



# City of Sunnyvale

## Agenda Item

22-0159

Agenda Date: 8/24/2022

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### REPORT TO HOUSING AND HUMAN SERVICES COMMISSION

#### SUBJECT

Consider Draft Assessment of Fair Housing

#### BACKGROUND

The City receives an annual award of federal grant funds from the Department of Housing and Urban Development (HUD). For 2022, the grant amount is approximately \$1.5 million collectively for the Home Investment Partnerships (HOME) and Community Development Block Grant (CDBG) programs. The City uses these funds to support affordable housing, public improvements, and homeless prevention services.

Cities and counties that receive CDBG and HOME funds from HUD are required to complete an Assessment of Fair Housing (AFH) once every five years (the five-year rule was later modified, as discussed below). HUD requires federal entitlement jurisdictions (such as Sunnyvale) that receive CDBG and HOME funds to certify that they will affirmatively further fair housing by analyzing impediments to fair housing choices within their jurisdictions and to take appropriate actions to overcome the effects of any impediments identified through that analysis and maintain records on the progress being made through various actions. The City's current AFH was prepared in 2014.

The Affirmatively Furthering Fair Housing ("AFFH") Final Rule was published by HUD in July 2015 to establish a process that clarifies how recipients of HUD funding are required to meet obligations to affirmatively further fair housing as established by the Fair Housing Act, which was adopted as part of Title VIII of the Civil Rights Act of 1968. In 2018, the Trump Administration made the Assessment optional. In response, the California Legislature passed Assembly Bill 686 (Santiago) in 2018. This California law requires that an AFH be included as part of a jurisdiction's Housing Element. The State law basically mirrors the 2015 version of the federal guidance for the AFH.

In 2019, the City partnered with the County's Office of Supportive Housing and other jurisdictions within the County of Santa Clara to retain the Lawyers' Committee for Civil Rights Under Law (LCCR) as consultants to help prepare the AFH. LCCR used HUD databases to prepare an overview of the City and County population demographics and housing markets. Then LCCR and the City, along with partnering jurisdictions, conducted local outreach to obtain input on potential fair housing concerns from stakeholders such as public and private housing providers, property managers, residents and public agencies. The project was significantly delayed due to the COVID-19 pandemic and then stalled further due to Housing Element Update schedules; however, the County finally adopted their AFH on June 28, 2022.

#### EXISTING POLICY

**2020-2025 HUD Consolidated Plan:**

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| Goal A | Assist in the creation, improvement, and preservation of affordable housing for lower-income and special needs households. |
| Goal B | Alleviation of Homelessness  |
| Goal C | Support provision of essential human services, particularly for special needs populations.                                 |
| Goal D | Expanding Economic Opportunities   |

### **ENVIRONMENTAL REVIEW**

This matter is not a project within the meaning of CEQA, because the creation of government funding mechanisms or other government fiscal activities, such as annual grant reporting, do not involve commitments to any specific project which may result in a potentially significant physical impact on the environment (CEQA Guideline 15378(b)(4)).

### **DISCUSSION**

The AFH is a thorough examination of structural barriers to fair housing choice and access to opportunity for members of historically marginalized groups protected from discrimination by the federal Fair Housing Act (FHA). This AFH is a collaborative effort encompassing the County and all seven entitlement jurisdictions within the County. The AFH also outlines fair housing priorities and goals to overcome fair housing issues. In addition, the AFH lays out meaningful strategies that can be implemented to achieve progress towards the County's obligation to affirmatively furthering fair housing. The AFH draft references broader regional data and goals (County) around fair housing - then references City specific data and goals and compares the two entities. It is important to note that the County and City have similar proposed goals and actions cited in their respective AFH plans.

#### *Outreach*

From October 2019 to January 2020, the LCCR and staff from a variety of jurisdictions facilitated a community engagement process through print, social media, community meetings, focus groups and surveys. In December 2019, the Santa Clara AFH Advisory Committee, representing several community and stakeholder groups, was established to provide ongoing input to the consultants during the AFH process. All jurisdictions in the County of Santa Clara participated in the AFH Advisory Committee, including Sunnyvale.

During the first phase of community engagement, the LCCR held numerous in person outreach meetings with hundreds of stakeholders throughout the County to receive regional stakeholder feedback. Meetings held included tenants, landlords, homeowners, fair housing organizations, civil rights and advocacy organizations, legal services providers, social services providers, housing developers, local housing and planning staff, and industry groups. Then, between October 1, 2019 and January 29, 2020 the City held more locally focused meetings to get specific feedback about Sunnyvale.

The second phase of community engagement focused on discussing the findings of the report and review of the recommended goals with the AFH Advisory Committee, and other partners. The LCCR engaged in an in-depth analysis of quantitative and qualitative data to identify contributing factors. Contributing factors are defined as "a factor that creates, contributes to, perpetuates or increases severity of one or more housing issues."

Some of the key contributing factors described during the AFH process include the following:

1. Displacement of residents due to economic pressures.
2. Loss of affordable housing.
3. Lack of affordable housing, accessible housing in a range of unit sizes.
4. Land use and zoning laws.
5. Private discrimination.

### *Key Data Findings*

The AFH analyzes a variety of issues, including patterns of residential segregation. A common metric used to determine levels of residential segregation between groups is the Dissimilarity Index, - which shows the degree two-groups are distributed across a geographic area. The Dissimilarity Index for the City reflects low levels of segregation for all racial and ethnic groups, - though Hispanic residents are approaching the moderate threshold, which is important to consider and to continue to assess.

While the City has low levels of residential segregation, it is important to note that Sunnyvale's school proficiency data represents a disparity among racial groups. Where the White and Asian populations have more access to proficient schools, pursuant to the School Proficiency Index, the Black, Hispanic and Native American populations have less access. The Black and Native American populations, as cited in the AFH, are small, making up respectively 1.59% and 0.17% of the total population in Sunnyvale.

Part of the issue with school access in Sunnyvale is that Sunnyvale students are served by multiple school districts, including Sunnyvale School District (entirely within the boundaries of Sunnyvale), Cupertino Union School District (which serves residents in five cities), Fremont Union High School District (which serves students in the Sunnyvale and Cupertino Union school districts) and Santa Clara Unified School District (which serves students in four cities). Attachment 3 is a map of the school districts serving Sunnyvale. While most schools serving Sunnyvale students perform above standard in English and math, it is important to better understand, in an effort to remedy the issue, how access to quality public schools may be more challenging for some groups, compared to others.

As the City continues to discuss contributing factors, along with strategies to address any disparities, one larger action item can include partnering with local school districts to further assess this finding.

### *Goals and Strategies*

The Goals and Strategies Section of the AFH is a response to the contributing factors identified in the AFH. This section provides draft strategies for the City to help address the types of fair housing issues and contributing factors affecting people:

- **Goal 1:** Promote residential and racial and ethnic integration and reduce displacement by increasing the supply of affordable housing in high opportunity areas, areas with ongoing displacement, and areas where residents are at risk of displacement.
- **Goal 2:** Reduce zoning and land- use barriers to affordable housing development.
- **Goal 3:** Protect tenants from displacement through more robust tenant protections and access to legal services.
- **Goal 4:** Increase access to opportunity for residents of historically disinvested low -income communities of color.
- **Goal 5:** Adjust prioritization of permanent supportive housing to meet the needs of Hispanic

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residents more equitably, domestic violence victims, persons with limited English proficiency and individuals with chronic health problems.

- **Goal 6:** Increase support for fair housing enforcement, education and outreach.

HUD and the California Department of Housing and Community Development (HCD) expect the City, in conjunction with its partner agencies, to make a reasonable effort to carry out the identified goals of the Assessment of Fair Housing. These goals are very similar to fair housing goals found in the Draft 2023-2031 Housing Element (see Attachment 4 for a side-by-side comparison of AFH and HE Goals and policies/programs). While the AFH was prepared with 2019 data due to the timing of the project, more recent analysis done during the Housing Element update mirrors this work and the outcomes and goals remain consistent.

### **FISCAL IMPACT**

There is no cost or fiscal impact related to approving this report. However, it is important to note that some of the proposed goals and actions, if pursued, would require funding from the Housing Department's operating budget, or a request to City Council for additional funding.

### **PUBLIC CONTACT**

In addition to the substantial outreach conducted as part of this project, public contact was made through posting of the Housing and Human Services Commission agenda on the City's official-notice bulletin board and the agenda and staff report on the City's website. Notice of a public hearing, including a 30-day public comment and review period, was published in a legal advertisement in the *Sunnyvale Sun* newspaper on August 12, 2022.

### **ALTERNATIVES**

#### **Recommend that the City Council:**

1. Approve the draft Assessment of Fair Housing as presented in Attachment 2 of the staff report.
2. Approve the draft Assessment of Fair Housing as presented in Attachment 2 of the staff report, with modifications.
3. Do not approve the draft Assessment of Fair Housing and provide direction to staff.

### **RECOMMENDATION**

Alternative 1: Recommend that the City Council Approve the draft Assessment of Fair Housing as presented in Attachment 2 of the staff report.

Prepared by: Leif Christiansen, Housing Programs Analyst  
Reviewed by: Jenny Carloni, Housing Officer  
Reviewed by: Trudi Ryan, Director, Community Development  
Reviewed by: Teri Silva, Assistant City Manager  
Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Reserved for Report to Council
2. Sunnyvale Draft Assessment of Fair Housing
3. Map of School Districts Serving Sunnyvale
4. Comparison of Assessment of Fair Housing Draft Housing Element Goals and Policies