



**Council Meeting: February 12, 2013**

**SUBJECT: Discussion and Possible Action to Approve the 2012 Annual Progress Report on Implementation of the Housing Element of the General Plan**

**BACKGROUND**

California Government Code §65400 requires general law cities and counties to submit an Annual Progress Report (APR) to inform them of the progress the jurisdictions has made in implementing the Housing Element of their General Plan. Government Code §65700 exempts charter cities such as Sunnyvale from the requirements of §65400, however certain grants, such as the Housing Related Parks (HRP) grant requires all applicant jurisdictions to comply with this requirements, including charter cities.

The APR outlines the progress the City has made in meeting its Regional Housing Need Allocation (RHNA) objectives and Housing Element goals. In addition, the information gathered in these reports will streamline the data-gathering process when the Housing Element must be updated in 2014.

California Government Code §65400 also requires that the APR be considered at an annual public hearing before the legislative body, where members of the public shall be allowed to provide oral testimony and written comments on the City's progress in implementing its housing element.

**EXISTING POLICY**

Sunnyvale General Plan – Community Vision

Policy CV-1.2: Provide accurate and through information in a timely manner to ensure that community members have an opportunity to respond effectively.

Sunnyvale General Plan – Land Use and Transportation

Goal LT-3 Appropriate Mix of Housing: Ensure ownership and rental housing options in terms of style, size and density that are appropriate and contribute positively to the surrounding area.

Sunnyvale General Plan – Land Use and Transportation

Policy LT-3.1: Provide land use categories for and maintenance of a variety of residential densities to offer existing and future residents of all income levels, age, groups and special need sufficient opportunities and choices for locating the community.

## **DISCUSSION**

The APR is an important tool for tracking and monitoring the City's progress in addressing its housing needs and goals. In addition, if the charter city wishes to apply for certain state grants made available by California Department of Housing and Community Development (HCD), the APR must have been submitted to the State in the prior year. HCD encourages all cities to submit the report as a way to meet the state requirement to periodically review and update housing elements.

Housing staff has prepared and submitted APRs for calendar years 2010 and 2011 so the City will be eligible to apply for future funding opportunities that require compliance with this reporting requirement. Staff has monitored grant announcements related to the APR since 2010, when the applicable regulations were updated, and has not yet found any viable grant opportunities. However there may be opportunities worth pursuing in future years, therefore it is prudent to submit the reports annually, as eligibility is determined based on APR submittal in the year before the grant applications are due.

The draft 2012 APR (Attachment A) provides the number of housing units for which the City issued building permits during 2012, both in the aggregate and by affordability levels, according to state-defined income levels (extremely low through above-moderate income). The APR also reports on the City's progress to date on implementing the housing programs and objectives listed in the Implementation Plan of the Housing Element. The APR must be submitted to HCD by April 1, 2013.

## **FISCAL IMPACT**

There is no fiscal impact related to the recommendation.

## **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 APR as provided in Attachment A.
2. Approve the APR with modifications.

**RECOMMENDATION**

Staff recommends that the Council hold a public hearing and approve Alternative 1 as provided in Attachment A.

Reviewed by:

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

Approved by:

Gary M. Luebbers  
City Manager

**Attachments**

A. 2012 Annual Progress Report

**Attachment A** – 2012 Annual Progress Report

## ANNUAL ELEMENT PROGRESS REPORT

### Housing Element Implementation

(CCR Title 25 §6202 )

Jurisdiction City of Sunnyvale  
 Reporting Period 1/1/2012 - 12/31/2012

**Table A**

#### Annual Building Activity Report Summary - New Construction Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information									Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development	Deed Restricted Units	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income			See Instructions	See Instructions	
Fusion	5+	O	0	1	12	88	101	101	Other	Inc	0
37 Degrees North	5+	O	0	1	3	48	52	52	Other	Inc	0
Tasman Crossings	5+	O	0	0	2	15	17	17	Other	Inc	0
(9) Total of Moderate and Above Moderate from Table A3			▶	▶	0	45	45				
(10) Total by income Table A/A3			▶	▶	2	17	196	215	170		
(11) Total Extremely Low-Income Units*											

\* Note: These fields are voluntary

## ANNUAL ELEMENT PROGRESS REPORT

### Housing Element Implementation

(CCR Title 25 §6202 )

Jurisdiction City of Sunnyvale  
 Reporting Period 1/1/2012 - 12/31/2012

**Table A2**  
**Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity	0	37	9	46	City provided assistance to rehabilitate a 20-unit rental property (Garland Plaza) for low and very-low income residents, a 5-bedroom group home for very-low income residents (Momentum Arbor Project) and 25 units in rental property designated for very-low income residents (Homestead Park). Regulatory Agreements were executed securing the affordability requirements for an additional 55 years, 30 years and 47 years respectively.
(2) Preservation of Units At-Risk	0	0	0	0	
(3) Acquisition of Units	0	0	0	0	
(5) Total Units by Income	0	37	9	46	

\* Note: This field is voluntary

**Table A3**  
**Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)**

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for <b>Moderate</b>	0	0	0	0	0	0	0
No. of Units Permitted for <b>Above Moderate</b>	45	0	0	0	0	45	45

\* Note: This field is voluntary

## ANNUAL ELEMENT PROGRESS REPORT

### Housing Element Implementation

(CCR Title 25 §6202 )

Jurisdiction City of Sunnyvale  
 Reporting Period 1/1/2012 - 12/31/2012

**Table B**

### Regional Housing Needs Allocation Progress

#### Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2007/2008	2009	2010	2011	2012					Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level	RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	1,073	0	0	124	0	12				136	937
	Non-deed restricted		0	0	0	0						
Low	Deed Restricted	708	132	12	101	2	11				258	450
	Non-deed restricted		0	0	0	0						
Moderate	Deed Restricted	776	0	4	0	22	17				43	202
	Non-deed restricted		0	0	531	0	0				531	
Above Moderate		1,869	693	100	93	464	196				1,546	323
Total RHNA by COG. Enter allocation number:		4,426										
Total Units ▶ ▶ ▶			825	116	849	488	236				2,514	1,912
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶												

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

**Table C**

**Program Implementation Status**

<b>Program Description (By Housing Element Program Names)</b>	<b>Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.</b>		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
1. Below Market Rate (BMR) Program	Review and refine BMR guidelines and codes to add program flexibility, accommodate current market conditions, and improve overall effectiveness.	2009-2014. Complete program modifications in 2009.	Completed, in July 2012, City Council repealed Sunnyvale Municipal Code (SMC) 19.66 and adopted SMC 19.67 – Below Market Rate Ownership Housing and SMC 19.69 Existing Below Market Rate Rental Housing.
2. Homeownership Programs -First Time Homebuyer (FTHB) -Housing for Public Sector, Teachers, Child Care Workers (HPCC) -Mortgage Credit Certificate (MCC)	Revise program guidelines to improve effectiveness and adjust to market conditions. Assist 20 homebuyers per year with FTHB/HPCC and 8 with MCC.	2009-2014. Revise FTHB and HPCC program guidelines in 2009.	Completed, City Council approved revised FTHB Program in July 2009. During this Housing Element cycle, 14 FTHB loans have been funded.
3. Affordable Housing Development Assistance	Provide financial and regulatory assistance for new affordable housing development, using available funds. Identify new sources of funding.	2009-2014. Evaluate expansion of Housing Mitigation Fee in 2011.	City evaluated increasing the fee in early 2011, however, due to the recession it was determined that it was not appropriate to increase the fee at that time. This item will be considered again in 2013/2014.
4. Density Bonus Provisions	Update density bonus provisions; coordinate and publicize with BMR program.	Adopt ordinance updates in 2010.	The density bonus provisions were updated to be consistent with CA State Law and adopted as part of the BMR Program review (item 1). The revised Density Bonus provisions are now part of Sunnyvale Municipal Code, Chapter 19.18.
5. Homeowner Rehab Programs 5a. Rehab Loans 5b. Energy Loans 5c. Paint Loans/ Grants 5d. Accessibility Grants 5e. Emergency Loans	Implement program modifications to enhance effectiveness. Assist 40 households/year under all 5 rehab programs.	2009-2014. Complete program modifications in 2009.	Program modifications have been completed. Households are assisted on an ongoing basis throughout this Housing Element cycle (2009-2014). During this Housing Element cycle, 72 loans/grants have been funded.

6. Multi-Family Rental Rehabilitation	Reconsider feasibility and demand for program, and recommend alternatives for program modifications.	Recommend revisions to Multi-Family Rental Rehab Program to City Council in 2010.	The program was evaluated and it was determined that program modifications are not needed at this at time. Since 2009, a number of large multi-family rehabilitation projects have been funded: Aster Park, Homestead Park, Garland Plaza, etc.
7. Multi-Family Rental Property Acquisition/ Preservation/ Rehabilitation	Assist at least one large multi-family rental project (60-100 units)	2009-2014	In 2012, City provided assistance to rehabilitate a 20-unit rental property, known as Garland Plaza. This project is underway and will be completed in 2013.
8. Neighborhood Enhancement Program	Target one new neighborhood per year for comprehensive neighborhood improvements, enhancing approximately 200 homes annually.	Complete one enhancement area annually.	Completed areas in 2009, 2010, 2011 and 2012.
9. Preservation of Assisted Rental Housing	Monitor affordability controls in 245 at-risk units. If Section 8 expires - conduct tenant education and support in search of alternative housing.	Annually contact non-profit owners to confirm status of Section 8 contract.	City provided assistance to preserve affordability at 95-unit rental property (Aster Park) with expiring deed restrictions.
10. Section 8 Rental Assistance	Seek to maintain current levels of Section 8; encourage landlords to register units.	2009-2014	Ongoing.
11. Mobile Home Park Preservation	Implement current mobile home park protections. Evaluate ordinance modifications to enhance tenant protections.	2009-2014. Recommend revisions to Mobile Home Park Ordinance to City Council in 2011.	Completed. In November 2012, City Council adopted revisions to Sunnyvale Municipal Code 19.72 - Conversion of Mobile Home Parks to Other Uses.
12. Foreclosure Prevention	Promote foreclosure counseling services through the City's website and newsletter. Coordinate with the Santa Clara County Board of Realtors.	Initiate foreclosure outreach in 2009.	Completed.

13. Condominium Conversion Regulations	Implement tenant protections under current ordinance.	2009-2014	Complete. The Condominium Conversion Ordinance was found to be adequate, with sufficient tenant protection.
14. Zoning Text Amendments	Amend Zoning Code to make explicit provisions for a variety of special needs housing. Develop objective standards to regulate emergency shelters.	Complete ordinance revisions in 2010.	Zoning Code amendments were adopted on 12/6/2011. Included provisions for emergency shelters, transitional housing and supportive housing.
15. Multi-family and Mixed-Use Processing Procedures	Amend Zoning Code to replace multi-family use permit with an administrative hearing process in multi-family and mixed use zones for projects up to 50 units. For residential projects still subject to use permit, annually evaluate processing times and conditions.	Amend the Zoning Code in 2010. Annually evaluate processing times and conditions on residential projects subject to a CUP.	Zoning Code amendments were adopted on 12/6/2011.
16. Modified Parking Standards	Amend the Zoning Code to specify reduced parking standards for senior housing, housing for persons with disabilities, and housing in close proximity to transit.	Amend the Zoning Code in 2010.	Zoning Code amendments were adopted on 12/6/2011.
17. Residential Sites Inventory	Maintain current inventory of potential residential and mixed use sites; provide to developers in conjunction with information on incentives.	2009-2014	Ongoing
18. Minimum Densities	Inform developers of policy to develop to at least 75% of General Plan density.	2009-2014	Ongoing

19. Downtown Specific Plan	Facilitate site assembly through marketing and purchase of strategic parcels. Encourage provision of affordable housing by requiring BMR units to be provided on-site or within the boundaries of the Specific Plan, and by promoting density bonus and development incentives available in conjunction with the BMR program.	2009-2014	Completed/Ongoing. Several projects are expected to exercise the state density bonus allowance.
20. Accessory Living Units (ALUs)	Implement City's ordinance to accommodate ALUs, and place information on the City's website.	2009-2014. Add ALU information to CDD page on City's website in 2009.	Completed
21. Fair Housing Program	Contract with qualified agencies for comprehensive fair housing services and tenant/landlord mediation.	Annually review Fair Housing reports to assess any trends and develop appropriate actions.	Completed/Ongoing
22. Shared Housing Program	Contact cities and service providers about re-establishing a senior shared housing program.	Contact service agencies in 2010.	Catholic Charities provides this service.
23. Accessible Housing	Develop and adopt Reasonable Accommodations procedures and disseminate info on City's website and at City Hall. Provide grants for accessibility improvements.	Adopt Reasonable Accommodation procedures in 2010.	The City provided 9 accessibility grants in 2012.  Reasonable Accommodation procedures were adopted and incorporated into the Zoning Code on 12/6/2011.

24. Emergency Shelter and Emergency Services	Financially support area homeless shelter and service providers. Facilitate provision of approx. 100 units of homeless housing in association with Onizuka base conversion.	2009-2014. Provide 100 units of homeless housing by 2012.	In progress
25. Sustainability and Green Building	Continue sustainability program. Adopt a local green building program.	Adopt Green Building Program in 2009.	Completed in 2009 with recent amendments in 2011 to increase green building requirements.

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

**Jurisdiction**      City of Sunnyvale  
**Reporting Period**      1/1/2012 - 12/31/2012

**General Comments:**