



Sunnyvale

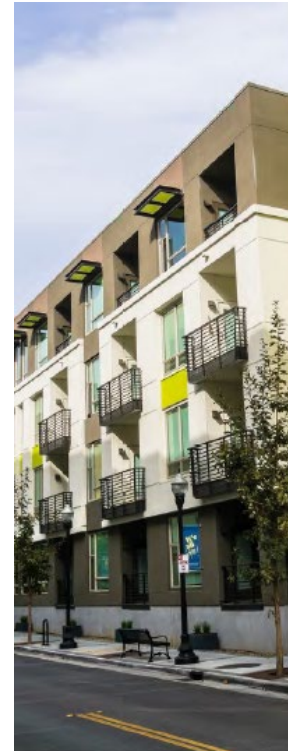
2023-2031 Housing Element Update

City Council
December 12, 2023



Agenda

- Overview
- Housing Capacity
- Fair Housing
- Timeline
- Key Topics
- CEQA
- Recommendation



OCTOBER 2023
SECOND REVISED HCD DRAFT



**2023–2031
HOUSING ELEMENT**



Housing Element Overview

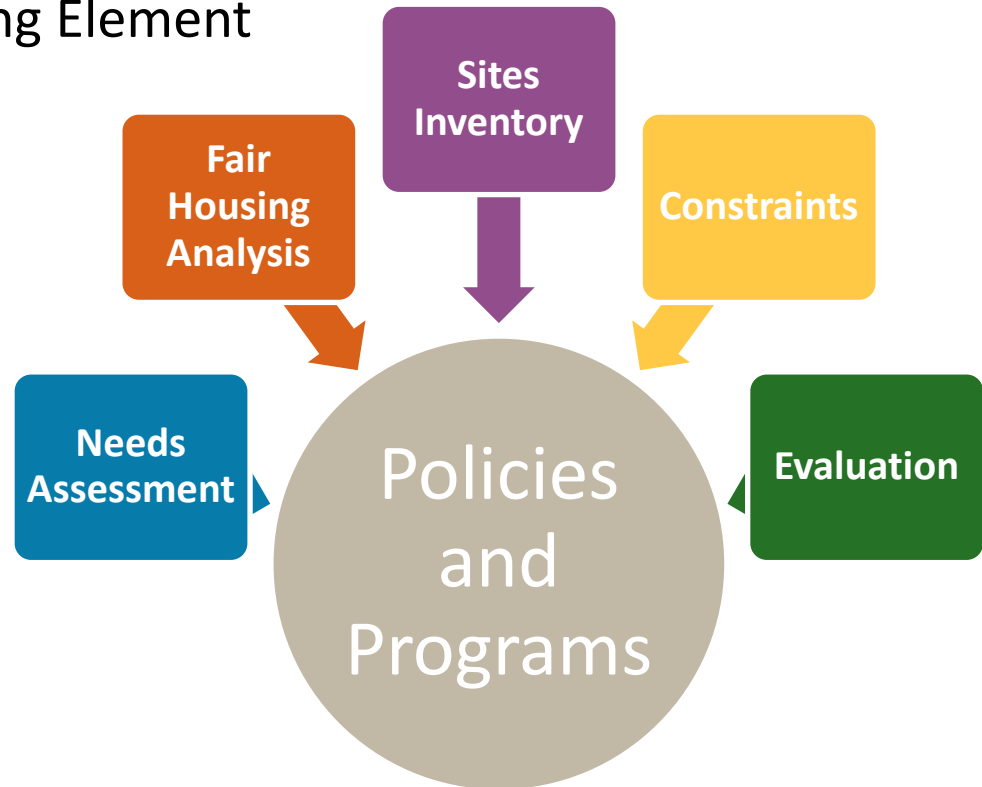
- **City's plan to meet the housing needs of the community**
 - ◆ Required element of the General Plan
 - ◆ Accommodates fair share of regional housing need
 - ◆ Updated every 8 years
 - ◆ Required Review and Certification by Department of Housing and Community Development (HCD)



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 Capacity

➤ 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 Capacity (cont.)

| | 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> | |

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

Fair Housing (cont.)

High/Highest Resource

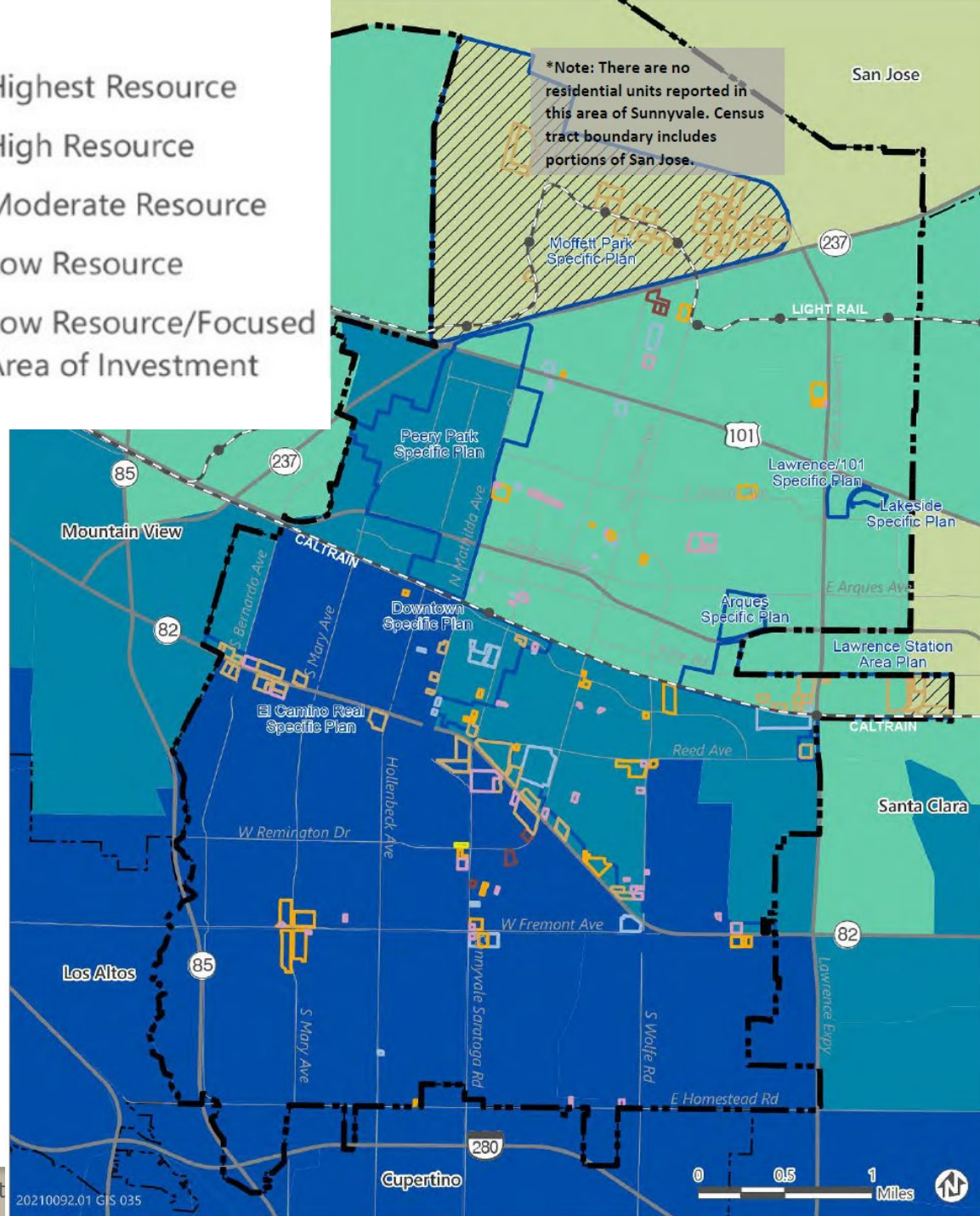
- 29% of all sites

Moderate Resource

- 13% of all sites

Low Resource / Focused Area of Investment

- 58% of all sites
- MPSP and LSAP



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

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

HCD Finding (Oct. 2022)

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



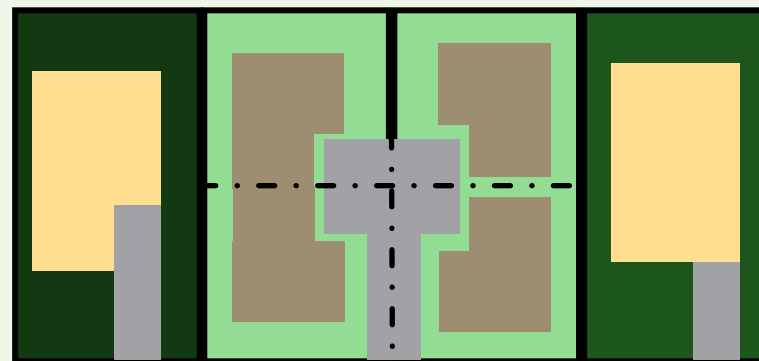
Missing Middle in Sunnyvale

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

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 *(based on Council Feedback)*

❖ **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 received on Dec 11!**

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

Recommendation

Alternative 1

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