



Sunnyvale

2023-2031 Housing Element Update

Planning Commission
November 27, 2023



Agenda

- Overview
- Timeline
- Key Topics
- Housing Capacity
- CEQA
- Next Steps
- Recommendation



OCTOBER 2023
SECOND REVISED HCD DRAFT



**2023–2031
HOUSING ELEMENT**



Housing Element Overview

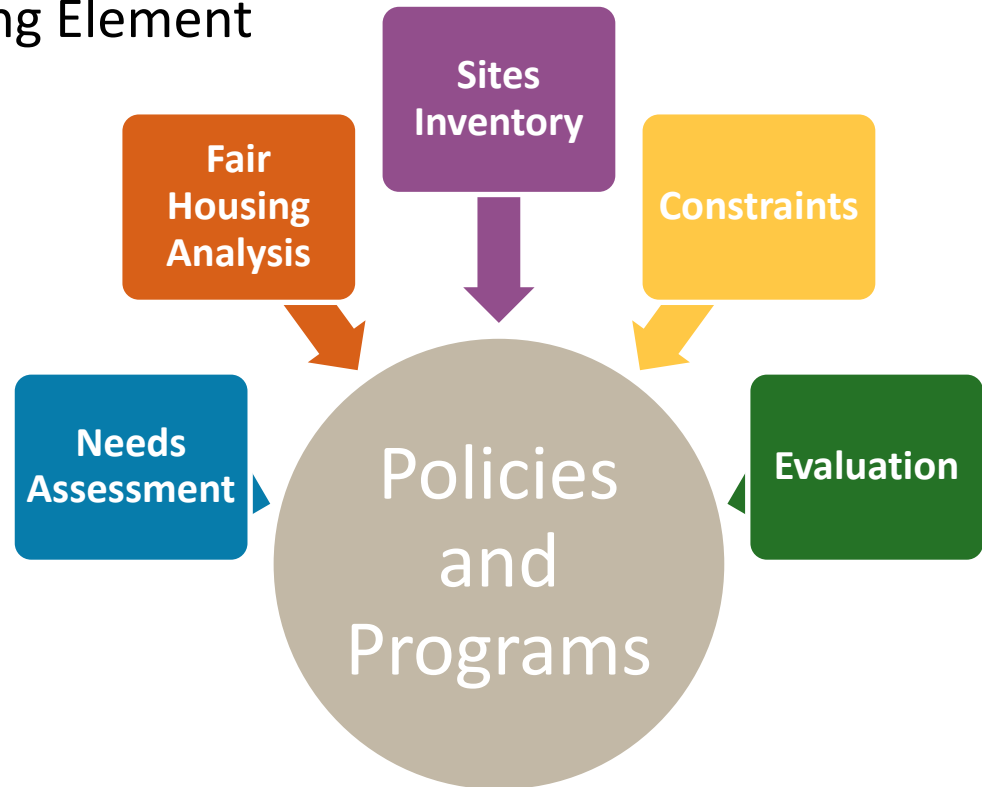
- **City's plan to meet the housing needs of the community**
 - ◆ Required element of the General Plan
 - ◆ Accommodates fair share of regional housing need
 - ◆ Updated every 8 years
 - ◆ Required Review and Certification by Department of Housing and Community Development (HCD)



Housing Element Overview (cont.)

- **Housing Element Contents**

- ◆ Housing Needs Assessment
- ◆ Fair Housing Analysis
- ◆ Evaluation of Previous Housing Element
- ◆ Housing Sites Inventory
- ◆ Analysis of Constraints
- ◆ Policies and Programs



Housing Element Overview (cont.)

➤ Regional Housing Needs Allocation (RHNA)

Income Category	2015-2023 RHNA (Housing Units)	2023-2031 RHNA (Housing Units)	Percent Increase
Very Low Income (<50% of Median Income)	1,640	2,968	81%
Low Income (51-80% of Median Income)	906	1,709	89%
Moderate Income (81-120% of Median Income)	932	2,032	118%
Above Moderate Income (>120% of Median Income)	1,974	5,257	166%
TOTAL	5,452	11,966	119%

Housing Element Overview (cont.)

➤ Fair Housing

AB 686 expands duty to **affirmatively further fair housing (AFFH)**

Housing Elements are required to:

- Equitably include community in outreach process
- Assess fair housing
- Evaluate and address how sites will AFFH
- Adopt policies and programs that remediate identified fair housing issues



Fair Housing Enforcement and Outreach Capacity



Segregation and Integration



Racially and Ethnically Concentrated Areas of Poverty and Affluence



Disparities in Access to Opportunity



Disproportionate Housing Needs and Displacement Risks

Housing Element Timeline

Jul 8, 2022	Draft HE submitted to HCD
Oct 6, 2022	HCD Comment Letter #1
May 24, 2023	Revised HCD Draft submitted to HCD
July 10, 2023	Errata to Revised HCD Draft sent to HCD
July 21, 2023	HCD Comment Letter #2
Oct 12, 2023	Second Revised HCD Draft submitted to HCD
Oct 20, 2023 – Nov 20, 2023	CEQA Initial Study/Negative Declaration Public Review
Nov 17, 2023	Errata to Second Revised HCD Draft published
Nov 27, 2023	Planning Commission Hearing - Recommendation
Nov 29, 2023	HHSC Hearing - Recommendation
Dec 12, 2023	City Council Adoption Hearing

Key Topics

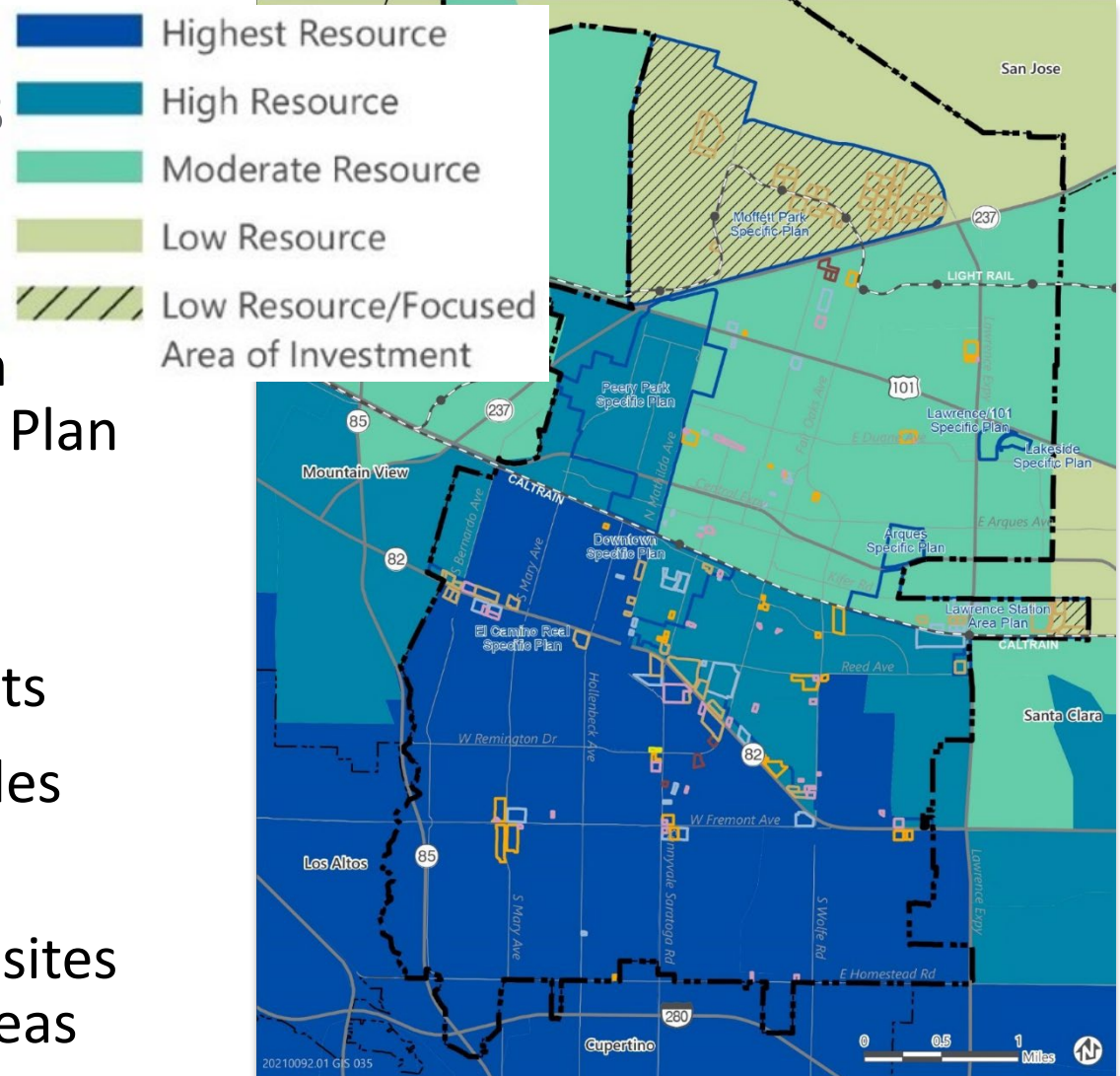
- Lower-Income sites in Higher-Resource Areas
- Missing Middle Housing
- Park Dedication Requirement
- Errata to Second Revised HCD Draft



Lower-Income Sites in Higher Resource Areas

Fair Housing Assessment of Sites Inventory

- Concentration of lower-income sites in Moffett Park Specific Plan
 - ◆ Classified as low resource
 - ◆ No current residents
 - ◆ Census tract includes San Jose
- Fewer lower-income sites in higher resource areas



Lower-Income Sites in Higher Resource Areas (cont.)

HCD Finding (Oct 2022)

- *Address isolation of lower-income RHNA in Northern Sunnyvale and lack of lower-income sites in Southern Sunnyvale*
- *Address public comments on housing in high resource areas (e.g. southern Village Centers)*
 - ◆ *Increase Village Center density to >30 du/ac*
 - *30 du/acre = “default density” for lower-income housing*

Lower-Income Sites in Higher Resource Areas (cont.)

City Response

- Modified **Program H3** to increase affordable housing in high resource areas
 - Increase **Village Center density >30 du/acre**
 - Designate **additional southern Sunnyvale sites** for higher density residential
 - Increased goal of **750 lower-income units** in higher resource areas
 - Complete rezone by December 2026

Missing Middle (MM)

- “Affordable by design” housing types
 - ◆ DUOs, triplexes, fourplexes, and single-family units on smaller lot sizes
 - ◆ May promote housing opportunity in high resource areas



Source: Opticos Design

Missing Middle (cont.)

HCD Finding (Oct. 2022)

- *Establish development standards for missing middle housing types*
- *Encourage missing middle in higher opportunity areas*



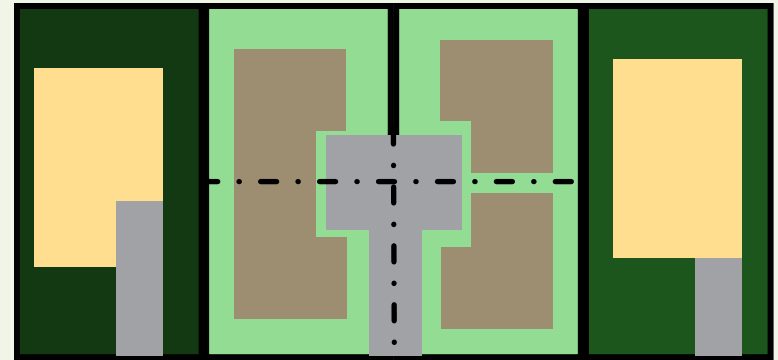
Missing Middle in Sunnyvale

Missing Middle (cont.)

City Response

- **Added Program H21**

- Small lot subdivisions in zoning districts such as R1.5 and R1.7
- Smaller lot sizes and modified setbacks
- Expedited review
- Ministerial approval for certain products not requiring lot splits



EXAMPLE

- 2 R-0 lots (60' x 100')
- 4 MM lots (60" x 50')
- 45% FAR Maximum
- One shared driveway
- Attached or Detached
- Similar to SB9

Park Dedication Requirement

- Dedication of Park Land or payment of in-lieu fee
- Applies to net new units:
 - ◆ Multiple-family rental projects
 - ◆ Subdivisions
- Exclusions:
 - ◆ Affordable rental housing units
 - ◆ ADUs/JADUs/Duplex/Single-family house on existing lot



6.5-acre Muwékma Park

Park Dedication Requirement (cont.)

HCD Finding

Oct 2022 Comment Letter

- *Analyze Park Dedication Requirement and address public comments on **Park In-Lieu Fees for lot splits***
- *Include more specific commitments in fee program*

July 2023 Comment Letter

- *Analyze Park Dedication Requirement's **impact on multifamily housing types***

Park Dedication Requirement (cont.)

City Response

❖ **Modified Program H19**

- **Reduced Park Dedication In-lieu fees**
 - Dual Urban Opportunity (DUO) lot splits
 - Missing Middle housing types
 - ◆ No greater than \$60,000/unit
- **Special Needs units (SROs, senior units)**
 - ◆ No greater than \$35,000/unit
- **Multifamily units**
 - ◆ Average 30% reduction

Errata to Second Revised HCD Draft

- Minor revisions based on Nov 16 call with HCD
 - ◆ **Usable Open Space** Requirements (Program H18)
 - Annual monitoring and mid-cycle review
 - ◆ **Park Dedication Requirement** (Program H19)
 - Annual monitoring and mid-cycle review
 - ◆ **Missing Middle** (Program H21)
 - Ensure maximum allowable densities are feasible
 - ◆ **Zoning Code Modifications** (Program H23)
 - Parking requirements for studio units not to exceed one space/unit
- **HCD conditional approval expected by Dec 11**

Housing Capacity

	Lower Income	Moderate Income	Above Moderate Income	Total	Percentage of Total Capacity
2023-2031 RHNA	4,677	2,032	5,257	11,966	
Approved Projects	321	522	999	1,842	11%
Lawrence Station Area Plan	1,096	227	379	1,702	10%
Downtown Specific Plan	126	48	50	224	1%
El Camino Real Specific Plan	1,204	367	502	2,073	12%
Moffett Park Specific Plan	4,418	0	5,208	9,626	56%
Village Centers	0	797	0	797	5%
Additional LUTE Sites	299	316	6	621	4%
ADUs	96	136	41	273	2%
Total Capacity	7,560	2,413	7,185	17,158	100%
<i>Surplus</i>	<i>+2,883</i>	<i>+381</i>	<i>+1,928</i>	<i>+5,192</i>	

Housing Capacity

High/Highest Resource

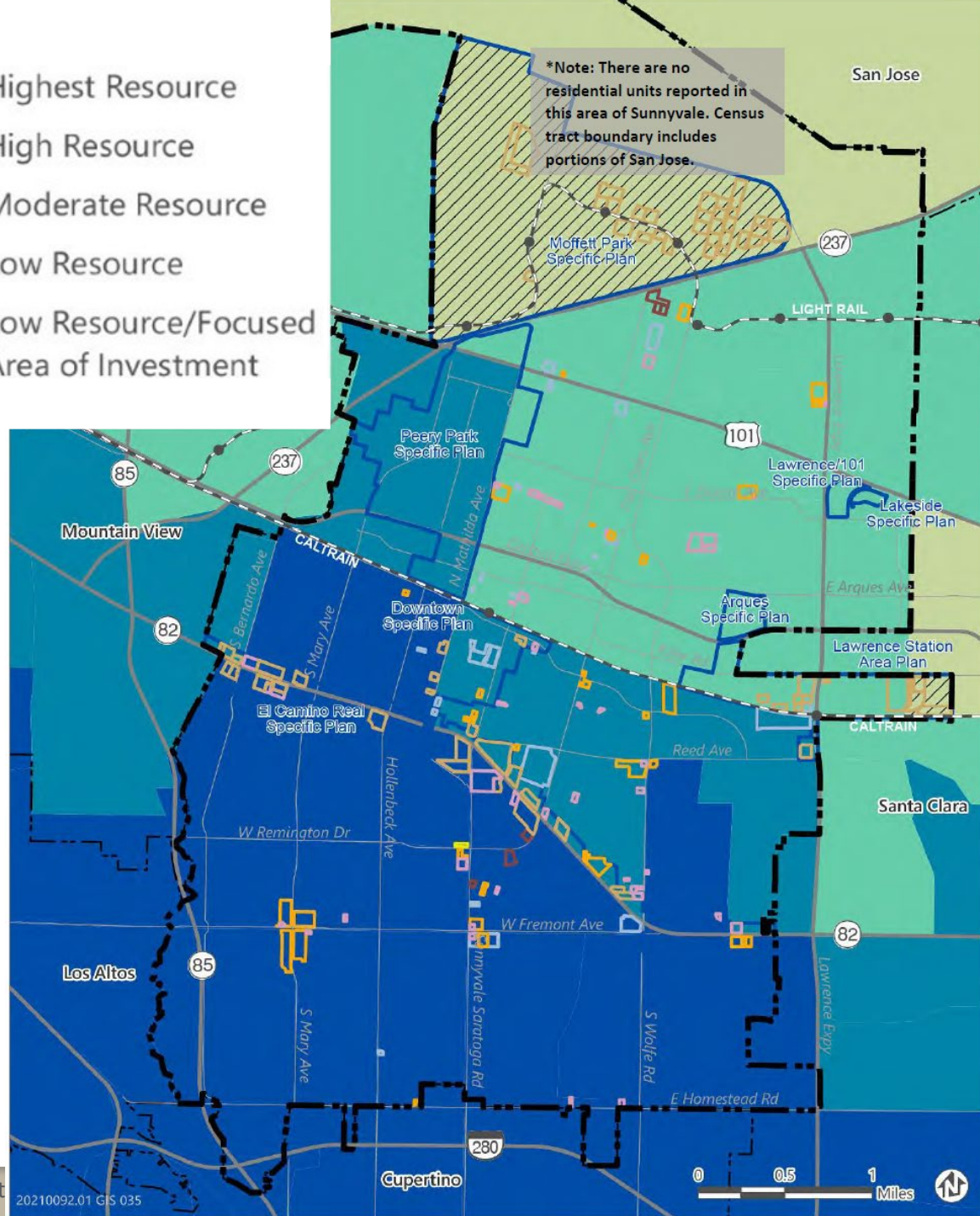
- 29% of all sites

Moderate Resource

- 13% of all sites

Low Resource / Focused Area of Investment

- 58% of all sites
- MPSP and LSAP



CEQA

Initial Study/Negative Declaration

- No unmitigated impacts that have not been addressed in prior Environmental Impact Reports, including:
 - LUTE
 - Specific Plans

Comment Period

- Oct 20, 2023 to Nov 20, 2023
- No comments received



Initial Study/Proposed Negative Declaration
2023 – 2031 Housing Element Update

Prepared for:
City of Sunnyvale
456 W. Olive Avenue
Sunnyvale, CA 94086

October 2023

20210092.01

Next Steps

Adoption Hearings

**Housing and Human Services
Commission**

Nov 29, 2023

CITY COUNCIL

Dec 12, 2023

Recommendation

Alternative 1

Recommend:

- ◆ City Council make the findings and adopt the Resolution in Attachment 2 to the report to
 - a. Adopt the Negative Declaration in Attachment 3 to the report, and
 - b. Amend the General Plan by Adopting the 2023-2031 Housing Element as included as Exhibit A