclusionary zoning program for thirty years. The City is currently reviewing and refining its BMR program guidelines and codes to provide enhanced program flexibility, accommodate changing market conditions, and improve overall effectiveness.
- **Action #7: Residential Development.** The City shall continue to zone for a range of housing types and densities as set forth in the City's General Plan Housing Element.

Public Housing

Need: Local housing authorities are well-versed in fair housing requirements, and aim to apply these consistently in their outreach, property management, waitlist maintenance, and tenant recruitment efforts. The following action emphasizes the need for local jurisdictions to assist local housing authorities in local outreach efforts.

- **Action #8: Assist local Housing Authorities with public outreach.** The City of Sunnyvale shall assist the Housing Authority of the County of Santa Clara in reaching out to minority, limited-English proficiency, and/or special needs populations regarding the availability of public housing and Section 8 vouchers. Outreach may occur via the City's website and informational flyers in multiple languages available at public locations. The City currently provides this information and direct links to the Housing Authority on its website. Unfortunately, the Housing Authority's Section 8 waiting list has been closed to new applicants for years.

Access to Credit

Need: Credit markets have tightened in tandem with the decline in home values. As such, although homes have become more affordable, lender requirements for a minimum down payment or credit score may present a greater obstacle for buyers today. A few more accessible home loan programs are available, including Federal Housing Administration (FHA) loans. However, interviews with lenders suggest that many households are not aware of these programs. Moreover, many loan officers prefer to focus on conventional mortgages because of the added time and effort associated with processing and securing approval on a FHA loan.

- **Action #9: Maintain a list of public-sector loan and down-payment assistance agencies.** The City shall continue to maintain a list of agencies that provide below-market-rate loans and government-sponsored downpayment and mortgage assistance programs on its website. Such providers currently include the City itself, CalHFA, the Housing Trust, FHA, etc.

Links between Housing and Employment

Need: Impediments to fair housing choice may occur when poor linkages exist between the locations of major employers and affordable housing. Under these conditions, persons who depend on public transportation, such as lower-income households, seniors, and disabled persons, would be more limited in their housing options. The AI finds that Sunnyvale's inventory of subsidized housing and community care facilities are relatively well-connected to public transportation. The City should continue efforts to support transit-oriented development, and further improve connections between new housing and employment centers, and to protect existing transit services from further budget cuts, to the extent possible through its inter-governmental advocacy efforts.

- **Action #10: Plan for and encourage transit-oriented development.** Through its General Plan and Precise Plans, the City of Sunnyvale shall continue to zone for appropriate housing densities, where appropriate, to provide housing opportunities near major workplaces.
- **Action #11:** The City shall continue to work with local transit agencies to facilitate safe and efficient routes throughout the City for the various forms of public transit. One of the City Council members typically serves as a member of the VTA Board of Directors in order to maintain and improve county-wide and city-wide transit service.

In addition to the actions described above, the City shall remain involved in the following activities that further fair housing:

- The City has an active Housing and Human Services Commission, appointed by the City Council, to review the City's housing programs, including fair housing

initiatives and to advise the City Council on these matters. The Commission held public hearings on the 2006 AI and on this 2011 update to the AI. In addition, the City actively seeks Commission members who reflect the linguistic, cultural, and general diversity of the City.

- The City maintains an active list of bilingual employees who are available to assist residents with limited or no English skills, to conduct City business either over the phone or in person.
- The City provides assistance through the Home Access program with its CDBG funds to assist elderly and disabled individuals to retrofit their homes and mobile homes to install and maintain wheelchair lifts and to make them accessible and suitable for their special needs. There are currently over 110 lifts in use by Sunnyvale residents, thanks to this program.
- The City allocates CDBG funds to provide accessibility improvements to sidewalks. Since fiscal year 2009, a total of \$1.9 million has been allocated to this activity, with a total of 517 curbs retrofitted and related pedestrian infrastructure.
- The City broadcasts its Council and Planning Commission public meetings live on its cable access channel, KSUN, and through internet webcasts to provide wider access to public hearings and announcements (including fair housing services) particularly for residents who may not be able to attend meetings in person.
- Housing projects funded with City CDBG and/or HOME grants must comply with fair housing laws, and must be proactive in marketing housing opportunities to individuals and needs groups. City staff monitor its subrecipients for compliance with fair housing laws and the City's affirmative marketing plan. City staff also ensure that these projects contain a sufficient number of housing units that are physically accessible and usable by all persons, especially persons with disabilities and those with limited English proficiency. The City's Affirmative Marketing Policy and Procedures for CDBG and HOME Projects is attached to this AI. Preparation of an Affirmative Marketing Plan is required in City contracts and agreements for these projects and the City monitors the implementation and results of the Plan for each project. The City requires that all housing and/or services funded with its HUD grants be made available to all eligible parties.
- The City has a housing rehabilitation program that focuses on providing decent and affordable housing for low-income homeowners and renters.
- The City funds a number of human services programs that provide services to lower income households, such as assisting them in finding suitable housing.

- The City provides telecommunication relay service for people with impaired speech or hearing and accommodates requests for sign language interpretive services with sufficient advance notice.
- The City supports universal design concepts such as “visitability” and makes every effort to work with homeowners and developers to encourage inclusion in renovations or new developments.