



**For Planning Commission Review
on August 25, 2008 and
Housing and Human Services Commission Review
on August 27, 2008**

Council Meeting: September 9, 2008

SUBJECT: 2008-0489 City of Sunnyvale: Work Plan to Update Housing and Community Revitalization Sub-element of the General Plan for 2009-2014.

REPORT IN BRIEF

All California cities and counties are required to have a Housing Element included in their General Plan which establishes housing objectives, policies and programs in response to community housing conditions and needs. California jurisdictions are required by the State Department of Housing and Community Development ("HCD") to update their Housing Element generally every five years, or when HCD issues the fair share housing goals to jurisdictions. The Association of Bay Area Governments ("ABAG") provides each Bay Area jurisdiction with their Regional Housing Needs Allocation (RHNA) numbers. Jurisdictions are responsible for analyzing their demographics and preparing a plan of action and implementation schedule (Housing Element goals, policies, and directives) to provide needed housing units and preserve and maintain the existing housing stock to meet RHNA goals.

The Housing and Community Revitalization Sub-Element of the City of Sunnyvale's General Plan was last updated in 2001. HCD requires review and certification of the revised Housing and Community Revitalization Sub-Element by June 30, 2009.

Staff recommends that Council approve the proposed Work Plan in this report to update the Housing and Community Revitalization Sub-element ("Housing Sub-element") for the 2007-2014 cycle.

BACKGROUND

The current Housing Sub-element was originally adopted in 1988 and has since been updated twice, once in 1991 and again in 2001. The Housing Sub-element is assumed to be a 5-year document; however it was not updated in 1996 due to the lack of state funds needed for preparing new "housing needs" numbers, therefore, HCD allowed an extension.

The Housing Sub-Element update will require review and certification by HCD and must be adopted by June 30, 2009.

PUBLIC CONTACT

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

ALTERNATIVES

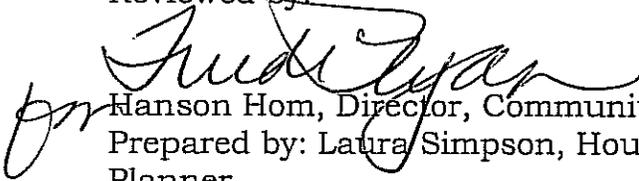
The City Council has three possible courses of action:

1. Approve the work plan, as proposed.
2. Approve the work plan with modifications.
3. Defer the update of the Housing Sub-element at this time.

RECOMMENDATION

Staff recommends Alternative 1.

Reviewed by:



Hanson Hom, Director, Community Development Department

Prepared by: Laura Simpson, Housing Officer and Surachita Bose, Associate Planner

Approved by:



Amy Chan
City Manager

ATTACHMENTS

- Attachment A: Work Plan for Housing Sub-Element update
- Attachment B: Roles and Responsibilities for Housing Sub-Element update
- Attachment C: Proposed Scope of Work- KWA's Scope of Services, Cost Estimate and Work Schedule

Attachment A
 Work Plan
 Housing and Community Revitalization Sub-Element Update
 FY 2008-09

DATE	TASK
September 2008	City Council public hearing on Work Plan
Ongoing	Provide periodic updates to the public on the Housing Sub-Element update process and progress using the City's website
September-November 2008	<ul style="list-style-type: none"> • Assemble project team and get staff input • Identify community stakeholders, groups and interested agencies • Review Housing strategy and other related documents • Evaluate current Housing Sub-Element • Housing Needs Analysis • Review At-Risk Units • Constraints analysis • Land Inventory • Housing Resources review • Update goals, policies, and objectives
September 2008-January 2009	<ul style="list-style-type: none"> • Community meetings with public and key stakeholders and community groups on topics related to Housing.
January 2009 – February 2009	<ul style="list-style-type: none"> • Prepare draft Housing Sub-Element based upon research, data collection, community input and community conditions: • Draft long range goals • Draft policies • Draft action strategies
February 2009	<ul style="list-style-type: none"> • Check draft Housing sub-element against General Plan for consistency
February 2009	<ul style="list-style-type: none"> • Planning Commission, Housing Commission and City Council Study Session
March 2009	<ul style="list-style-type: none"> • Environmental analysis and CEQA process
March 2009	<ul style="list-style-type: none"> • Submittal for State Review
March – June 2009	<ul style="list-style-type: none"> • Final Housing Element Preparation and Publication

Attachment B
Roles and Responsibilities
Housing and Community Revitalization Sub-Element Update
FY 2008-09

Director of Community Development

Sets direction for project. Approves any work products. Provides direction on development of Goals, Policies and Action Strategies.

Housing Officer/Planning Officer

Housing Officer will be the overall project manager. In consultation with the Planning Officer facilitates inter-department coordination; supervises project team, including consultant and staff, and manages work program; provides input and direction to analysis and development of goals, policies and action strategies.

Project Consultant: Karen Warner Associates

Provides project management on background analysis, community outreach, Housing Sub-Element drafting, environmental review, and communication with HCD for final Housing Sub-Element certification. Prepares reports and presentations for Commission and City Council study sessions. See attachment C for more detail.

Affordable Housing Manager

Assist consultant and team in background research and data, in community outreach meetings, and provides input in development of goals, policies and strategies.

Associate Planner

Assist consultant and team in background research and data gathering, community outreach meetings, and provides input in development of goals, policies, and strategies.

General Public

The general public will be given the opportunity to participate in a variety of ways. Some may participate in focused workshops/discussion groups and will help incorporate the Sunnyvale Community Vision into the document. Public hearings with Planning Commission and Housing and Human Services Commission and the City Council will also be noticed.

Planning Commission

Provides city-wide perspective in the review of the Draft Housing Sub-element and helps to integrate with General Plan. Provides comments, alternatives and recommendations to the City Council on the Housing Sub-Element and environmental review. Acts as a public hearing body for the Housing Sub-element.

Housing and Human Services Commission

Provides city-wide perspective in the review of the Draft Housing Sub-element and helps to integrate with General Plan. Provides comments, alternatives and recommendations to the City Council on the Housing Sub-Element and environmental review. Acts as a public hearing body for the Housing Sub-element.

City Council

Responsible for certifying the Final environmental review and adopting a final Housing and Community Revitalization Sub-Element with Goals, Policies, and Action Strategies that will direct housing and policy decisions for the next five to ten years.

Staff

Provide periodic review of data and findings for accuracy and completeness, to ensure validity and ability to implement. Serve as a data resource throughout. ELT will be provided an opportunity to review the draft document.

**PROPOSED Consultant Scope of Services
Housing and Community Revitalization Sub-Element
FY 2008-09**

Karen Warner Associates, with M-Group (KWA) has been selected to update the Sunnyvale housing and Community Revitalization Sub-Element ("Housing Sub-Element"). Work will begin no later than September 2008 (and may start earlier, at the City's direction) and will conclude no later than July 2009.

STREAMLINED APPROACH

Administrative reforms by the California Department of Housing and Community Development (HCD) allow cities with an HCD-approved housing element to re-certify by addressing only *changed conditions*. For Sunnyvale, this means reviewing and revising the current Housing Sub-Element based on an analysis of the results of programs and policies; using the new regional Housing Needs Allocation from ABAG; and taking into account any changes in local circumstances (*e.g.*, changes to land availability, zoning, or building or density standards).

FORMAT

Typically, HCD prefers changes not be made to the format or content of a previously certified Housing Element. Changes to the format make it difficult for HCD to compare the new (proposed) draft against the current certified element. Therefore, KWA will retain the current format of the Housing Sub-Element for the **2007-2014** Housing Sub-Element.

DATA IN GENERAL

KWA will compile and evaluate data from the 2000 Census, ABAG 2007 Projections, School District enrollment projections, State Department of Finance, and available local studies to derive needed demographic and household information.

Several discrete tasks have been identified by the City in preparing the Housing Sub-Element update. All tasks are elaborated more fully below.

TASK 1 - KWA WILL READ AND BECOME FAMILIAR WITH CURRENT HOUSING AND COMMUNITY REVITALIZATION SUB-ELEMENT, DRAFT SUNNYVALE HOUSING STRATEGY, SUNNYVALE CONSOLIDATED PLAN, AND COMMUNITY VISION 2007.

TASK 2 - HOUSING NEEDS ANALYSIS; EVALUATION OF THE CURRENT HOUSING SUB-ELEMENT; LIST AREAS WHERE FURTHER PROGRESS IS NEEDED.

ABAG received its overall allocation from State HCD, prepared fair share allocations for all jurisdictions in the Bay Area, and released housing allocations to all Bay Area jurisdictions on July 24, 2007. The numbers for Sunnyvale call for providing 4,426 dwelling units over an 8-year period from the beginning of 2007 to the end of 2014. Of those, 1,073 (24.3%) are to be affordable to households earning less than 50% of the Santa Clara County Area Median Income (AMI); 708 (16%) are to be affordable to households earning between 50% and 80% the County AMI; 776 (17.6%) should be affordable to households earning between 80% and 120% AMI; and 1,869 (42.3%) may be affordable to households earning more than 120%

AMI.

2a. EVALUATING THE CURRENT ELEMENT. List areas where further progress is needed. Review the accomplishments and catalogue the inadequacies of the goals, policies, programs and objectives of the current Housing Element. Consultant will analyze the difference between what was projected in the previous element and what was achieved and use this to list areas where further progress is needed, and from that, draft a set of effective goals, policies, programs, and realistic objectives for the period through 2014.

2b. ANALYZING HOUSING NEEDS. Update the current Element using the most recent data available on current incomes and house prices, and an inventory of potential housing sites (to be provided by or developed in conjunction with City staff). Examine household conditions (overpayment, overcrowding); housing stock conditions; special housing needs (elderly, disabled, large family, female-headed households, farm workers (if any), and the homeless); and units at risk of conversion from low-income to market rate. Examine household characteristics, including population and employment trends, and the incidence of overpayment and overcrowding.

TASK 3 - AT-RISK UNITS. KWA will work with City staff to identify any existing subsidized units that are at-risk of conversion to market-rate. To the extent that at-risk units are identified, KWA will list 1) each development by name and address, 2) type of governmental assistance received, 3) the earliest date of change from low-income use, and 4) the total number of elderly and non-elderly units that can be lost from Sunnyvale's low-income housing stock each year over the period from 2007 through 2014. In addition, KWA will estimate the cost of producing new rental housing that is comparable in size and rent levels to replace any units lost; estimate the cost of preserving the assisted housing developments; identify public and non-profit corporations with the capacity to acquire and manage the housing developments; and analyze federal, State, and local financing and subsidy programs that can be used to preserve the housing developments.

TASK 4 - LAND INVENTORY. KWA will work with City staff and work group's to identify specific and adequate housing sites with appropriate zoning and development standards to accommodate Sunnyvale's regional housing need. The survey will include for vacant sites:

- Zoned for residential use
- Zoned for non-residential use that allows residential use
- Zoned for residential use that can be developed at higher density
- Zoned for nonresidential development that can be redeveloped for, rezoned for, residential use
- List of sites by parcel number or other reference
- Size of each site

And for non-vacant sites:

- Description of existing use
- Description of environmental constraints to housing development for which

documentation is available

- Description of existing planned water, sewer and dry utilities supply, including the availability and access to distribution facilities
- Sites identified for housing for above-moderate income households in areas not served by public sewer
- Map that shows location of sites
- Residential development potential during housing element planning period along with assumptions used

TASK 5 - GOVERNMENTAL AND NON-GOVERNMENTAL CONSTRAINTS. KWA will analyze the effects of land use controls, codes and enforcement measures, on and off-site improvement requirements, fees and exactions, and permit processing procedures on housing affordability. KWA will investigate the impact on housing affordability of non-governmental constraints such as land and construction costs and the availability of land and financing. KWA will include Sunnyvale's green building policies as part of the Housing Sub-Element update.

TASK 6 - SUMMARIZE SUNNYVALE'S HOUSING RESOURCES AND FUNDING MECHANISMS AVAILABLE. KWA will summarize Sunnyvale's housing resources including the existing housing stock, normal construction in the private market, and available subsidies and other programs that can increase the supply of affordable housing. List successful funding mechanisms currently in use in Bay Area communities, including Housing Trust Funds, Housing Action Committees, Second Mortgage Programs.

TASK 7 - UPDATE GOALS, POLICIES, PROGRAMS, OBJECTIVES. KWA will review, update, and recommend new action programs that assist in the development of housing for low and moderate income households, that remove or mitigate governmental constraints to affordable housing, that conserve and improve the existing affordable housing stock, that promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color and that preserve units at-risk of converting to non-low-income uses. KWA will update existing quantified objectives to spell out the number of units by income level to be built, rehabilitated or conserved under each action program. Objectives include target dates for accomplishing objectives and agencies responsible for seeing that the objectives are met.

TASK 8 - OUTREACH. KWA will perform community outreach through a series of meetings, inviting members of the Housing and Human Services Commission, the Planning Commission, and/or other community representatives, to help identify housing issues and proposed solutions and provide community input for the Housing Sub-Element. KWA will facilitate and prepare for several meetings over a period of 4 months. KWA will also prepare for a Study Session with City Council and the Commissions, and public hearings or meetings associated with the review of the draft Housing Sub-Element. KWA will document all efforts to achieve public participation through these meetings.

TASK 9 - CHECK DRAFT HOUSING ELEMENT AGAINST GENERAL PLAN FOR

CONSISTENCY. KWA will work with City staff to determine whether any changes to the existing City of Sunnyvale General Plan will be needed to ensure consistency with the new Housing Sub-Element (or vice versa).

TASK 10 - ENVIRONMENTAL ANALYSIS AND CEQA PROCESS. KWA will ensure that the Housing Sub-Element update is sensitive to environmental issues, opportunities and constraints. In consultation with City staff, KWA will prepare an Initial Study that will identify the project-related issues and impacts associated with each environmental topic in Appendix G of the CEQA Guidelines.

TASK 11 - SUBMITTAL FOR STATE REVIEW. KWA will assist staff in presenting the draft Housing Sub-Element to HCD for review and re-certification. KWA will be responsible for sending a copy of the Draft Housing Element to HCD for review (as required by law) at least 45 days in advance of adoption of the Housing Sub-Element by the Planning Commission. During the State's review of the draft Housing Sub-Element, KWA will schedule a conference call with the assigned HCD reviewer along with City staff to discuss any potential concerns the State may have with the Housing Sub-Element. KWA will recommend appropriate modification to the draft Housing Sub-Element in response to any concerns.

TASK 12 - CITY COUNCIL STUDY SESSION. KWA will work with City staff to plan and facilitate a study session with the City Council and Planning Commission in April/May 2009. KWA will present a summary of the Housing Sub-Element's housing needs, policies and programs, prepared both as a handout and as a PowerPoint Presentation. KWA will invite workshop participants directly to provide additional opportunity for input prior to public hearings.

CITY RESPONSIBILITIES. City will undertake the following:

- Provide KWA with maps of and information regarding vacant and underused sites proposed for housing. The maps will be in a format suitable for embedding in the housing element file or for photocopying. KWA will generate maps that clearly show and depict sites utilizing Geographic Information Systems or other mapping software.
- Provide KWA with available citywide existing housing and demographic data.
- Provide KWA with electronic files of existing Housing Sub-Element. Documents may be scanned as text if electronic files do not exist.
- Calendar all meetings and provide all public notices.
- Keep minutes of public hearings and city council study session.
- Reproduce all necessary copies of the draft Housing Sub-Element and any working memorandums from camera ready copies provided by consultant.
- Distribute the draft and final adopted Housing Sub-Element to neighboring jurisdictions, the County of Santa Clara, school and water districts, and any other public agencies as required by law.
- Environmental analysis.

SUNNYVALE HOUSING SUB-ELEMENT UPDATE
Consultant
WORK TASKS AND ESTIMATED COST

Task Description	Hours	Amount	Dates
Read and become familiar with current Housing Element Housing Needs Analysis Evaluate and list accomplishments of current Housing Element Governmental and Non-governmental Constraints Analysis	82	\$15,800	July - Nov 2008
Prepare Land Inventory Summarize Sunnyvale's housing resources and funding mechanisms available Update goals, policies, programs, objectives	66	\$7,700	Sept – Oct 2008
Outreach	20	\$4,850	Sept 2008 – Jan 2009
Check draft housing element against general plan for consistency (Overall preparation of Draft Housing Sub-Element	90	\$11,700	Feb 2009
Environmental analysis and CEQA process	60	\$5,600	Mar 2009
Submittal for state review	28	\$3,800	Feb/Mar 2009
City council study session	20	\$2,500	Feb 2009
Final Housing Element Preparation	70	\$8,950	Mar-June 2009