

City of Sunnyvale
EXCERPTS FROM COUNCIL POLICY MANUAL - UPDATED 10 30 2025

Policy 2.3.3 Strategies for Affordable Housing and the Use of Housing Mitigation Fees

POLICY PURPOSE:

The Housing and Community Revitalization Sub-Element of the General Plan sets housing policy for the City. However, the City's ability to accomplish all its goals is limited by both financial and land availability constraints. As Federal and other sources of funding diminish, it is important to develop a long-term strategy for the effective use of limited funds.

The purpose of this policy is to outline a strategy for housing programs for those households with incomes between 30-120% of median and housing for the homeless to meet the goals of the Housing and Community Revitalization Sub-Element. The strategy includes all funding sources available to the City for housing, including uses for the Housing Mitigation Fees.

POLICY STATEMENT:

It is the policy of the City to:

1. Use the Housing Mitigation Fees for an initial Downpayment Assistance Program, provision of loans or seed money to non-profit developers, projects for the homeless, and assistance for Sunnyvale municipal employees and school district employees serving Sunnyvale schools (including Homestead High).to the extent a majority of the employee's effort continues to benefit Sunnyvale students
2. Utilize some available funds such as the Housing Mitigation Fees to assist in the construction of new single room occupancy (SRO) projects or the maintenance of existing SRO hotels, if the opportunity becomes available. SRO's are a needed form of transitional and permanent housing and would be an important contribution to Sunnyvale's housing stock.
3. Set aside a maximum of \$50,000 from the Housing Mitigation Fund to contribute to a modular housing demonstration project if it appears to be a feasible project.
4. Budget for the Rental Rehabilitation Program from Community Development Block Grant (CDBG) funds while they exist and in the Ten-Year Plan in the future.
5. Augment diminishing CDBG funds for outside groups through the General Fund.
6. Continue the Single Family Rehab Program with CDBG money, repayments from loans and any shortfall should come from the General Fund as anticipated in the Ten-Year Plan.

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7. Join lobbying efforts to insure the continuance of the Federal Section 8 rental subsidy program.
8. Encourage private/non-profit partnerships on City-owned sites available for housing development so that part of the site may be developed for low to moderate income housing.

(Adopted: RTC 89-356 (9/12/89); Amended: RTC 01-220 (6/19/2001); (Clerical/clarity update, Policy Update Project 7/2005))

Lead Department: Community Development

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5.0 Long-term Advocacy Positions – Socio-Economic

5.4 Health and Social Services

- (3) Support the Food Stamp Program, the School Breakfast and Lunch Program, the WIC Program, senior nutrition programs, and support services for homeless families. [**/First Appeared 1992/Modified 1995*] (Moved to long-term Council Policy, RTC 09-046, February 24, 2009) **Lead Dept. LRS**

5.4 Affordable Housing and Homelessness

- (1) Encourage Federal, State, and County governments to provide more financing resources and to streamline access to financing (including application processes and availability of funds) for the development and preservation of affordable housing to lower- and moderate-income households to address local housing needs. [2023 Priority Advocacy Issue] (Moved to long term Council Policy, RTC 24-0102, January 30, 2024) **Lead Dept. CDD**
- (2) Encourage more funding support at the State, Regional, and Federal level (specifically the Low-Income Housing Tax Credit). The City provides financing for new affordable housing primarily through its Housing Mitigation Fund, but it is not enough to support new affordable housing on its own. Funding sources must also be streamlined to enable affordable housing to be built at the rate necessary to meet the growing need. [2023 Priority Advocacy Issue] (Moved to long term Council Policy, RTC 24-0102, January 30, 2024) **Lead Dept. CDD**
- (3) Encourage California Department of Housing and Community Development to allocate fair and reasonable Regional Housing Needs Allocations to the Region and continue to participate with the Association of Bay Area Governments on allocations to individual counties and cities. [2023 Priority Advocacy Issue] (Moved to long term Council Policy, RTC 24-0102, January 30, 2024) **Lead Dept. CDD**

(Adopted: RTC #09-046 (February 24, 2009); Revised RTC: #12-09 (February 7, 2012); Clerical update (May 1, 2014); Revised RTC: #14-028 (May 20, 2014); Adopted w/ modification, RTC #15-0008 (January 6, 2015); Adopted w/ modification, RTC #16-0005 (January 5, 2016); Adopted w/ modification, RTC #17-0011 (January 10, 2017); Adopted, RTC 22-0061 (January 25, 2022); Revised RTC #24-0102 (January 30, 2024))

2025 Priority Advocacy Issues

5. Affordable Housing, Homelessness, and Land Use

Affordable Housing

- (A) Encourage the efforts of the Bay Area Housing Finance Authority to create of a regional affordable housing bond measure to address regional housing needs and to distribute funds fairly throughout the region.

Homelessness

- (B) Encourage State and Federal governments to expand supportive services (including rental assistance, case management, and mental health services) to address the needs of residents who are chronically homeless.
- (C) Support the County in its efforts to establish facilities, housing, and programs for homeless residents and to fairly distribute them in jurisdictions throughout the County.
- Although the number of unhoused people in Sunnyvale has fluctuated in recent years, California continues to have the highest rate of homelessness, specifically unsheltered homelessness, in the country. Meeting the needs of the unhoused population remains a top concern for residents in the City and across the region.
 - To address the homelessness crisis, additional resources are needed for permanent supportive housing, rental assistance, supportive services (including case management, and mental health services), and expanded emergency shelter capacity.
 - Advocate for increased state and federal funding in evidence-based homelessness prevention programs that tackle the root causes of the crisis, such as homelessness prevention programs that provide stable, affordable housing, greater access to health care, low barrier job training, and accessible financial literacy.

Housing Element/Land Use

- (D) Strongly encourage the State government to create policies that balance increased housing production for all income levels while preserving land use policy making for cities that accommodate their share of new housing. Support legislation that would enable preservation of sites for an appropriate balance of conveniently located range of uses including retail/commercial services, places of assembly, public open spaces, and public services. Advocate for objective evaluation criteria and meaningful technical assistance to ensure a clear and efficient Housing Element certification process.