

**Council Meeting: February 3, 2009****SUBJECT: AMENDED WORK PLAN: SUNNYVALE AFFORDABLE HOUSING STRATEGY/SUNNYVALE HOUSING SUB-ELEMENT****REPORT IN BRIEF**

At the October 14, 2008 City Council Meeting, staff presented Report to Council (RTC) 08-309, titled City of Sunnyvale Affordable Housing Strategy. At that meeting, Council directed staff to integrate the Sunnyvale Affordable Housing Strategy with the Sunnyvale Housing Sub-element and return to Council with an outreach Work Plan to include additional outreach to local business and development community, housing advocates, non-profit organizations, various local social groups and to both the Housing and Human Services and Planning Commissions. A modified outreach Work Plan is provided in Attachment A.

In addition, Council approved modifications to existing and conceptual housing programs. Attachment B outlines the status of the approved modified and conceptual programs.

**BACKGROUND**

The strategy provided Council with an updated analysis of affordable housing needs, current demographic and income data and cost comparisons. It provided recommendations to existing Housing programs and identified possible new programs. Council directed staff to integrate it with the Sunnyvale Housing Sub-element and return to Council with an updated outreach Work Plan to incorporate additional outreach.

**DISCUSSION**

Integration of the Affordable Housing Strategy with the Housing Sub-element can easily be accomplished as these documents are similar. On September 9, 2008, Council approved a Work Plan for the Housing and Community Revitalization Sub-element Update. Staff has amended the previous Work Plan to include additional outreach to the local business and development community, housing advocates, non-profit organizations, various local social groups and to both the Housing and Human Services and Planning Commissions (Attachment A). In addition, the following items have been completed or are underway to ensure maximum outreach efforts to the community:

- Staff has added a Housing Sub-element webpage to the Housing Division website to provide information on the housing sub-element process to the community.
- Staff posted a Housing questionnaire, prepared by the Housing Element Consultant, on the City's website to solicit input from the general public for updating the Housing Sub-element.
- An article explaining the update process was published in the Quarterly Report.
- A community meeting flyer was mailed to numerous individuals and organizations to advertise the December and February meetings. The flyer was sent to various housing advocates, non-profit agencies, the Home Builders Association of Northern California, other interested parties and the Sunnyvale Housing and Human Services and Planning Commissions.
- A community meeting was held on December 4<sup>th</sup>.
- Two additional community meetings have been scheduled for February 5<sup>th</sup>, one during the day and one in the evening.
- An additional community meeting may be scheduled in late February.
- Staff worked with the Information Technology Department to create a Housing listserve for interested community members to sign up for email alerts and updates. A link to subscribe to the listserve was posted on the Housing Sub-element webpage.

Attachment B provides a breakdown of the programmatic changes authorized by Council and the status of each. It also provides a breakdown of the conceptual policy changes supported by Council to increase overall affordable housing production.

Several of the approved program recommendations were modified and have been implemented or are in the process of being implemented. The remaining recommendations will either require an Ordinance revision before being implemented, and will be returned to Council in May for consideration or staff will seek additional input from the community as well as elected and appointed officials during the Housing Sub-element public meetings outreach before bringing additional policy recommendations to Council for action.

### **FISCAL IMPACT**

There is no fiscal impact related to this report.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

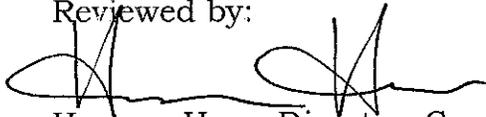
**ALTERNATIVES**

1. Approve the modified Work Plan as outlined in Attachment A.
2. Council determines an alternative Work Plan
3. Take no action.

**RECOMMENDATION**

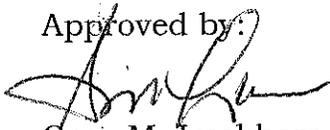
Staff recommends Alternative 1, Approve the modified Work Plan as outlined in Attachment A. The modified Work Plan provides additional outreach to the local business and development community, housing advocates, non-profit organizations, various local social groups and to both the Housing and Human Services and Planning Commissions as directed by Council at the October 14, 2008 City Council Meeting.

Reviewed by:



Hanson Hom, Director, Community Development  
Prepared by: Ernie DeFrenchi, Affordable Housing Manager

Approved by:



Gary M. Luebbers  
City Manager

**Attachments**

- A. Sunnyvale Affordable Housing Strategy/Housing Sub-element Work Plan
- B. Status of Approved Modification and Conceptual Programs

NOV 17 2009 10:00 AM  
CITY OF SUNNYVALE  
COMMUNITY DEVELOPMENT

# Attachment A

**Attachment A:  
Work Plan  
Sunnyvale Affordable Housing Strategy/Sunnyvale Housing Sub-element**

<b>DATE</b>	<b>TASK</b>
August 25, 2008	HHSC Review of Draft RTC - Housing Sub-element Update Work Plan
August 27, 2008	Planning Commission Review of Draft RTC - Housing Sub-element Update Work Plan
September 9, 2008	City Council public hearing on RTC - Housing Sub-element Update Work Plan
Ongoing	Provide periodic updates to the public on the Housing Sub-Element update process and progress using the City's website <ul style="list-style-type: none"> <li>• Creation of Housing Sub-element webpage</li> <li>• Creation of email program to notify public (listserve)</li> <li>• Link on City's main webpage</li> <li>• Housing Sub-element Questionnaire</li> </ul>
September - November 2008	<ul style="list-style-type: none"> <li>• Assemble project team and get staff input</li> <li>• Identify community stakeholders, groups and interested agencies</li> <li>• Review recently approved Housing Strategy and other related documents</li> <li>• Evaluate current Housing Sub-Element</li> <li>• Housing Needs Analysis</li> <li>• Review At-Risk Units</li> <li>• Constraints Analysis</li> <li>• Land Inventory</li> <li>• Housing Resources review</li> <li>• Update goals, policies, and objectives</li> </ul>
December 2008 - February 2009 <ul style="list-style-type: none"> <li>• December 4<sup>th</sup></li> <li>• February 5<sup>th</sup> (10am)</li> <li>• February 5<sup>th</sup> (6pm)</li> <li>• February (TBD) – Stakeholder Meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Community meetings with public and key stakeholders and community groups on topics related to Housing (including current housing needs and existing Housing Programs): <ul style="list-style-type: none"> <li>○ Local businesses/major employers</li> <li>○ Development community</li> <li>○ Chamber of Commerce</li> <li>○ Local Real Estate Associations</li> <li>○ Non-Profits</li> <li>○ Housing Advocates</li> <li>○ Social Groups (Neighborhood Associations, Community Groups)</li> </ul> </li> </ul>
January 2009 – February 2009	<ul style="list-style-type: none"> <li>• Prepare draft Housing Sub-Element based upon research, community input and community conditions:</li> <li>• Draft long range goals</li> <li>• Draft policies</li> <li>• Draft action plan (incorporate action items from Housing Strategy)</li> <li>• Check draft Housing sub-element against General Plan for consistency</li> </ul>
March 2009	<ul style="list-style-type: none"> <li>• Joint Study Session with City Council, Planning Commission &amp; Housing Commission</li> <li>• Environmental analysis and CEQA review</li> <li>• Submittal for State (HCD) review and approval</li> </ul>
April – June 2009	<ul style="list-style-type: none"> <li>• Respond to HCD comments</li> <li>• Finalize and distribute Final Draft Housing Element</li> </ul>
June 2009	<ul style="list-style-type: none"> <li>• Public Hearing &amp; City Council Review of Final Draft &amp; Adoption of 2008-2014 Housing Sub-Element</li> </ul>

Approved Modification	Ordinance Revision Required	Seek Input During Housing Sub-element Meetings	Further Council Action Required
<b>1. Rehabilitation Program</b> <i>Issue: Low rehabilitation loan program utilization, deterioration of housing stock.</i> <i>Target: Low and Very Low income</i>			
A. Standardize interest rates at below market, favorable rates for borrowers.	No	No	No: In Progress
B. Allow combination of different types of rehab loans.	No	No	No: In Progress
C. Eliminate age restrictions in the paint program.	No	No	No: In Progress
D. Develop a pilot program to target rental and ownership rehab and greater incentives to specific areas.	No	No	No: In Progress
<b>2. BMR Down Payment Assistance &amp; First Time Homebuyer Loan</b> <i>Issue: Greater need for down payment assistance due to high ownership costs.</i> <i>Target: Low to Moderate income</i>			
A. Increase First-Time Buyer Down Payment Assistance Loan	No	No	No: In Progress
B. Increase Housing Trust Fund commitment	No	No	Yes - With Budget Proposal
C. Revise HPCC Program for all sectors of employment in Sunnyvale	No	No	Yes - Return to Council with RTC
<b>3. Increase Affordable Housing Production</b> <i>Issue: Need to increase affordable production overall, revise BMR Ordinance.</i> <i>Target: Very Low, Low and Moderate Income</i>			
A. Consider acquisition/rehabilitation of off-site housing to create affordable units only if a greater number of units can be produced.	Yes	Yes	Yes - Return to Council with RTC
B. Allow flexibility in transferring of BMR requirements within project area, only if a greater number of units can be produced.	Yes	Yes	Yes - Return to Council with RTC
C. Increase BMR ownership requirement from 12.5% to 15% only where legally required for future RDA areas.	Yes	No	Yes - Return to Council with RTC
D. Allow 100% of CPI increase as seller equity.	Yes	No	Yes - Return to Council with RTC
E. Incorporate new density bonus law into BMR ordinance.	Yes	No	Yes - Return to Council with RTC
F. Revise Resale Guidelines of Affordable Housing Units	No	No	Done
<b>4. Increase Affordable Housing Production</b> <i>Issue: High subsidies needed to create affordable units</i> <i>Target: Very Low, Low and Moderate Income</i>			
A. Review the Housing Mitigation Fee ordinance to consider including other industrial and commercial developments to increase housing resources for all loan and development programs.	Yes	Yes	Yes - Return to Council with RTC
<b>5. Preserve and Increase Affordability</b> <i>Issue: Need to preserve and increase affordability</i> <i>Target: Very Low, Low and Moderate Income</i>			
A. Strengthen the mobile home and condominium conversion ordinances to ensure sufficient relocation benefits, minimize displacement	Yes	Yes	Yes - Return to Council with RTC
B. Work with nonprofits to acquire and rehabilitate rental units to create and preserve affordable rents	No	No	No - Ongoing
<b>6. Meet ABAG Goals</b> <i>Issue: Need to meet ABAG goals by increasing affordable production. Provide more assistance to moderate income and up to 150% AMI.</i> <i>Target: Very Low, Low and Moderate income up to 150% AM</i>			
A. Explore creation of community land trust (CLT).	No	Yes	Yes
B. Bond Financing.	No	Yes	Yes
C. Increase Funding Allocation to Rental Housing.	No	Yes	Yes