



# City of Sunnyvale

## Notice and Agenda Housing and Human Services Commission

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Wednesday, September 21, 2022

7:00 PM

Teleconference Meeting: City Web Stream

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### Special Meeting

**Meeting Online Link:** <https://sunnyvale-ca-gov.zoom.us/j/92867949471>

### Special Teleconference Notice

*Because of the COVID-19 emergency and the health orders issued by Santa Clara County and the State of California, this meeting of the Sunnyvale Housing and Human Services Commission will take place by teleconference, as allowed by Government Code Subdivision 54953(e) and Resolution No. 1089-21 (reaffirmed August 30, 2022).*

### Public Participation

- *Teleconference participation: You may provide audio public comment by connecting to the teleconference Meeting online or by telephone. Use the Raise Hand feature to request to speak (\*9 on a telephone):*

*Meeting online link:* <https://sunnyvale-ca-gov.zoom.us/j/92867949471>

*Meeting call-in telephone number:* 833-548-0276 | *Meeting ID:* 928 6794 9471  
(\*9 to request to speak | \*6 to unmute/mute)

- *Watch the Housing and Human Services Commission meeting at:*  
<http://youtube.com/SunnyvaleMeetings>
- *Submit written comments to the Housing and Human Services Commission no later than 4 hours prior to the meeting start to*  
[HousingHumanServices@sunnyvale.ca.gov](mailto:HousingHumanServices@sunnyvale.ca.gov) *or by mail to City Clerk, 603 All America Way, Sunnyvale, CA 94086.*
- *Review recordings of this meeting and past meetings at*  
<https://sunnyvaleca.legistar.com/calendar.aspx> *or*  
<http://youtube.com/SunnyvaleMeetings>

### **Accessibility/Americans with Disabilities Act (ADA) Notice**

*Pursuant to the Americans with Disabilities Act (ADA), if you need special assistance to provide public comment, or for other special assistance; please contact the City at least 48 hours prior to the meeting to enable the City to make reasonable arrangements to ensure accessibility to this meeting. ADA contact: Housing staff may be reached at 408-730-7250 or [housing@sunnyvale.ca.gov](mailto:housing@sunnyvale.ca.gov) (28 CFR 35.160 (b) (1)).*

### **CALL TO ORDER**

*Call to Order via teleconference.*

### **ROLL CALL**

### **ORAL COMMUNICATIONS**

*This category provides an opportunity for members of the public to address the Housing and Human Services Commission on items not listed on the agenda and is limited to 15 minutes (may be extended or continued after the public hearings/general business section of the agenda at the discretion of the Chair) with a maximum of up to three minutes per speaker. Please note the Brown Act (Open Meeting Law) does not allow the Housing and Human Services Commission to take action on an item not listed on the agenda. If you wish to address the Housing and Human Services Commission, please refer to the notice at the beginning of this agenda. Individuals are limited to one appearance during this section.*

### **CONSENT CALENDAR**

*All matters listed on the consent calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion of these items. If a member of the public would like a consent calendar item pulled and discussed separately, please refer to the notice at the beginning of this agenda.*

- 1.A**    [22-0947](#)            Approve the Housing and Human Services Commission Meeting Minutes of August 24, 2022

**Recommendation:** Approve the Housing and Human Services Commission Minutes of August 24, 2022 as submitted.

## **PUBLIC HEARINGS/GENERAL BUSINESS**

*If you wish to speak to a public hearing/general business item, please refer to notice at the beginning of this agenda. Each speaker is limited to a maximum of three minutes.*

- 2      [22-0952](#)      Consider Requirements for a Tenant Protections and Right to Lease Ordinance (Study Issue)

**Recommendation:** Alternative 1. Provide feedback to staff on desired ordinance and approve the requirements listed in Attachment 5 to the report and return to the Commission with an ordinance to add Chapter 19.71 (Residential Tenant Protections Ordinance) to Title 19 ("Zoning") of the Sunnyvale Municipal Code to create enhanced tenant protections.

- 3      [22-0817](#)      Recommendation to City Council to Award Conditional Funding (loans) for \$16 Million in Housing Mitigation Funds and Below Market Rate In-Lieu Funds for the Pre-development, Development and/or Rehabilitation of Four Affordable Housing Developments.

**Recommendation:** Alternative 1: Recommend that Council award conditional funding commitments for \$16 Million in Housing Mitigation Funds and Below Market Rate In-lie Funds for the pre-development, development and/or rehabilitation to the projects listed in Attachment 3 to the report.

- 4      [22-0926](#)      Review of 2021/22 Consolidated Annual Performance Evaluation Report (CAPER)

**Recommendation:** Alternative 1: Approve the draft CAPER as presented in Attachment 1 of the staff report.

## **STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES**

- [22-0948](#)      Consideration of Potential Study Issues

## **STANDING ITEM: HOUSING ELEMENT UPDATE**

- [22-0949](#)      Housing Element Update

## **NON-AGENDA ITEMS & COMMENTS**

**-Commissioner Comments**

**-Staff Comments**

## **INFORMATION ONLY REPORTS/ITEMS**

[22-0950](#)

Housing and Human Services Commission Proposed Study  
Issues, Calendar Year: 2023

## **ADJOURNMENT**

*Notice to the Public:*

*Any agenda related writings or documents distributed to members of this meeting body regarding any item on this agenda will be made available for public inspection in the originating department or can be accessed through the Office of the City Clerk located at 603 All America Way, during normal business hours and in the Council Chamber on the evening of the Housing and Human Services Commission Meeting, pursuant to Government Code §54957.5.*

*Agenda information is available by contacting Edith Alanis at 408-730-7254 or ealanis@sunnyvale.ca.gov. Agendas and associated reports are also available on the City's website at sunnyvale.ca.gov or at the One-Stop Desk, City Hall, 456 W. Olive Ave., Sunnyvale, CA, 72 hours before the Meeting.*



# City of Sunnyvale

## Agenda Item

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**22-0947**

**Agenda Date:** 9/21/2022

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**SUBJECT**

Approve the Housing and Human Services Commission Meeting Minutes of August 24, 2022

**RECOMMENDATION**

Approve the Housing and Human Services Commission Minutes of August 24, 2022 as submitted.



# City of Sunnyvale

## Meeting Minutes - Draft

### Housing and Human Services Commission

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Wednesday, August 24, 2022

7:00 PM

Teleconference Meeting: City Web  
Stream

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#### **CALL TO ORDER**

Chair Stetson called the meeting to order at 7 p.m.

#### **ROLL CALL**

**Present:** 6 - Chair Elinor Stetson  
Vice Chair Linda Sell  
Commissioner Jim Davis  
Commissioner Scott Duncan  
Commissioner Sue Harrison  
Commissioner Leesa Riviere

**Absent:** 1 - Commissioner Ken Hiremath

**Commissioner Ken Hiremath (excused absence)**  
**Council Liaison Russ Melton (present)**

#### **ORAL COMMUNICATIONS**

None.

#### **CONSENT CALENDAR**

**1.A**     [22-0762](#)     Approve the Housing and Human Services Commission  
Meeting Minutes of May 25, 2022

Chair Stetson asked if there were any members of the public that wished to speak about the item on the Consent Calendar. There were none.

Chair Stetson asked for a motion to approve the Consent Calendar

MOTION: Commissioner Davis moved and Commissioner Riviere seconded the motion to Approve the Housing and Human Services Commission Minutes of May 25, 2022 as submitted.

The motion carried by the following vote:

**Yes:** 5 - Chair Stetson  
Vice Chair Sell  
Commissioner Davis  
Commissioner Duncan  
Commissioner Riviere

**No:** 0

**Absent:** 1 - Commissioner Hiremath

**Abstain:** 1 - Commissioner Harrison

### **PUBLIC HEARINGS/GENERAL BUSINESS**

**3            22-0710            Consider a Tenant Protections and Right to Lease Ordinance  
(Study Issue)**

Chair Stetson announced that staff requested to hear agenda item 3 first. Officer Carloni explained that staff was requesting to continue item 22-0710 Consider a Tenant Protections and Right to Lease Ordinance to the September 21 meeting. She noted that staff is requesting additional time to finalize the ordinance due to its complexity and in an effort to simplify the language to be easier to understand, but no modification to the content. She added that because the item was agendized and publicized, she asked that a public hearing be held for the members of the public that were present for the item to provide comments on continuing the item only, not on the ordinance.

Chair Stetson opened the public hearing at 7:09 p.m.

Latisha Curry, Sunnyvale resident, no comment on continuing the item, will speak on the item at the future meeting.

Chair Stetson closed the public hearing at 7:10 p.m.

Chair Stetson asked for a motion.

MOTION: Commissioner Harrison moved and Commissioner Duncan seconded the motion to continue item 22-0710 Consider a Tenant Protections and Right to Lease Ordinance to the September 21 meeting.

The motion carried by the following vote:

**Yes:** 6 - Chair Stetson  
Vice Chair Sell  
Commissioner Davis  
Commissioner Duncan  
Commissioner Harrison  
Commissioner Riviere

**No:** 0

**Absent:** 1 - Commissioner Hiremath

**2**      [22-0159](#)      Consider Draft Assessment of Fair Housing

Housing Programs Analyst Leif Christiansen gave the staff report. He also briefly introduced Thomas Silverstein, Associate Director of the Fair Housing & Community Development Project at the Lawyers' Committee for Civil Rights Under Law, who assisted in preparing the Assessment of Fair Housing report and was available to answer questions during the commissioners discussion. Mr. Silverstein gave a short overview of the project's progress from 2019 to today, also noting the delays caused by the COVID-19 pandemic.

After some questions from the commissioners, Chair Stetson opened the public hearing at 8:05 p.m.

Coleen Hausler expressed appreciation for the questions asked by the commissioners regarding how the City will meet its goals and having specific measurements in the future to show how the City is meeting those goals. She also encouraged to do more outreach to obtain input from less served groups, e.g. latinx, to help set goals.

Chair Stetson closed the public hearing at 8:09 p.m.

After a lengthy discussion and questions of staff, Chair Stetson asked for a motion.

Commissioner Davis indicated that he would be voting no because the document doesn't identify any solutions or goals.

Vice Chair Sell indicated that because she is Councilmember-elect, she would be abstaining from voting on this item to avoid having to recuse herself if this item went to Council in 2023.



MOTION: Commissioner Harrison moved and Commissioner Duncan seconded the motion to approve Alternative 1: Recommend that the City Council Approve the draft Assessment of Fair Housing as presented in Attachment 2 of the staff report.

The motion carried by the following vote:

**Yes:** 4 - Chair Stetson  
Commissioner Duncan  
Commissioner Harrison  
Commissioner Riviere

**No:** 1 - Commissioner Davis

**Absent:** 1 - Commissioner Hiremath

**Abstain:** 1 - Vice Chair Sell

**4**      [22-0874](#)      Election of Chair and Vice Chair for FY 2022/23

Chair Stetson asked for nominations for Chair for FY 2022/23. Commissioner Davis nominated Chair Stetson to continue as Chair. Chair Stetson accepted the nomination. There were no other nominations for Chair.

Chair Stetson asked for nominations for Vice Chair for FY 2022/23. Commissioner Harrison nominated Commissioner Riviere to serve as Vice Chair. Commissioner Riviere accepted the nomination. There were no other nominations for Vice Chair.

Chair Stetson and Vice Chair Riviere were elected by acclamation.

**STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES**

[22-0868](#)      Consideration of Potential Study Issues

Commissioner Harrison inquired about a potential study issue regarding the reduction of fees, zoning, or any other city-controlled processes that might encourage moderate and low-income housing throughout the city but more specifically in higher opportunity zones.

Officer Carloni agreed to provide the study issue form to Commissioner Harrison to submit and agendaize in a future meeting for discussion.

**STANDING ITEM: HOUSING ELEMENT UPDATE**

[22-0869](#)      Housing Element Update

Officer Carloni reported that the draft Housing Element was submitted to HCD in

July and that staff expects the first round of comment from HCD on Oct. 6 and noted that Sunnyvale was the first city in Santa Clara County to submit a draft. Staff will report back once comments are received.

### **NON-AGENDA ITEMS & COMMENTS**

#### **-Commissioner Comments**

None.

#### **-Staff Comments**

Officer Carloni welcomed new Commissioner Sue Harrison to the Housing and Human Services Commission.

She noted that the September meeting might be long due to the number of public hearing items and wants them to be aware.

### **INFORMATION ONLY REPORTS/ITEMS**

[22-0870](#)

Housing and Human Services Commission Proposed Study  
Issues, Calendar Year: 2023

### **ADJOURNMENT**

Chair Stetson adjourned the meeting at 8:56 p.m.



# City of Sunnyvale

## Agenda Item

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**22-0952**

**Agenda Date: 9/21/2022**

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### **REPORT TO HOUSING AND HUMAN SERVICES COMMISSION**

#### **SUBJECT**

Consider Requirements for a Tenant Protections and Right to Lease Ordinance (Study Issue)

#### **BACKGROUND**

On October 12, 2020, City Council approved the Housing Strategy (RTC No. 20-0809), which resulted from a cumulation of many workshops, outreach meetings and several public hearings. The Housing Strategy identified areas for improvement to current programs as well as new programs to consider for Sunnyvale's growing population and housing needs. Two items from the Housing Strategy that emerged as Tier 1 and 2 items were a relocation assistance requirement for no-fault just cause evictions and a right to lease requirement for landlords to offer tenants a longer-term lease rather than just month-to-month tenancy. The right to lease component of this ordinance was also a 2019 Study Issue (CDD 18-0710). City staff realized an opportunity to combine both projects into one and named it Tenant Protections. If approved, the resulting Ordinance will become part of Sunnyvale's Municipal Code.

The Housing and Human Services Commission (HHSC) was originally scheduled to review this item on August 24, 2022; the HHSC continued the discussion to the meeting of September 21, 2022. At this point only the main provisions of the ordinance will be considered. Staff will return to the HHSC with an ordinance. The Planning Commission continued their scheduled September 12, 2022 hearing on this topic to September 26, 2022. Ultimately the City Council will consider an ordinance addressing tenant protections and right to lease.

#### **EXISTING POLICY**

##### **Sunnyvale General Plan, Housing Element**

**GOAL HE-1** Adequate Housing: Assist in the provision of adequate housing to meet the diverse needs of Sunnyvale's households of all income levels.

**GOAL HE-2** Enhanced Housing Conditions and Affordability: Maintain and enhance the conditions and affordability of existing housing in Sunnyvale.

**Goal HE-5** Equal Housing Opportunities: Promote equal housing opportunities for all residents, including Sunnyvale's special needs populations, so that residents can reside in the housing of their choice.

#### **ENVIRONMENTAL REVIEW**

The action being considered is exempt from the provisions of the California Environmental Quality Act ("CEQA") under CEQA Guidelines Section 15061(b)(3) in that the City Council finds there is no possibility that the implementation of this ordinance may have a significant effect on the environment.

**DISCUSSION**

Housing in Sunnyvale and the greater Bay Area is marked by high home values and rents. At a minimum, the cost of housing is driven by both the high demand from strong employment growth and the limited housing supply. Unfortunately, a limited supply of housing can result in changes in land use that may leave renters with fewer options for housing. During the Housing Strategy outreach meetings and community workshops in 2019, renters in the community expressed concerns about the rental housing market; specifically, affordability, lack of affordable units, and tenant protections. Although there are current State Laws to address some of these items, renters were looking for increased protections and stability.

**Existing State Law - AB 1482**

Governor Newsom signed Assembly Bill (AB) 1482, which added Section 1946.2 to the California Civil Code, to address and create a number of rental housing policies including maximum annual rent increases for certain properties, just cause eviction protections for those evicted due to no-fault of the tenant, and relocation assistance for those displaced. AB 1482 went into effect on January 1, 2020, and sunsets on January 1, 2030. AB 1482 is the basis for the City's proposed Tenant Protections Ordinance. Below is a summary of AB 1482:

- **Rent Cap**
  - Places an upper limit on annual rent increases: five percent (5%) plus cost-of-living inflation based on the Consumer Price Index (CPI) up to a maximum of 10 percent (10%) increase each year.
  - Allows only one rent increase over a 12-month period.
  - Rent cap is only applicable to existing tenants, and landlord may increase rent as needed in between tenancies.
  - Exemptions from this rent cap include:
    - Properties issued a Certificate of Occupancy within last 15 years.
    - Single family homes, townhouses, and condominiums, unless owned by investment trust, corporation or LLC.
    - Owner occupied duplexes.
    - Properties subject to more restrictive local rent control ordinances.
- **At-Fault Just Cause Eviction Protection**
  - Landlords who evict tenants for an at-fault eviction are not required to pay the tenant any type of relocation assistance. Examples of at-fault just causes include:
    - Non-payment of rent.
    - Criminal activity.
    - Breach of material lease term.
    - Commission of nuisance, waste, or criminal acts.
    - Subletting unit.
    - Failure to vacate after providing notice.
- **No-Fault Just Cause Eviction Protection**
  - For events of eviction that are not the fault of the tenant (no-fault) but are a legal cause for eviction are referred to as "no-fault just cause". In these instances, AB 1482 requires the landlord to provide 30 days' notice to the tenant and the landlord is required to pay

an amount equal to one-month's rent as relocation assistance. No-fault just causes include:

- Compliance with a government order or a local ordinance that requires vacation of the unit (e.g., red tag).
- Removal of the rental unit from the marketplace.
- Intent to demolish or substantially remodel the unit.
- Intent to occupy the residential property or for specified family members of the landlord to occupy the property (only if the tenant agrees to such termination or if the lease allows for unilateral termination).

## Outreach

### Surveys

Housing staff conducted three surveys to gather input on the tenant protection topics.

#### 1. Local Jurisdictions:

Staff used internal county-wide housing working group meetings to discuss the proposed ordinance and learn more about neighboring jurisdictions. Attachment 2 provides the results from the survey. The four cities that have existing tenant protections programs (either through Rent Control or other) include Mountain View, Palo Alto, San Jose and Milpitas.

#### 2. Stakeholders:

Staff surveyed landlords, property managers, and owners of multifamily rentals to gauge concerns regarding enhanced protections. In all, 714 responses were received. Attachment 3 provides informational results gathered from the survey (see pages 1-3). Attachment 3 also includes merged stakeholder/general comments that staff felt were important to show together (see pages 7-8). Overall, main themes from respondents included:

- One-year lease is preferred and offered the majority of the time.
- Requiring a right to lease could have a negative impact on their rental property, including loss of flexibility, loss of the unit from the market place and in some cases could result in an increase in rent.
- Respondents have not evicted a tenant for a no-fault just cause reason.
- Requiring relocation assistance over and above State Law will have a negative impact on their rental, including an unfair economic burden placed on landlords, and more specifically smaller landlords. It may also result in an increase in rents and may result in some units being removed from the rental market.

#### 3. General Public/Tenants:

The City received 261 responses from renters in Sunnyvale and/or members of the public. Attachment 3, pages 4-6, provides informational results gathered from the survey. As stated above, pages 7-8 of Attachment 3 are merged stakeholder/general comments that staff felt were important to show together. Overall, main themes of responses included:

- They are currently in a one-year lease and that is their preferred term.
- They did not see many negative impacts to a landlord being required to offer a one-year lease. A small amount of survey respondents did think that it could result in an increase in rent.

- They have not been evicted for a no-fault just cause reason.
- They thought it would have a positive impact on their household if the landlord was required to pay over and above the relocation requirements of State Law.

### *Outreach Meetings*

Staff held three outreach meetings: two for stakeholders and one for the general public/tenants.

Feedback from the stakeholders' outreach meeting includes:

- Current State Law provides adequate protection for tenants.
- Smaller property owners generally charge rents below market rates and that having to pay two or three times the fair market rent for Santa Clara County for a no-fault just cause eviction would create a financial burden.
- Smaller property owners are already assisting the community by not charging market rate rents.
- Sunnyvale's new Ordinance should keep the State's requirement regarding relocation after the initial 12 months of residency.
- Only moving cost support should be considered if a landlord or property owner can provide a "like unit" within a reasonable distance of the current property.
- It could be overly burdensome on landlords and property owners by creating additional steps in the leasing process.
- It would create an issue for renters and owners who are looking to rent a room(s) in their home for a short period, typically three months and who are not in the short-term rental business, similar to Airbnb and VRBO.

The feedback from the general public/tenants outreach meeting was that:

- Increased protections for renters are needed.
- More than one month's rent would be needed to pay for relocation assistance.
- It may be difficult to find a similar type of rental at the same rate in Sunnyvale.
- It should be the City's responsibility to educate property owners and landlords on any new right to lease requirements.

Attachment 4 contains all correspondence received by the public as a result of the surveys and outreach meetings.

### **Proposed Ordinance Requirements**

Staff considered many options to craft an ordinance (Attachment 5) to ensure that the requirements are not overly burdensome to landlords and property owners while ensuring enhanced protections to renters. Main considerations included:

- How many months of rent should relocation assistance be?
- Should the City consider Fair Market Rent (FMR) for Santa Clara County, a set amount that is

indexed annually, or use the contract base rent being charged for the unit?

- Should these requirements apply to the rental mobile home parks in Sunnyvale and those renting a park-owned mobile home?
- Should household income be a consideration for determining relocation amounts over and above State Law?
- Should enhanced tenant protections apply to all developments as expressly outlined in State Law or should they apply to all properties regardless of when the Certificate of Occupancy was issued?
- Should the City allow tenants currently renting on a month-to-month basis to request a 12-month lease?

Using AB 1482 as the basis for the City's ordinance (Attachment 5), and considering what neighboring jurisdictions offer in terms of tenant protections, the City is proposing the ordinance differ from AB 1482 in only the following ways:

1. All subject rental units, including those that received a certificate of occupancy (COO) within the last fifteen (15) years, shall be subject to the City's ordinance.
  - *Current state law exempts units that have been built within 15 years.*

The City ordinance will parallel all the other state exemptions which are:

- *Homes NOT owned by a corporation, real estate investment trust (REIT), or an LLC where one member is a corporation,*
- *Any duplex where the owner occupied the unit before the other unit's tenancy and continues to occupy the unit.*
- *Housing restricted by a deed, regulatory restrictions, or other recorded document limiting the affordability to low or moderate income households.*
- *Rental property subject to local ordinances that restrict rent increases to less than 5% plus CPI. (rent cap exemption only)*
- *Single family homes where the owner occupies and rents at least 2 bedrooms or units (ADUs and JADUs). (just cause exemption only)*
- *Owner occupied rental properties where tenant shares bathroom or kitchen facilities with the owner. (just cause exemption only)*
- *Hotels*
- *Rental property provided by non-profit hospitals, organizations such as churches, extended care for the elderly, adult care facilities etc. (just cause exemption only)*

2. Relocation assistance for tenants residing in a subject rental unit shall receive relocation

assistance equal to two months of rent.

- *Current state law is one (1) month rent.*

The right to lease portion of the ordinance would include:

3. Landlords shall be required to offer a one (1) year lease to all new tenants. If tenant rejects a one-year lease, the landlord may then offer a shorter-term lease, including month to month.
4. Tenants with leases in place prior to the effective date of the Tenant Protections Ordinance shall have 120 days from the effective date of the Ordinance to request a one (1) year lease from their landlord.
5. Leases offered by landlords for a one (1) year term shall be substantially similar to all shorter-term lease offerings.

Tenants may use a city adopted ordinance as the basis of a private civil action or a defense to a wrongful detainer action. The City would not issue citations or bring legal action to enforce the ordinance on behalf of tenants.

### **FISCAL IMPACT**

There would be no direct impact to the General Fund with adoption of the proposed Ordinance. The Housing Division will continue to use federally funded tenant/landlord mediation and fair housing services to support Sunnyvale residents impacted by this new Ordinance.

### **PUBLIC CONTACT**

Public contact was made by posting the Housing and Human Services Commission agenda on the City's official-notice bulletin board outside City Hall and by making the agenda and staff report available on the City's website. Notice of a public hearing was published in a legal advertisement in the *Sunnyvale Sun* newspaper on August 12, 2022.

### **ALTERNATIVES**

Provide feedback to staff on desired ordinance:

1. Approve the requirements listed in Attachment 5 to the report and return to the Commission with an ordinance to add Chapter 19.71 (Residential Tenant Protections Ordinance) to Title 19 ("Zoning") of the Sunnyvale Municipal Code to create enhanced tenant protections.
2. Approve the requirements listed in Attachment 5 to the report and return to the Commission with an ordinance to add Chapter 19.71 (Residential Tenant Protections Ordinance) to Title 19 ("Zoning") of the Sunnyvale Municipal Code to create enhanced tenant protections, with modifications.
3. Provide other direction to staff if major modifications are desired.

### **RECOMMENDATION**

Alternative 1. Provide feedback to staff on desired ordinance and approve the requirements listed in Attachment 5 to the report and return to the Commission with an ordinance to add Chapter 19.71 (Residential Tenant Protections Ordinance) to Title 19 ("Zoning") of the Sunnyvale Municipal Code to create enhanced tenant protections.

Alternative 1 meets the City's goal of providing enhanced tenant protections while ensuring that we



are also cognizant of the landlords and property owners who already provide affordable housing in terms of affordable market rate rent. Additionally, the proposed ordinance requirements provide tenants and landlords/property owners with the stability and clarity that was identified in the Study Issue. After receiving feedback on the requirements for the ordinance, staff will prepare an ordinance that is easily understood by tenants and landlords and meets legal requirements.

Prepared by: Ernie Defrenchi, Affordable Housing Manager

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. Survey Results - Surrounding Jurisdictions
3. Survey Results - Stakeholders/General Public
4. Correspondence Received from the Public
5. Comparison of State Law and Staff Recommended Requirements

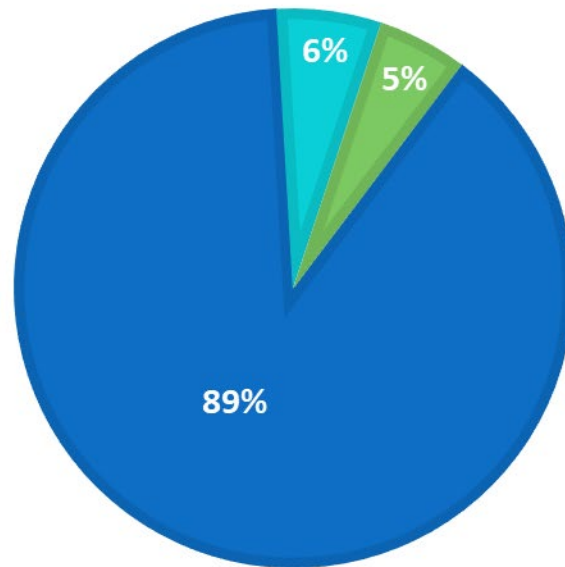
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Jurisdiction	Relocation Assistance	Notes	Right to Lease	Notes
San Jose	Yes	\$10,353 (Base Amount W/ Annual CPI Increase) applies to multi-family built before 1979. SJ has a form of rent control on units constructed prior to 1979.	No	
Mt. View	Yes	3-Months, Median Monthly Rent, applies to lots with 3+ rental units. Includes provide additional assistance for "special circumstance" households (i.e., elderly, low-income, disabled). Has citywide rent control.	No	
Palo Alto	Yes	\$14,153.05 (W/ Annual CPI Increase) applies to lots with 10+ rental units. Includes provide additional assistance for "special circumstance" households (i.e., elderly, low-income, disabled).	Yes	Required to offer 1-year lease. Applies to multi-family, duplexes and mobile homes
Los Gatos	Yes	Rental Dispute Program - similar to rent control, applies to 3 or more units. Similar to Campbell with a process for resolution of tenant/landlord disputes concerning rent increases, housing services or proposed evictions. Uses Project Sentinel.	No	
Campbell	Yes	Rent Increase Dispute Resolution Program, applies to 4 or more units. Process for resolution of tenant/landlord disputes concerning rent increases, housing services or proposed evictions. Uses Project Sentinel	No	
Milpitas	No	Has a rent review ordinance that was never used - and the state assembly bill on tenant protections made the ordinance obsolete. Milpitas does not have enhanced tenant protections beyond the state protections - and funding for Project Sentinel.	No	
Cupertino	No		No	
Santa Clara	No		No	
Morgan Hill	No		No	
Gilroy	No		No	
Saratoga	No		No	
SC County HA	No	Does not get involved in this type of local government action.	No	Does not get involved in this type of local government action.

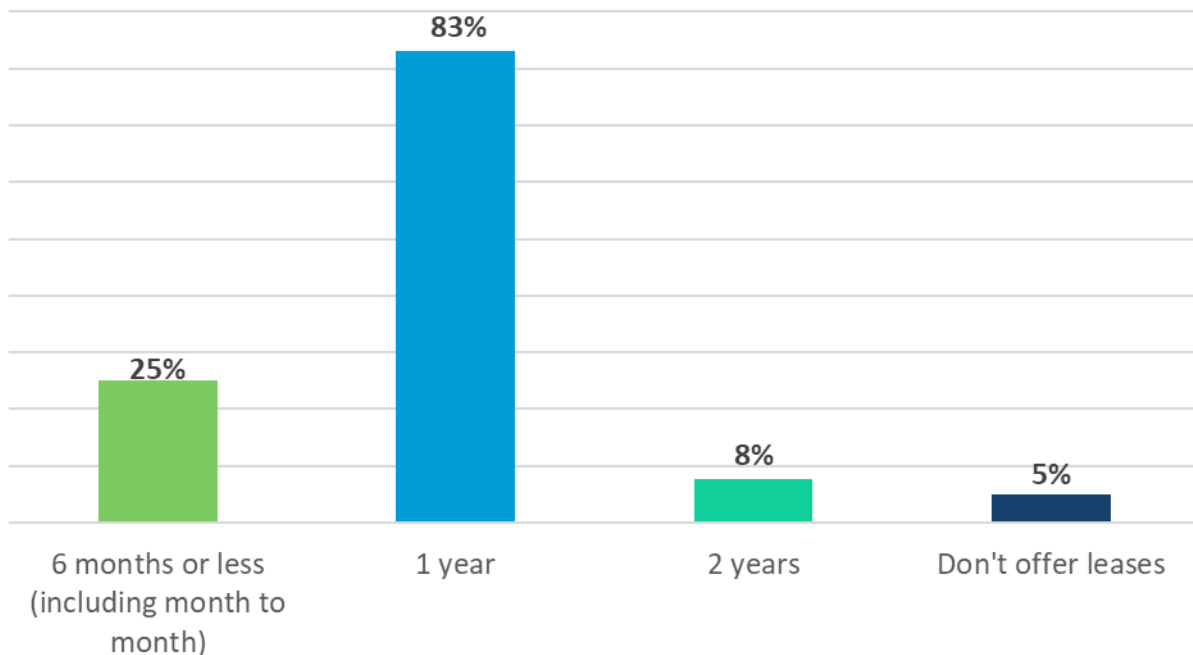
### Stakeholder Charts

#### Do You Currently Offer Leases? (Landlords)

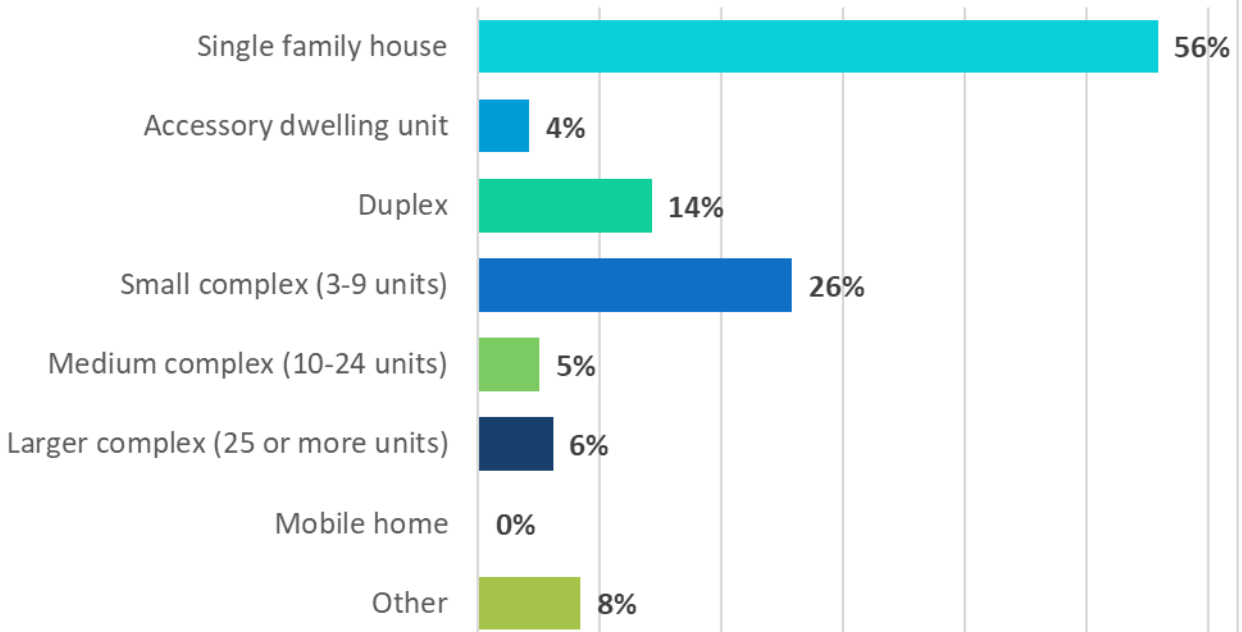
■ Yes ■ No ■ Not always



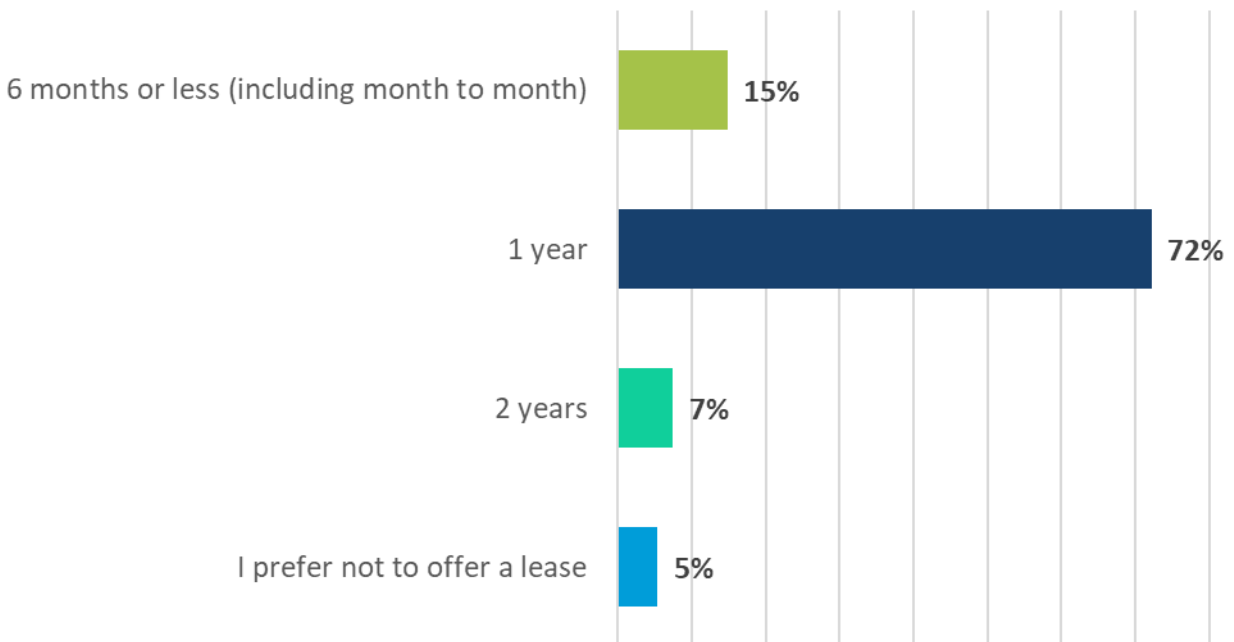
#### What Lease Terms Do You Typically Offer? (Landlords)



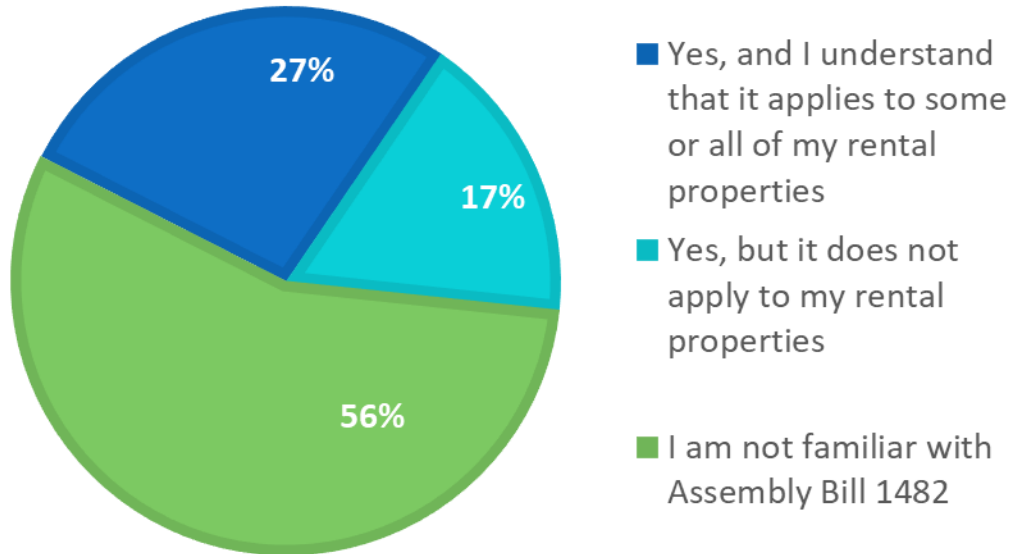
### What Type of Rental Units Do You Manage/Own? (Landlords)



### What Is Your Preferred Lease Term? (Landlords)

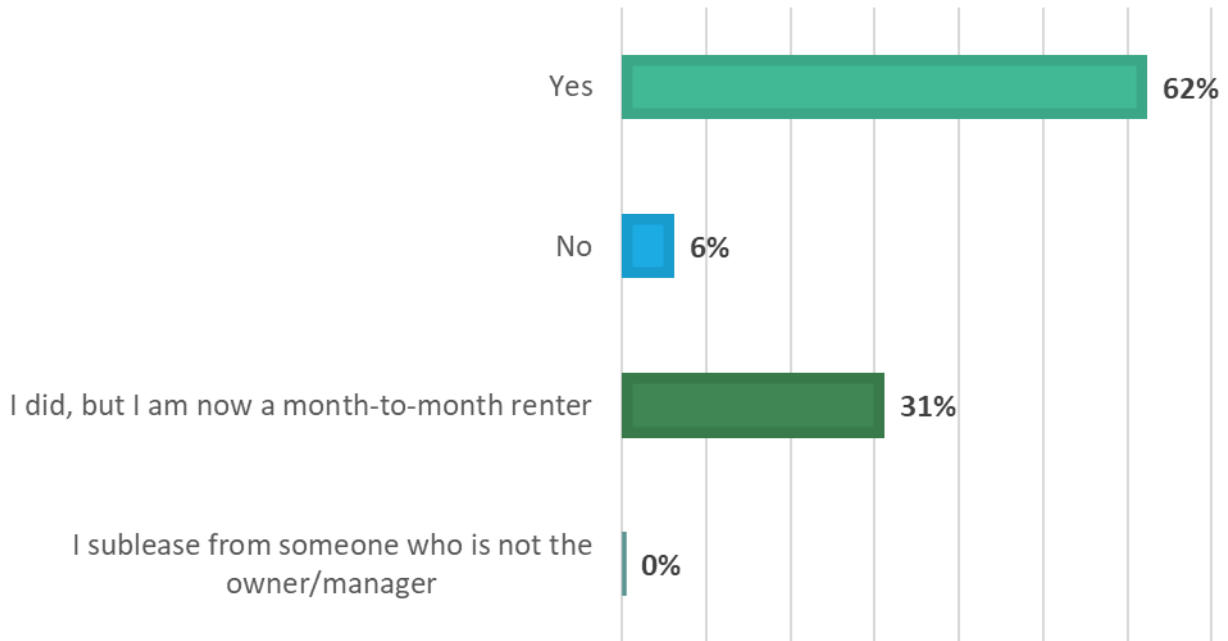


**Are You Familiar With Assembly Bill 1482?**  
(Landlords)

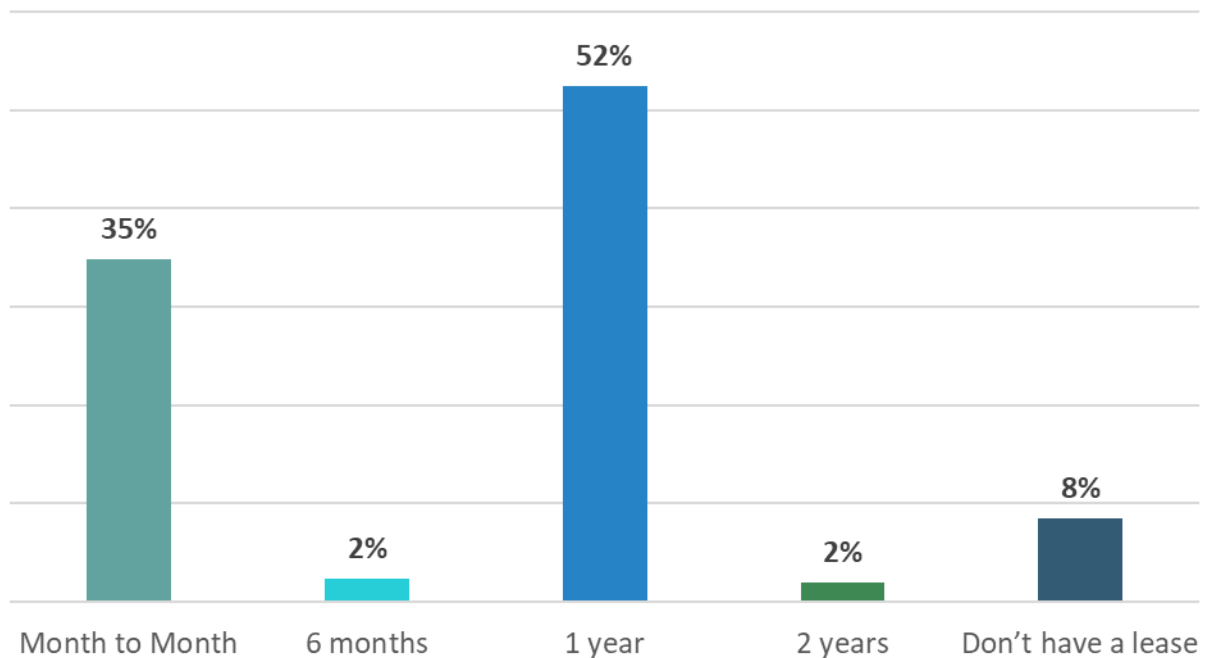


**Tenant Charts**

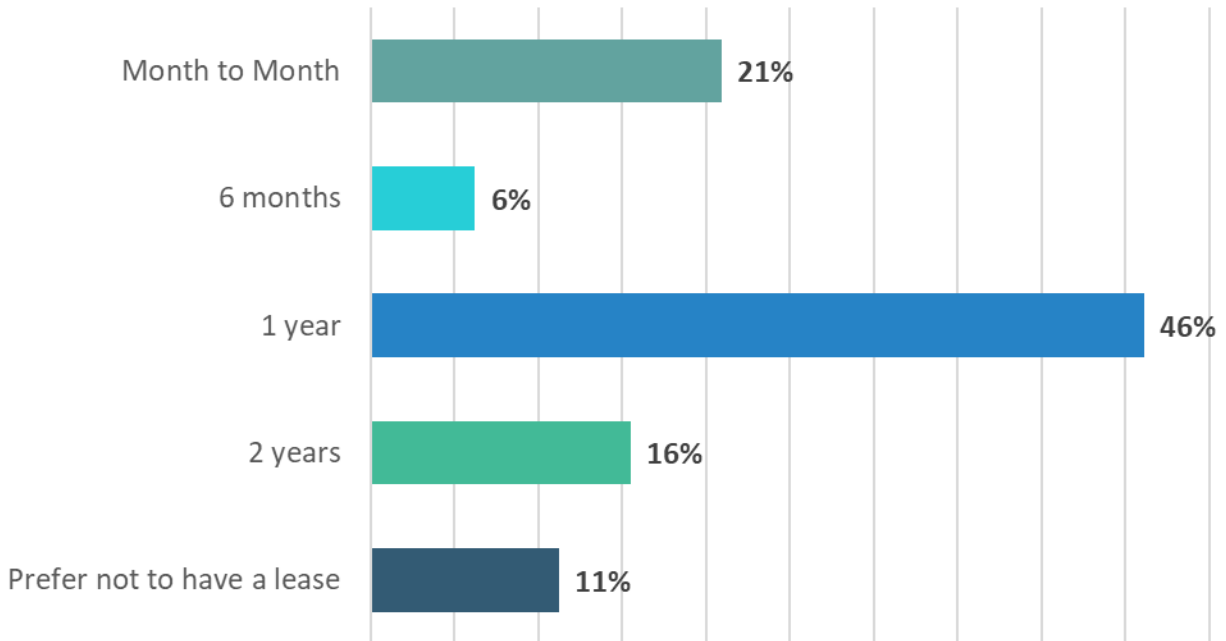
**Do You Currently Have a Lease?**  
(Tenants)



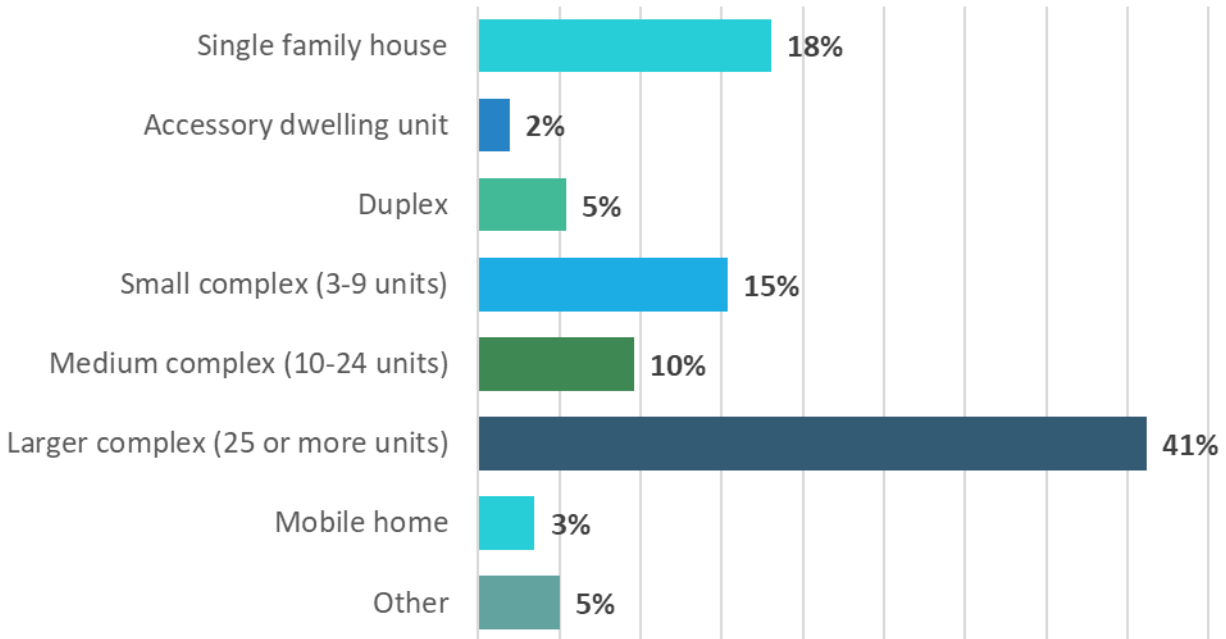
**What Is The Term of Your Current Lease?**  
(Tenants)



### What Is Your Preferred Lease Term? (Tenants)

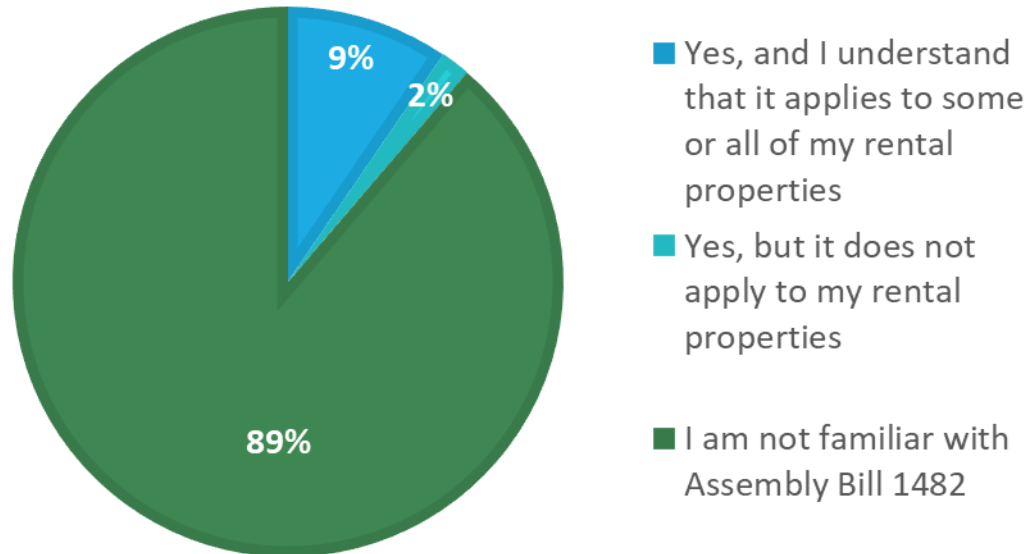


### How Would You Describe Your Housing Unit? (Tenants)

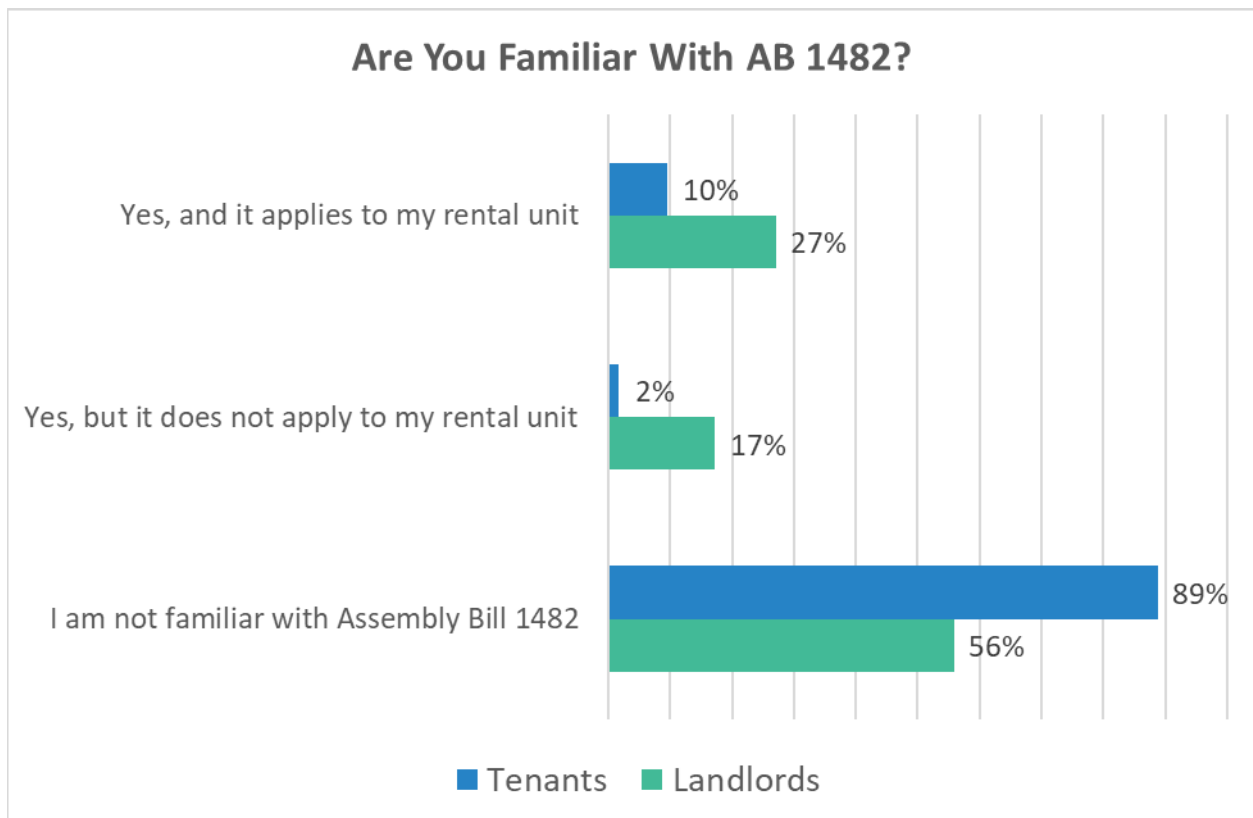
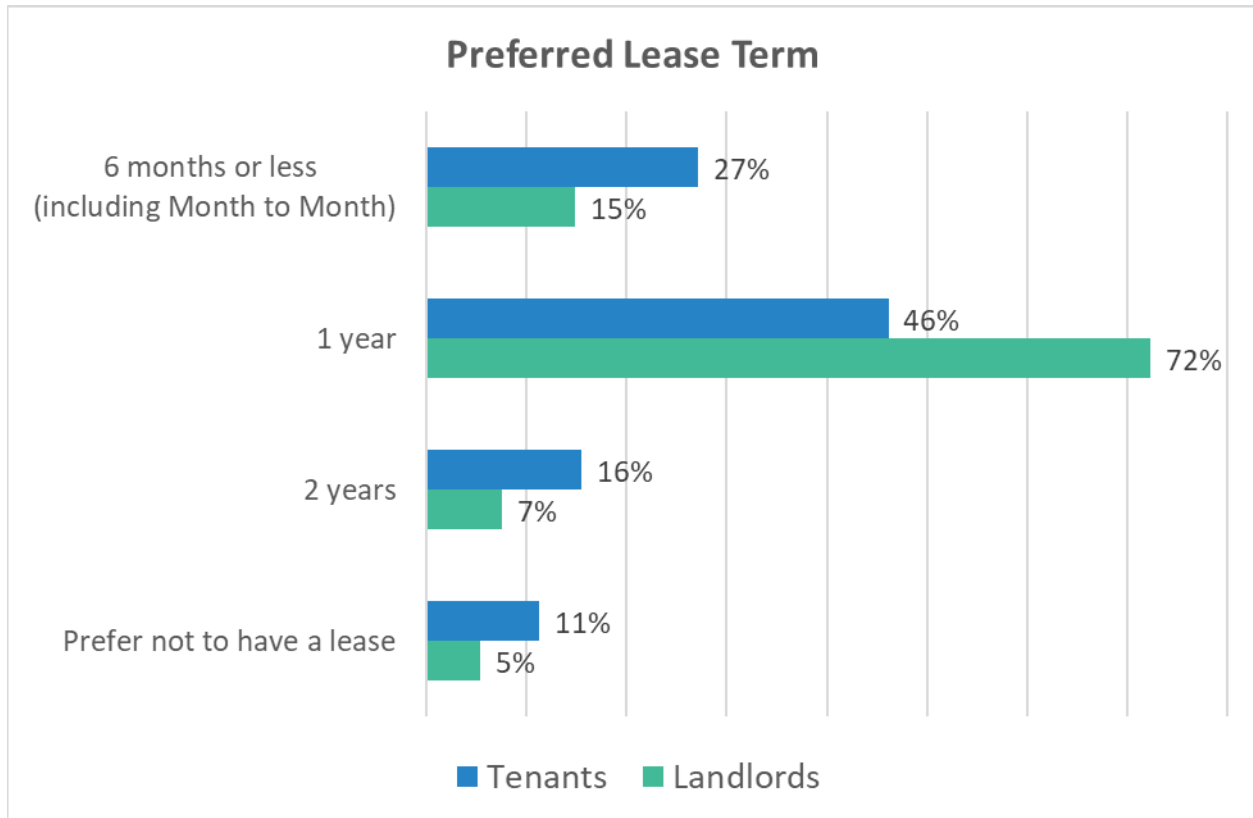


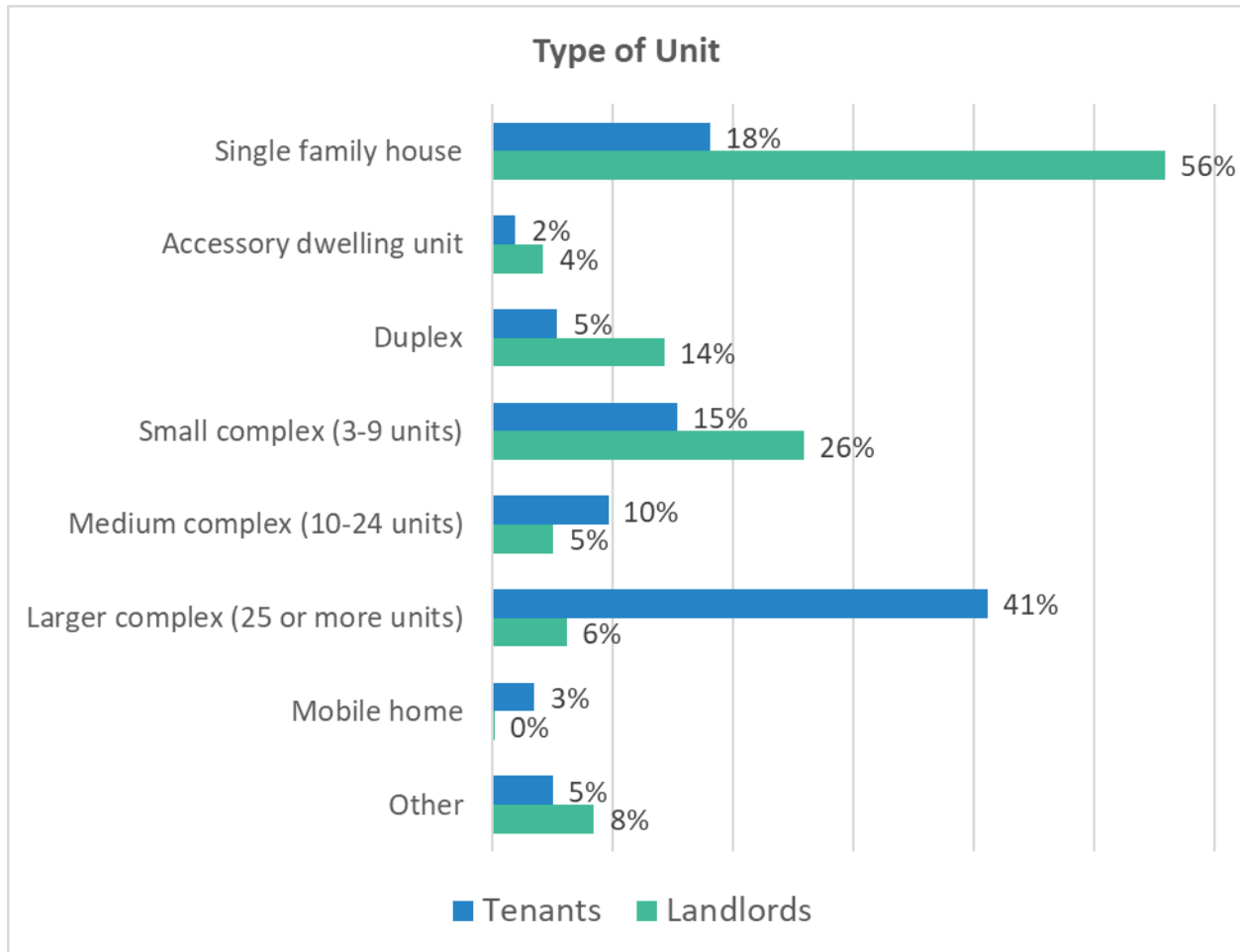


### Are You Familiar With Assembly Bill 1482? (Tenants)



Combined Tenant/Landlord Charts





**From:** [alexgergel@aol.com](mailto:alexgergel@aol.com)  
**To:** [Ernie Defrenchi](#)  
**Subject:** Re: You're Invited to a Stakeholder Group Discussion for the City of Sunnyvale: Right-to-Lease and Tenant Protections Ordinance  
**Date:** Monday, June 13, 2022 7:03:16 PM

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**ATTN: Email is from an external source; Stop, Look, and Think before opening attachments or links.**

First: 1 Year lease is a common option for lease after Month to Month option, and it is up to home owner to have or have not this option - this is his Private Property and it is only subject of an agreement between Owner and Tenant, it is nobody else Business. ( see "Private Property" meaning in both California and Federal constitutions).

Second: No one tenant evicted for a [no-fault just cause](#), it is always going through Lawyers and a court of law, so second part is meaningless and see "Private Property" meaning in both California and Federal constitutions" every time you are writing your Ordinances, it is very helpful, before you go to the class action lawsuit from the owners, which can bring down all the City and County and State Ordinance structure. It can be arrange, just for fun of it.

I doubt you want to have this kind of Ordinance for "Car rental" companies, 'Equipment rental' Companies, "Public travel" companies (Buses, Planes, Railroads) - you renting space or seat in them for time traveled.

What difference do you see? law wise it is NONE - they are all the private properties giving to some entity or individual for a limited time use according to an agreement which suppose to follow the Law of the Land.

Of course, if you want to eliminate "Private Property" by small steps, then Welcome to Communist China this is what you'll get as a result!  
Best regards

Home owner.

-----Original Message-----

From: Ernie Defrenchi <EDeFrenchi@sunnyvale.ca.gov>  
To: HousDiv AP <housing@sunnyvale.ca.gov>  
Sent: Mon, Jun 13, 2022 11:53 am  
Subject: You're Invited to a Stakeholder Group Discussion for the City of Sunnyvale: Right-to-Lease and Tenant Protections Ordinance

Good afternoon, the City of Sunnyvale is preparing a draft Right-to-Lease and Tenant Protections ordinance. This ordinance would require property owners to:

- Offer at least a one-year lease to tenants
- Provide relocation assistance to tenants who are evicted for a [no-fault just cause](#)

The City would like to hear your concerns, suggestions or alternative solutions at a stakeholder meeting for just the development community as well as landlords and property owners on **June 20<sup>th</sup> at noon and 6pm**. The City is offering two time options however information provided at the meeting will be the same.

**Please Note: This is an invitation based event, please do not share with others.**

Online Link: <https://sunnyvale-ca-gov.zoom.us/j/89521630868>

By telephone 833-548-0276 | Meeting ID 833 548 0276

Additionally, you can provide us with your feedback anonymously by completing this [survey](#) before July 1.

**Regards,**

**Ernie Defrenchi**  
**Affordable Housing Manager**  
Community Development Department

(c) 408-483-0663  
Direct Line: 408-730-2784  
Fax: 408-737-4906  
[Sunnyvale.ca.gov](http://Sunnyvale.ca.gov)

**From:** [HousDiv AP](#)  
**To:** [Ernie Defrenchi](#)  
**Subject:** FW: June 20 Housing meeting ... Rental Owner feedback  
**Date:** Monday, June 20, 2022 1:13:51 PM

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FYI

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**From:** Mick W <mick7wells@gmail.com>  
**Sent:** Monday, June 20, 2022 12:26 PM  
**To:** HousDiv AP <housing@sunnyvale.ca.gov>  
**Subject:** June 20 Housing meeting ... Rental Owner feedback

**ATTN: Email is from an external source; Stop, Look, and Think before opening attachments or links.**

City of Sunnyvale June 20, 2022  
One Year Right to Lease, Relocation Assistance, "Tenant Protections"

Please Stop your destruction of private property.

The 'no fault just cause eviction' RELOCATION ASSISTANCE is a BAD IDEA.

When major repairs occur such as the new Sewer line on Murphy Avenue a few years ago, we paid thousands of dollars for new 'sewer laterals,' not the renters.

When our insurance company required a new roof on our property, we paid, not the renters.

When real estate taxes, bonds and fees creep up annually, owners pay, not renters.

Money does not grow on trees or rentals.

Another government cost discourages rental ownership and construction in Sunnyvale.

'Relocation Assistance' is another cost that owners will be forced to pay.

And like all Government programs, it will be 'gamed,' and taken advantage of....

In the long run Sunnyvale will be regarded as a bad investment, too costly, legally unpredictable and hostile towards property owners. As a result, there will be less rental property and fewer housing options for renters.

Also, we already have State Wide Rent Control ( 5 % + CPI) on most rental property.

If you insist on 'helping' renters, why not be fair and allow Owners to take 5% of Tenant income increases & pay raises.

Call it Rental Provider Assistance. Fair is Fair.

And regarding One Year Leases.

Silicon Valley employment is cyclical and unpredictable. People move from job to job for more money or relocation demanded by their employer. People move and break their leases.

When Tenants break their leases, we have always let them go. We never drag them to court to pay months of rent or hold their Deposit when they skip out early.

But maybe we should enforce Leases and make tenants pay or 'ding' their credit score a few points. We could. That's the law.

In Summary, if the rental business becomes onerous for landlords, it will become onerous for Renters too. There will always be housing 'shortages' and periods of over supply when real estate prices drop. Markets are cyclical. Things change. If you want to provide rental housing, change the Zoning laws. Allow 'high-rise' construction everywhere. Subsidize rents. Or Cap rents at just \$ 100 per month. Why not? You could turn Sunnyvale into Manhattan and eventually there would still be a housing shortage.

If I were you, I would leave the 'market' to work out the rental situation.

As the old quote goes, “don’t just do something, stand there.”

Michael Wasylyshyn 142 N. Murphy Avenue Sunnyvale 650-424-8406 [mick7wells@gmail.com](mailto:mick7wells@gmail.com)

RECEIVED

JUN 27 2022

City Council Office

Attachment 4  
Page 5 of 7

Housing Meeting

City of Sunnyvale

June 20, 2022

One Year Right to Lease, Relocation Assistance, "Tenant Protections"

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Michael Wasylyshyn 142 N. Murphy Avenue Sunnyvale 650-424-8406 mick7wells@gmail.com





SAN FRANCISCO CA 940

21 JUN 2022 PM 2 L



City Council  
Sunnyvale  
456 W. Olive Avenue  
Sunnyvale, Ca 94086

94086-768193



**Ernie Defrenchi**

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**Subject:** FW: Right to lease and Tenant Protection

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**From:** Helia Carvalho <[heliac1948@gmail.com](mailto:heliac1948@gmail.com)>

**Sent:** Friday, August 26, 2022 11:16 PM

**To:** Ryan Dyson <[RDyson@sunnyvale.ca.gov](mailto:RDyson@sunnyvale.ca.gov)>

**Subject:** Right to lease and Tenant Protection

ATTN: Email is from an external source; Stop, Look, and Think before opening attachments or links.

August 26, 2022

I have been unable to respond to you by taking the survey, I did spend some time on the phone yesterday with Ryan. He listened to me, but I didn't feel I was really heard for the simple reason his message was the same.

I'm in disbelief about what the city of Sunnyvale is trying to do, one more nail in the coffin of the property owners. No one looks to help, assist or protect the property owners, it's all protecting the tenants, but who pays for all the destruction or lack of rent tenants don't pay. plus the taxes to the city we do.

Do I just call the city of Sunnyvale and ask for protection and help? No when the Moratorium was pushed upon us, we had to pay Taxes, Insurance, Repairs, Utilities, Mortgages there was no help from the City. I called the city to see about helping tenants that couldn't pay their rent one tenant one time received assistance, then no more.

So problems are created for property owners, with no resolution in sight. Now you are trying to pass another law, the property owner does a one year lease agreement. Are you going to be available if they don't pay rent yet they have 8 or 9 months on their lease.

The best one is for a property owner to pay relocation assistance to a tenant for a no fault just cause. My question is who is taking over my property, the city of Sunnyvale or am I the owner. Someone told me sometime ago that the government's goal is to take over properties, I laughed, but after the city of San Jose and now Sunnyvale is doing its no longer laughable

The City Council sits around, votes on these out of control laws and never mind thinking things out. Large Corporations can purchase properties owned by small owners, and let them go no longer are they taken care of as a small owner does pretty soon it all looks like a dump. I know it happened to me. The cooperation bought out a building of mine, increased the rents sky high, and let it go. The outside looks horrible. Embarrassing for the neighborhood then property values go down that's it.

You ask for owners, and managers input but you have already made up your minds what we say and think is baseless. keep in mind I can't imagine any owner is happy about any of this in my way of thinking thats many NO's.

Sincerely

Helia Carvalho

**Comparison of State Law and City Staff Recommended Requirements**

		<b>Assembly Bill (AB) 1482 (Section 1946.2 to the California Civil Code)</b>	<b>City Staff Recommendation</b>
<b>Rent Cap</b>			
<b>1</b>		Annual rent increases: 5% plus cost-of-living inflation based on the CPI up to a maximum 10%	SAME
<b>2</b>		Only one rent increase over a 12-month period	SAME
<b>3</b>		Rent cap applies to existing tenants (landlord may increase rent as needed in between tenancies)	SAME
<b>Rent Cap Exemptions</b>			
<b>4</b>		Properties issued a Certificate of Occupancy within last 15 years	No exemptions for age of property (ALL PROPERTY INCLUDING THOSE LESS THAN 15 YEARS OLD)
<b>5</b>		Single family homes, townhouses, and condominiums, unless owned by investment trust, corporation or LLC	SAME
<b>6</b>		Owner occupied duplexes	SAME
<b>7</b>		Properties subject to more restrictive local rent control ordinances	SAME
<b>At-Fault Just Cause Eviction Protection</b>			
<b>8</b>		Landlords who evict tenants for an at-fault eviction are not required to pay the tenant any type of relocation assistance.	SAME
<b>No-Fault Just Cause Eviction Protection</b>			
<b>9</b>		30 days' notice to the tenant and the landlord is required to pay an amount equal to one-month's rent as relocation assistance	SAME with TWO-MONTHS RELOCATION ASSISTANCE
<b>Right To Lease</b>			
<b>10</b>		N/A	Landlords required to offer a one (1) year lease to all new tenants. If tenant rejects a

			one-year lease, then a shorter-term lease, including month to month may be offered
<b>11</b>		N/A	Tenants with leases in place prior to the effective date of the Tenant Protections Ordinance have 120 days from the effective date of the Ordinance to request a one (1) year lease from their landlord
<b>12</b>		N/A	Leases offered by landlords for a one (1) year term shall be substantially similar to all shorter-term lease offerings
<b>13</b>		N/A	Tenants may use a city adopted ordinance as the basis of a private civil action or a defense to a wrongful detainer action. The City would not issue citations or bring legal action to enforce the ordinance on behalf of tenants.



# City of Sunnyvale

## Agenda Item

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22-0817

Agenda Date: 9/21/2022

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### REPORT TO HOUSING AND HUMAN SERVICES COMMISSION

#### **SUBJECT**

Recommendation to City Council to Award Conditional Funding (loans) for \$16 Million in Housing Mitigation Funds and Below Market Rate In-Lieu Funds for the Pre-development, Development and/or Rehabilitation of Four Affordable Housing Developments.

#### **BACKGROUND**

On July 18, 2022, a Notice of Funding Availability ("NOFA") was issued by the Housing Division for loans for the construction, land acquisition, or rehabilitation of affordable housing developments to be funded with the City's Housing Mitigation Funds ("HMF") and Below Market Rate In-Lieu Funds ("BMR"). A total of \$16 million in HMF and BMR funds was made available through the NOFA. The previous NOFA for Housing Mitigation Funds was released in 2019 for \$26 million.

Housing Mitigation Funds are the collection of Housing Impact Fees charged to mitigate the demand for affordable housing from the development of new industrial, office, retail, lodging or other commercial development. BMR Housing In-Lieu Fees are also collected as a sub-fund of the Housing Mitigation Fund from the development of residential units. Projects funded using City Housing Funds are deed restricted for a minimum of fifty-five years to ensure quality affordable housing for decades to come. All funds are used in accordance with the Mitigation Fee Act.

The NOFA announcement was distributed broadly to housing developers and non-profit agencies throughout the entire Bay Area region. Four complete applications were received by the August 15, 2022 deadline and include funding requests that range from \$500,000 to \$15 million, for a total of approximately \$18.5 million in funding requests.

#### **EXISTING POLICY**

##### **General Plan, Housing Element, Goal HE-1**

Assist in the provision of adequate housing to meet the diverse needs of Sunnyvale's households of all income levels.

*Policy HE-1.1* Encourage diversity in the type, size, price and tenure of residential development in Sunnyvale, including single-family homes, townhomes, apartments, mixed-use housing, transit-oriented development, and live-work housing.

*Policy HE-1.2* Facilitate the development of affordable housing through regulatory incentives and concessions, and/or financial assistance.

##### **Sunnyvale Municipal Code, Title 19 Zoning**

##### **Chapter 19.75. HOUSING IMPACT FEES**

##### **19.75.010. Findings and purpose.**

- (b) Purpose. This chapter requires the payment of housing impact fees for certain types of development to mitigate the impact of nonresidential and residential development on the need for affordable housing in the city of Sunnyvale and to implement the housing element of the city's general plan and California Government Code Section 65583(c), which expresses the state housing policy that requires cities to assist in the development of adequate housing to meet the needs of lower-income households. Housing impact fees are placed in the city's housing mitigation fund and used to support the development of affordable housing within the city.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it constitutes a creation of a conditional funding mechanism and does not obligate the City to ultimately approve the project. CEQA review of the project will be conducted by the Planning Division as part of the development review process, when there is sufficient information for meaningful environmental analysis.

### **DISCUSSION**

Once applications were received, a NOFA Review Committee ("Committee") was established and made up of three Community Development Department (CDD) staff members (Housing Programs Analyst, Housing Programs Specialist, Senior Rehabilitation Specialist). The Committee ranked each application based on the structured point system outlined in the NOFA (Attachment 2). Based on the points allocated by the Committee, the applications were ranked 1 through 4. Funding was then recommended based on the overall rankings and their amount requested. It should also be noted that the minimum threshold for a loan is \$500,000, and applications requesting the minimum amount can be approved or denied, but not reduced.

### **Application Summaries:**

#### **Proposed Project One - Orchard Gardens**

The Orchard Gardens proposal was submitted by First Community Housing (FCH) and consists of a request for \$2.5 million. The requested funds would go toward the rehabilitation and expansion of an existing affordable housing development located at 245 W. Weddell Drive. There are two existing apartment complexes on the site totaling 62 units: Parkview and Sunburst Apartments. The proposed plan is to demolish the Sunburst Apartments, which contains 32 units, and rehabilitate the Parkview Apartments, which contains 30 units. Additionally, the proposal calls for new construction of a 93-unit building (6-stories) facing Weddell Drive, for a total of 123 units on site. The total projected cost for this development is approximately \$107.2 million. City funds are being requested to fill a final financing gap and cover excess costs identified with the recent rise in interest rates and construction costs.

The unit breakdown for this development will be 63 extremely-low-income units, 31 very-low-income units, and 24 low-income units with two unrestricted manager's units. The unit type will range from 1-bedroom to 3-bedroom apartments and the proposed project will provide 60 total units of supportive housing, including 31 rapid rehousing units, 14 permanent supportive housing units, and 15 units for individuals with intellectual and developmental disabilities. This development was the first in Sunnyvale to receive an allocation of Measure A funding. The City awarded \$7.5 million in HMF funds in 2020; - therefore, the total commitment of HMF funds to this project would be \$10 million if this

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request is fully funded, or a total of \$81,300 per unit.

FCH intends to fill the remaining funding gap through the State's Infill Infrastructure Grant (IIG) program, which the project has applied for, and through Low Income Housing Tax Credits, which the project intends to apply for in spring of 2023. If awarded, FCH is open to extending the term of affordability to 65 years pending permanent financing requirements.

*Proposed Project Two - 1178 Sonora Court*

The 1178 Sonora Court proposal was submitted by MidPen Housing and consists of a request for \$15 million. The requested funds will be utilized for development costs of a 1.2-acre parcel at 1178 Sonora Court (City-owned land within the Lawrence Station Area Plan District) to construct a 7-story (5-story residential over 2-story podium), 176-unit affordable apartment project. The target population, specific to occupancy, is extremely low-income to low-income families, and the proposed unit types range from studios to 3-bedrooms.

The entitled project would feature 87 extremely-low income units, with 44 very-low-income units, and 43 low income units. Forty of the units will be designated for Permanent Supportive Housing households. The anticipated project cost is approximately \$150.2 million. City funds are being requested to fill the financing gap anticipated for this development.

MidPen has full site control of the property, as they lease the land from the City. Additionally, this project was awarded \$14 million in HMF funds in 2020; therefore, the total funding commitment of HMF funds to this project would be \$29 million if this request is fully funded, or a total of \$164,773 per unit

MidPen intends to fill the remaining funding gap through a combination of the State's IIG program and Multifamily Housing Program (MHP), which the project has applied for. Additionally, MidPen intends to apply for the State's Affordable Housing and Sustainable Communities (AHSC) program in spring of 2023 and for Low Income Housing Tax Credits in spring of 2024. If awarded, MidPen is open to extending the term of affordability to 65 years, pending permanent financing requirements.

*Proposed Project Three - 1171 Sonora Court*

The 1171 Sonora Court proposal was submitted by MidPen Housing and consists of a request for \$500,000. This project is located in close proximity to 1178 Sonora Court and the proposed project would be an 8-story, 192-unit multi-family apartment building. The unit sizes proposed range from studio to 3-bedroom - and about 75% of the units will be designated for extremely-low-income (76-units) and very-low-income (66-units) households, with the unit balance being designated for low-income-households (48-units). Additionally, about 38-units, out of the total unit count, will be designated for Permanent Supportive Housing households. The total project cost is approximately \$166 million.

It is important to note that this project is in the very early stages, and any funding awarded will go toward predevelopment, soft costs like engineering and design/architecture, which will ultimately assist the project in applying for additional funding sources to make the project a reality. MidPen anticipates submitting a formal planning application for this project in late 2022.

MidPen has full site control of the property, and this project has not received prior funding allocations

from the City. There is no other City funding in this project to date, and therefore this funding request of \$500,000 would equate to \$2,604 per unit.

MidPen is a regional leader in affordable housing and has developed over 9,600 units of affordable housing and successfully completed 11 projects in Sunnyvale. MidPen acquired the property in June of 2021 with the intention of creating this project and is currently in the initial conceptual design phase. If awarded predevelopment funds, MidPen will complete architectural drawings, engage in community outreach, and apply for Planning entitlements in spring 2023. Predevelopment funding will enable the project to seek additional sources of funding, including IIG, AHSC, and County Project-based Vouchers before applying for Low Income Housing Tax Credits in spring of 2025.

#### Proposed Project Four - Carroll Street Inn Rehabilitation

The Carroll Street Inn Rehabilitation proposal was submitted by MidPen Housing and consists of a request for \$500,000. The requested funds would be for rehabilitation of an existing multi-family community, Carroll Street Inn, which was built in 1994. Carroll Street Inn consists of 122 very-low income Single Room Occupancy ("SRO") units, including a manager's unit. The rehabilitation efforts would focus on: replacing common area floors, upgrading common area kitchens to be ADA accessible, and improving certain kitchenettes in individual rooms. Additionally, the proposal requests to install solar panels for energy efficiency measures and enhancing the current security system.

MidPen has full site control of the property and is prepared to move forward with the projects if funding is awarded as many of the rehabilitation projects are urgent in nature. This funding request, if awarded in full, would be for approximately \$4,100 per unit. It is important to note that the City previously issued a \$964,750 loan, using HOME Investment partnership funds, in 1994 to support the acquisition of Carroll Street Inn. Therefore, if the loan request for rehabilitation was awarded in full, the City's total investment in Carroll Street Inn to date would be \$12,006 per unit.

MidPen has successfully operated the project since its construction in 1994. The project has a sound operating budget and has complied with affordability requirements and regulatory audits throughout the life of the project. Carroll Steet has 121 Single Room Occupancy units, 51 which are HOME funded - and many of the units are supportive units serving the most vulnerable. All units are designated for Very Low Income.

#### **Rankings and Application Recommendations:**

The Committee met to discuss and rank the four project applications. The projects were ranked in the following order based on the ranking form in Attachment 2:

1. Orchard Gardens (*First Community Housing*)
  - This project was ranked highest due to a variety of reasons as outlined on the NOFA Scoring Sheet including, but not limited to, agency capacity and expertise in developing and managing similar projects, confirmed site control, project readiness, and the inclusion of extremely low-income and supportive units for certain special needs populations.
2. 1178 Sonora Court (*MidPen Housing*)
  - This project was ranked the second highest due to a variety of reasons as outlined on the NOFA Scoring Sheet including, but not limited to, proximity to public transit, agency expertise in developing and managing similar projects and the inclusion of extremely low-income and supportive units for certain special needs populations. This new



development project scored lower than Orchard Gardens due to the larger financing gap still in place and not as shovel ready.

3. 1171 Sonora Court (*MidPen Housing*)

- This project was ranked third highest due to a variety of reasons as outlined on the NOFA Scoring Sheet including, but not limited to, highest volume of units, proximity to public transit and agency expertise in developing and managing similar projects.

4. Carroll Street Inn Rehabilitation (*MidPen Housing*)

- This project was ranked fourth highest due to a variety of reasons as outlined in the NOFA Scoring Sheet, including but not limited to, the need for rehabilitation to improve the quality of life for residents of Carroll Street Inn, project readiness, and the agency's expertise in managing rehabilitation projects. This proposal was lower in ranking due to the low matching fund percentage, and the absence of units designated for extremely-low-income households.

Based on these rankings, the Committee recommends the following funding awards, below, in order of final ranking.

Applicant	Project	Funding Amount Requested	Final Score	Committee Recommendation	Recommended Funds Per Unit
First Community Housing	Orchard Gardens	\$2.5 million	1	\$2.5 million	\$20,325
MidPen Housing	Sonora Court (1178)	\$15 million	2	\$12.5 million	\$71,023
MidPen Housing	Sonora Court (1171)	\$500,000*	3	\$500,000	\$2,604
MidPen Housing	Carroll St. Inn	\$500,000*	4	\$500,000	\$4,100
<b>Total</b>		<b>\$18,500,000</b>		<b>\$16,000,000</b>	

\*Minimum Loan Amount is \$500,000.

Applicants awarded funding through this NOFA will be given a Conditional Award Letter, valid for two years while applicants finalize remaining funding (minus tax credits) and planning entitlements. If any successful applicant fails to meet the funding timelines outlined in the NOFA, the conditional funding award will be withdrawn, and the applicant must resubmit during a future NOFA round. Timelines may only be extended by a formal request and subsequent approval by the Community Development Director.

### Next Steps:

After the Housing and Human Services Commission makes a recommendation to the City Council on September 21, 2022, the City Council will consider the item on October 25, 2022. On October 26, 2022, Housing Division staff will send official Conditional Commitment Letters to the successful applicants. This timeframe will allow applicants to, if needed, meet the March 2023 Low Income Housing Tax Credit application timeline and upcoming state loan and grant funding deadlines. Final funding agreements will be completed and signed prior to building permit issuance.

**FISCAL IMPACT**

Approving these funding recommendations would conditionally commit \$16 million in Housing Fund revenue to these projects. Based on the FY 2022/23 Adopted Budget, this will reduce the Housing Fund reserve balance to \$60.1 million.

The preliminary FY 2021/22 year-end fee revenue estimate for the Housing Fund shows very strong returns at approximately \$26.8 million over the current year projection of \$21.1 million with several large projects making payment. The payment of mitigation and impact fees cannot be precisely timed as they are based on specific milestones of each development project. The FY 2022/23 fee revenue estimate will be reconciled and updated based on the status of projects in the development pipeline as part of FY 2023/24 budget development. The Housing Fund is expected to continue to have healthy reserves to weather any near-term economic downturn, and sufficient funding for operating expenses after the \$16 million is allocated.

The purpose of these funds is for pre-development, development, or rehabilitation of affordable housing projects, therefore the recommended action is consistent with its purpose and various City policies regarding affordable housing. Upon meeting all conditions, a budget appropriation will be recommended for approval for each project, either through the regular budget process or through a budget modification.

**PUBLIC CONTACT**

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

**ALTERNATIVES**

Recommend that City Council:

1. Award conditional funding commitments for \$16 Million in Housing Mitigation Funds and Below Market Rate In-lie Funds for the pre-development, development and/or rehabilitation to the projects listed in Attachment 3 to the report.
2. Award conditional funding commitments for \$16 Million in Housing Mitigation Funds and Below Market Rate In-lie Funds for the pre-development, development and/or rehabilitation to the projects listed in Attachment 3 with modifications.
3. Do not recommend any conditional funding commitments.

**RECOMMENDATION**

Alternative 1: Recommend that Council award conditional funding commitments for \$16 Million in Housing Mitigation Funds and Below Market Rate In-lie Funds for the pre-development, development and/or rehabilitation to the projects listed in Attachment 3 to the 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. Sample NOFA Scoring Sheet
3. Funding Recommendations

# Reserved for Report to Council Placeholder

## 5. HOUSING PROJECT PROPOSAL SCORING

Category	Maximum Points
<b>1. Organizational Capacity and Relevant Experience</b> Organization's staff, board members and project team are well qualified to complete and operate project, considering years of relevant experience and number of similar projects completed.	15
<b>2. Project Need</b> Project clearly addresses one or more goals or needs identified in Housing Element. Stated need for project and proposed project are supported by letters from community members or organizations other than applicant. Proposed project would provide significant public benefits, such as increased affordability compared to existing conditions at the site, or addressing an urgent housing need in the community. Proposals must address how units reserved for such tenants will be made affordable to those with incomes between 0% to 30% of AMI (i.e., through use of project-based subsidies or other means). Projects serving senior residents shall receive an extra two points, not to exceed 17 total points for this section.  <b>Bonus Criteria</b> Projects that meet any of the following criteria shall receive an extra two points per category, not to exceed 19 total points for this section: <ul style="list-style-type: none"> <li>• Project serves senior residents</li> <li>• Project is located in a High or Highest Resource area according to the <a href="#">2022 TCAC/HCD Opportunity Map</a></li> </ul>	15
<b>3. Project Design and Readiness</b> Project design (physical and operational) is cost-effective, feasible, compatible with the neighborhood, and effective in meeting the stated goals and objectives. Applicant is ready and able to apply for planning permits and other financing upon issuance of conditional funding award, and has or will have site control by that time. Applicants are encouraged to submit an application for Preliminary Review prior to July 31, 2022 to the Planning Division to receive initial feedback on their project. For rehabilitation- only projects: all lien-holders, owners, and/or agencies with an ownership or security interest in the property have reviewed and approved this proposal, and are willing to provide any required written approvals of the proposed rehabilitation project within 90 days of funding award.	20
<b>4. Budget and Financial Management</b> Financial management points based on clean financial audits and a strong record of financial and regulatory compliance at other projects owned or managed by applicant. Budget scores based on realistic cost estimates and budget for development and operation of project, and projected competitiveness of project costs in tax credit applications, etc.	15
<b>5. Percentage of Matching Funds (Leverage)</b> Points awarded based on the following formula: 5 points for the minimum required match (25%); 10 points for a 50% match; and 15 points for a match of 75% or more. Proposals with match ratios in between these percentages will be awarded 1 point for every 5% of match up to 15 points maximum. Matching percentage is determined by the percent of project cost to be funded by sources other than the requested City funds, according to applicant's proposed project budget. Matching funds do not include existing City HMF or BMR fund awards.	15

<b>6. Affordability Level</b> Percentage of units in the project that will be reserved for extremely low income (ELI) and very low income (VLI) households. Points will be awarded as follows: Up to 10 points shall be awarded for the percentage of ELI units, and up to 10 points for the percent of VLI units. In each category, 1 point will be awarded for every 5 percent of ELI/VLI units, as applicable, up to a maximum of 10 points for 50% ELI or VLI units, as applicable (e.g., to earn a score of 20 points, the project would need to include 50% ELI and 50% VLI units). Unit affordability is based on restricted rent limits, not current occupants' income levels.	<b>20</b>
<b>Total Points Available</b>	<b>100</b>

## 2022 Housing Mitigation Funds and Below Market Rate NOFA Funding Recommendations

Agency Name	Project	Final Rank	Average Staff Rating	Funding Amount Requested	STAFF RECOMMENDATION
First Community Housing	Orchard Gardens	1	91	\$ 2,500,000	\$ 2,500,000
MidPen	Sonora Court (1178)	2	84	\$ 15,000,000	\$ 12,500,000
MidPen	Sonora Court (1171)	3	78	\$ 500,000	\$ 500,000
MidPen	Carroll St Inn	4	76	\$ 500,000	\$ 500,000
Total				\$ 18,500,000	\$ 16,000,000
Total Funds Available				\$ 16,000,000	\$ 16,000,000
Remaining Funds				\$ (2,500,000)	\$ -



# City of Sunnyvale

## Agenda Item

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22-0926

Agenda Date: 9/21/2022

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### REPORT TO HOUSING AND HUMAN SERVICES COMMISSION

#### **SUBJECT**

Review of 2021/22 Consolidated Annual Performance Evaluation Report (CAPER)

#### **BACKGROUND**

The CAPER is an annual performance report on the housing and community development activities funded by two federal grants received annually by the City: the Community Development Block Grant (CDBG) and the HOME Investment Partnership Programs grant (HOME). The CAPER describes the accomplishments and status of each of the grant-funded activities identified in the 2020/21 HUD Action Plan, and has been prepared in compliance with HUD requirements.

The period covered by the draft CAPER, provided in **Attachment 1**, is fiscal year (FY) 2021/22, which marks the second year of the Five-Year Consolidated Plan (2020-2025). The CAPER is required by the U.S. Department of Housing and Urban Development (HUD), the federal agency which administers these grants. It must be submitted to HUD within 90-days of the end of each Fiscal Year to maintain the City's ongoing eligibility for these grants.

#### **EXISTING POLICY**

##### **2020-2025 HUD Consolidated Plan:**

- |        |                                                                                                                            |
|--------|----------------------------------------------------------------------------------------------------------------------------|
| 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**

##### **Eligible Uses of the Grants**

The CDBG and HOME grants may only be used for activities that will primarily benefit the City's lower-income residents and neighborhoods. CDBG funds may be used for housing and community development activities, such as: housing rehabilitation, public services, public improvements and facilities, economic development, and certain other narrowly-defined community development activities. HOME grants may only be used for the creation and preservation of housing affordable to



lower-income residents, specifically: new construction, acquisition, and/or rehabilitation of deed-restricted affordable rental housing, tenant-based rental assistance (TBRA), or down-payment assistance programs. Both grants allow a limited amount of the funds to be used for program administration by the City. The draft CAPER confirms that the City has complied with these spending limitations during the past fiscal year.

### Grant Reporting Requirements

The HOME and CDBG grants are subject to various federal regulations that impose certain reporting requirements and expenditure time limits on all grantee jurisdictions. The primary reporting requirements are the following:

- Five-Year Consolidated Plan ("ConPlan"). The ConPlan is a five-year strategic plan that identifies the housing and community development needs of lower-income residents and neighborhoods of the City, based on community input. The ConPlan also prioritizes these needs, identifies funding available to the City to address them (primarily the CDBG and HOME grants), and establishes annual goals and objectives to meet the identified needs using the grant funds.
- Annual Action Plans. The Action Plan is essentially a one-year budget and grant application describing the proposed uses of the City's CDBG and HOME funds during the coming fiscal year. HUD must approve each Action Plan on or before July 1 of each year so the City can begin using the grant funds. Each Action Plan is appended into the ConPlan after approval by HUD.
- Annual Performance Report ("CAPER"). The CAPER describes each grantee jurisdiction's progress in implementing its most recent Action Plan. It includes a summary of the City's grant expenditures and the accomplishments of the grant-funded activities, most of which are implemented by non-profit agencies or "sub-recipients". The City must prepare and submit the CAPER to HUD within ninety days of the end of each fiscal year. The CAPERs allow both local and federal stakeholders to see how grantees around the country are using these HUD grants, and how well the grant-funded activities are performing.

The above plans and reports must be shared in draft form with the community to give local stakeholders an opportunity to comment and request changes before the plans and reports are submitted to HUD. The City publishes notices in the *Sunnyvale Sun* and on its website, and holds public hearings before the Housing and Human Services Commission (and City Council, in the case of the ConPlan and Action Plans) before each draft plan is finalized and sent to HUD.

### Draft 2021/22 CAPER

The draft CAPER describes the progress made toward achieving the housing and community development goals and objectives identified in the ConPlan and FY 2021/22 Annual Action Plan. The CAPER was prepared using accomplishment data reported by the City's sub-recipients, borrowers and sub-grantees. In general, the City's activities were successfully implemented during the past fiscal year, and many lower-income households benefitted from the programs or projects funded by the grants. These activities helped many residents obtain jobs, housing, and human services addressing basic needs.

One major effort funded in the past fiscal year, the Tenant Based Rental Assistance (TBRA)

Program has continued to be very successful in helping homeless and at-risk households obtain regular paid employment and permanent housing. Further detail on the specific accomplishments achieved through these activities is provided in the draft CAPER (Attachment 1).

In addition to the aforementioned programs - the City administers Human Services grants that assist in meeting critical community needs, such as: crisis counseling services and food distribution to vulnerable populations.

Comments provided by the Commission and/or members of the public during or prior to the hearing will be addressed in the final CAPER. Written comments received during the comment period, which runs from September 2 to September 21, will be included with the CAPER upon submittal to HUD.

### **FISCAL IMPACT**

There is no cost or fiscal impact related to approving this report, however timely submission of the CAPER allows the City to remain in good standing as a CDBG and HOME grantee and continue receiving both grants.

### **PUBLIC CONTACT**

Public contact was made through posting of the Housing and Human Services Commission agenda on the City's official-notice bulletin board and on the City's website.

Notice of a public hearing, including a 15-day public comment and review period, was published in a legal advertisement in the *Sunnyvale Sun* newspaper on September 2, 2022. A copy of that notice is included in the CAPER. The draft CAPER was made available for public review on the City Housing website for the 15-day review period - and the public was notified that they could reach out to the Housing Division to request a hard-copy or electronic version of the CAPER.

### **ALTERNATIVES**

1. Approve the draft CAPER as presented in **Attachment 1**.
2. Approve the draft CAPER with modifications.

### **RECOMMENDATION**

Alternative 1: Approve the draft CAPER as presented in **Attachment 1** of the staff report.

Prepared by: Leif Christiansen, Housing Programs Analyst

Reviewed by: Jenny Carloni, Housing Officer

Approved by: Trudi Ryan, Director, Community Development

### **ATTACHMENTS**

1. Draft 2021/22 CAPER
2. Supplemental 2021/22 CAPER Goals and Accomplishments
3. 2020-2025 ConPlan and most recent Action Plans and CAPERs



Sunnyvale

## ***CITY OF SUNNYVALE***

# ***CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER)***

***For Fiscal Year 2021-22:  
July 1, 2021 - June 30, 2022***

***Community Development Block Grant (CDBG) and  
Home Investment Partnership Program (HOME)***

## Table of Contents

EXECUTIVE SUMMARY .....	3
CR-05 - Goals and Outcomes .....	3
CR-10 - Racial and Ethnic composition of families assisted .....	9
CR-15 - Resources and Investments 91.520(a) .....	10
CR-20 - Affordable Housing 91.520(b) .....	15
CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c) .....	17
CR-30 - Public Housing 91.220(h); 91.320(j) .....	19
CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j).....	20
CR-40 - Monitoring 91.220 and 91.230.....	25
CR-45 - CDBG 91.520(c) .....	26
CR-50 - HOME 91.520(d).....	27
PR26 - CDBG Financial Summary Report .....	29

## Table of Figures

Table 1: Accomplishments: Program Year & Strategic Plan to Date (FY 2021-22 and 2020-2025 Plan Total to Date).....	5
Table 2: Assistance provided, by race and ethnicity of household head, and by source of funds .....	9
Table 3: Resources Made Available .....	10
Table 4: Identify the geographic distribution and location of investments .....	10
Table 5: Fiscal Year Summary HOME Match Report.....	11
Table 6: Match Contribution for the Federal Fiscal Year .....	12
Table 7: HOME Program Income FY 2021-22 .....	12
Table 8: Minority Business Enterprises and Women Business Enterprises.....	13
Table 9: Minority Owners of Rental Property [N/A] .....	13
Table 10: Relocation and Real Property Acquisition .....	14
Table 11: Number of Households .....	15
Table 12: Number of Households Supported .....	15
Table 13: Number of Households Served .....	16

## EXECUTIVE SUMMARY

The City of Sunnyvale's FY 2021-2022 *Consolidated Annual Performance Evaluation Report (CAPER)* describes the progress made toward achieving the housing and community development goals identified in the City's *Five-Year (2020-2025) Consolidated Plan*, focusing on the goals and programs identified in the FY 2021-22 Action Plan, and includes activities funded in previous fiscal years with accomplishments reported during FY 2021-22. The FY 2021-22 CAPER covers the period from July 1, 2021 to June 30, 2022 and is the second annual report of this Consolidated Plan period. This CAPER was prepared for the City of Sunnyvale by the Housing Division of its Community Development Department, in compliance with U.S. Department of Housing and Urban Development (HUD) requirements. The document is a tool used by HUD and the City to evaluate accomplishments and actions taken during the previous program year.

### Summary of the Consolidated Plan Process

The City of Sunnyvale receives annual entitlement grants of federal Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds from HUD. HUD provides these funds to the City for various activities that benefit low-income people and/or areas of the City, such as affordable housing, public services, public improvements, and other community development activities.

As a CDBG/HOME entitlement grantee, the City is required to prepare a five-year strategic plan called a Consolidated Plan or "ConPlan". The ConPlan identifies the housing and community development needs of lower-income people and areas of the City, prioritizes these needs, identifies resources to address them, and establishes annual goals and objectives to meet the priority needs. As part of the ConPlan process, the City is also required to prepare an Action Plan for each year of the ConPlan. The Action Plan establishes the community's objectives for meeting the needs described in the ConPlan; identifies resources available within the community to meet ConPlan goals; and describes a one-year plan and budget for the intended uses of the City's CDBG and HOME funds, and any other HUD funds that may be available. At the end of each fiscal year, the City prepares a CAPER to report on the City's progress in meeting the goals and priorities in its ConPlan.

The FY 2021-22 CAPER was prepared with input from local non-profit agencies, the Housing and Human Services Commission, and interested members of the public. Written comments were encouraged and any comments submitted have been addressed within the CAPER.

### Federal Resources

The City received entitlement grants of \$1,200,561 in CDBG funds and \$415,138 in HOME funds for FY 2021-22. The City also received \$167,597 in CDBG program income (loan payments) in FY 2021-22, of which the balance was allocated to eligible CDBG activities in the City's FY 2022-23 Action Plan. A total of \$846,502 in HOME program income was received during the fiscal year as HOME loan payments.

## CR-05 - Goals and Outcomes

*Progress the jurisdiction has made in carrying out its strategic plan and its action plan.*

**91.520(a):** *An overview that includes major initiatives and highlights that were proposed*

*and executed throughout the program year.*

Two of the most important goals in the 2020-2025 ConPlan and the 2021-22 Action Plan were affordable housing and alleviation of homelessness. The highlights and initiatives described below were designed to address one or both of these goals.

**Highlights:**

Tenant-Based Rental Assistance (TBRA) Program: the City's TBRA program, funded with HOME funds, provides rental assistance similar to a Section 8 voucher but for a maximum term of up to two years. The program is available to homeless clients and very-low-income households at immediate risk of homelessness. Clients must either be working, job-seeking, or have the ability to obtain employment or other sources of income after the two-year period ends, so that they can take over their full rent payment at that time. The clients are provided with case management and housing search assistance by partnering non-profit agencies (referring agencies) that help them find and apply for units to rent, maintain or obtain employment and benefits, and address related needs. This program began in 2011 as a pilot project and is now operating at capacity. The program, as of July 1, 2022 – is now operated by Sunnyvale Community Services – and the program, by July 1, 2023, will double its enrollment capacity (from 20-households to 40-households), in an effort to serve more formerly homeless and very-low-income households.

**Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.**

### **Assessment of One Year Goals – FY 2021-22**

The highest priority in Sunnyvale in recent years has been expanding affordable housing supply and addressing homelessness. Both of these issues are major challenges facing the greater region (Silicon Valley and larger San Francisco Bay Area) as well as in many major metro areas around the U.S. in recent years. Sunnyvale has a long tradition of innovative policies and actions designed to address affordable housing, homelessness, and related priorities. The 2020-2025 Consolidated Plan focuses on expanding and preserving the existing supply of affordable housing, improving neighborhoods and increasing accessibility for persons with disabilities, alleviating homelessness, and supporting programs that help lower-income and special needs residents meet their basic needs in order to thrive in the community. All of these have been identified as priority needs in Sunnyvale. The majority of funding covered by the Action Plan was used to address these affordable housing, homelessness, and related priority needs, as shown in the table above and described below.

### **AFFORDABLE HOUSING**

Funding for housing-related priority needs was provided in accordance with the FY2021-22 Action Plan, as follows:

#### **1. Home Improvement Program (HIP)**

##### Owner-Occupied Housing Rehabilitation Loan Program

Housing rehabilitation is one of the priorities in the five-year Consolidated Plan. The HIP program, available city-wide, provides deferred loans of up to \$60,000 for rehabilitation of owner-occupied, single family homes and up to \$15,000 for mobile homes. During the reporting period, the City funded two home rehabilitation loans. Continued efforts are underway to increase public awareness about the program in order to increase utilization. These efforts include staff attendance at neighborhood meetings and City events, and marketing the program to likely eligible homeowners through various outreach channels including newsletters, blogs, brochures, flyers, email and website postings, and through non-profit partners. The HIP brochure is translated into Spanish and City staff is available to assist customers in English or Spanish, as well as other languages upon request, consistent with the City's Language Access Plan. Key materials also include a disclosure notice in six languages representative of the community such as Spanish, Vietnamese, Mandarin, Korean, Hindi, and Tagalog.

##### Home Access, Paint, and Emergency Repair Program

These program assists special needs and very low-income households, and is available city-wide. About \$23,410 was expended to help assist with home emergency repairs including plumbing, roofing and heating.

#### Energy Efficiency Matching Grant Program

This pilot program began in FY 2010 as an option typically combined with a rehabilitation loan on a single-family home. During the program year, there were no matching grants provided. Staff continues to collaborate with the other City Departments and the County to market this program, in conjunction with similar efforts provided through the CA Energy Upgrade program.

## **2. Fair Housing Services**

#### Fair Housing

Project Sentinel provides fair housing services to Sunnyvale residents. These services include fair housing outreach and education, investigation of housing discrimination complaints, conciliation of fair housing disputes, and legal representation for those who need legal redress for harms caused by housing discrimination. A total of 78 Sunnyvale clients received fair housing services funded by the CDBG grant to Project Sentinel during the program year.

The City continues to support fair housing efforts by providing information to the public about fair housing through the Housing Division's website and monthly e-newsletter, by posting flyers and brochures in various public facilities, sharing information with regional community organizations via listservs etc., and by organizing fair housing outreach events in April of each year.

## **ALLEVIATION OF HOMELESSNESS**

Programs designed to address this need aim to help people who are currently homeless or at imminent risk of homelessness to obtain employment or other sources of income, supportive services, and/or transitional rental assistance (TBRA) to obtain housing and achieve stability.

#### Actions to Address the Needs of Homeless Persons

In 2017, the City provided \$7.43 million in Housing Mitigation Funds, plus \$600,000 in HOME funds to Benner Plaza, a 66-unit affordable housing development, which includes a 23-unit set aside for the formerly homeless and/or families at-risk of homelessness. Additionally, in 2020, the City awarded \$26 million in local Housing Mitigation Funds to three affordable housing developments (Block 15, Sonora Court and Orchard Gardens), all of which will have units set-aside for the Extremely Low-Income population – and two of which have received County of Santa Clara Measure A Funds and will have Permanent Supportive Housing Units available. Lastly, in regards to affordable housing investments – the City released a Request for Proposals in July 2022, which included \$16 million in additional funding to qualified developers for the acquisition, development and or rehabilitation of affordable housing.

Funded in FY 2021-22, the City's Tenant Based Rental Assistance (TBRA) Program, administered by Abode Services, expended about \$674,921 in HOME funds during the 2021 program year to assist 20-households currently experiencing or at risk of homelessness, to obtain and maintain rental housing through use of TBRA vouchers. Each tenant is provided up to two years of assistance through this program. The City's TBRA Program, during the 2021 program year, sustained its enrollment and increased its expenditures from the previous year, in an effort to assist more Sunnyvale households experiencing, or at-risk of homelessness. Additionally, the TBRA network is coordinating at a higher-level to continue to ensure compliance with HUD requirements, and most importantly, to promote effective and consistent supportive-service administration to



households enrolled in the TBRA Program. As cited previously, the TBRA program has a new Administrator as of July 1, 2022 (Sunnyvale Community Services) – and the program is gearing up to expand enrollment to double its current capacity by July 1, 2023.

## COMMUNITY DEVELOPMENT

### Human Services

The City provided CDBG funding for human services (charitable) programs that serve various special needs clients (seniors, at-risk youth, disabled people, homeless people, domestic violence survivors, etc.). The CDBG grants typically represent just a very small portion of these agencies' overall operating budgets, and they serve many other clients (in Sunnyvale or elsewhere) beyond the numbers noted below, which include only the clients served with the City's CDBG grants for the specific services described below.

**The Bill Wilson Center** provides individual, couple, family and group counseling services to assist individual youth and their families with emotional and mental health issues. A CDBG grant of about \$30,500 was provided to this agency to provide counseling sessions to 34 unduplicated clients during the year. Additionally, the Bill Wilson Center operates a youth shelter and provides, care, and transitional housing for at-risk youth using other funding sources.

**The Sunnyvale Senior Nutrition Program**, hosted by the First United Methodist Church, provides high-quality, cost effective, hot nutritious meals in a congregate setting, five days a week to Sunnyvale residents age 60 or older. The Senior Nutrition Program received about \$44,000 in CDBG funds to provide hot meals to 75 Sunnyvale unduplicated older adults. A total of 2,897 meals were distributed.

**Sunnyvale Community Services (SCS)** provides emergency financial assistance to households in crisis, as well as food, clothing, and other assistance. SCS received about \$63,000 in CDBG funds to provide 2,843 bags of healthy, nutritious food to 481 lower-income clients through the Year- Round Food Assistance Program.

**YWCA Support Network** provides crisis counseling and related services to survivors of domestic violence who reside in Sunnyvale. This program received about \$32,000 in CDBG funds from the City to provide individual counseling, group counseling, support groups, and/or children's play therapy to 79 Sunnyvale residents.

## EXPAND ECONOMIC OPPORTUNITIES

### "Work First Sunnyvale" Workforce Development Program (CBDO Activity)

Certified as a Community-Based Development Organization (CBDO), Sunnyvale Community Services (SCS) implements this program with the assistance of the Downtown Streets Team (DST), an organization committed to helping homeless men and women rebuild their lives through a volunteer work-readiness program. During the program year, 30 clients graduated from Job Search Skills classes and 12 obtained regular paid employment. It is important to note that HUD suspended the Workfirst Sunnyvale program in the middle of Program Year 2021 – therefore the outcomes fall short of prior years, as expected due to reduced funding. Thankfully, the City and HUD worked together to address compliance concerns – and the program has relaunched in full as of July 1, 2022.

## CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).  
91.520(a)

**Table 2: Assistance provided, by race and ethnicity of household head, and by source of funds**

	CDBG	HOME
White	413	15
Black or African American	21	2
Asian	236	3
American Indian or American Native	19	0
Native Hawaiian or Other Pacific Islander	22	0
Multi-Racial/Other	58	
<b>Total</b>	<b>769</b>	<b>20</b>
Hispanic	222	10
Not Hispanic	191	5

### Narrative

As reflected in the table above, the City of Sunnyvale's programs served a diverse population generally representative of the Sunnyvale population. The City's outreach materials and agreements with subrecipient agencies require that funded programs be inclusive and accessible to all local populations in a non-discriminatory manner consistent with CDBG and HOME requirements.

## CR-15 - Resources and Investments 91.520(a)

### Identify the resources made available

**Table 3: Resources Made Available**

Source of Funds	Resources Made Available	Amount Expended During Program Year
CDBG	\$1,774,775	\$1,136,705
HOME	\$1,241,388	\$674,921

#### Narrative

Table 3 lists the amount of funding available in all CDBG and HOME accounts during FY 2021-22. Of that amount, the amounts shown in the right-hand column were spent during that year. The remaining funds are either being spent currently or will be spent soon on current projects and programs or will be reallocated to new activities as part of the FY 2022-23 Action Plan.

### Identify the geographic distribution and location of investments

**Table 4: Identify the geographic distribution and location of investments**

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
N/A	N/A	N/A	See below

#### Narrative

The City does not have any target areas for CDBG/HOME investments, as explained further in the ConPlan and Action Plans. Most of the CDBG and/or HOME-funded programs and services are provided on a city-wide basis to income-eligible and/or special needs households. Certain capital projects are assisted at a specific site, based on the location of the project, but projects may be proposed in any area of the City. There are no parts of the City suffering from “blight” or high poverty/unemployment rates that would warrant targeting efforts. Human services programs are delivered in a number of facilities and locations throughout the City, and in some cases just outside the City, as long as Sunnyvale residents are being served by the program. Affordable housing assistance is generally provided anywhere in the City, as opportunities arise, in order to avoid concentration of poverty, and to ensure fair access to affordable rental housing, rehabilitation assistance, and homeownership opportunities in all neighborhoods.

#### Leveraging

**Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.**

Federal funds are highly leveraged with other sources, as the amount of federal funding available typically constitutes just a small fraction of the total cost of the funded activities. The City encourages non-profit developers to seek private and State sources of funding, both including grants, loans, and/or tax credit financing. Furthermore, as opportunities arise, the City will use its local Housing funds (from impact and in-lieu fee revenues) as appropriate to leverage federal funds and to match HOME funds.

The City continues to support human service agencies with its General Fund, in addition to the CDBG public services funds it provides. This funding is provided through a competitive grant program.

The City of Sunnyvale used various sources to fund affordable and supportive housing activities this past year. The City provided federal funds from the following sources: CDBG, CDBG Revolving Loan Fund, and HOME. A number of non-profit agencies provide housing and supportive services in the City. They are partially funded through CDBG and City General funds, with the remainder of funding provided by private and/or other public sector funders. These activities are described under the Human Services Section of this CAPER.

**Table 5: Fiscal Year Summary HOME Match Report**

<b>Fiscal Year Summary – HOME Match</b>	
1. Excess match from prior Federal fiscal year	\$37,909,019
2. Match contributed during current Federal fiscal year	\$100,000
3 .Total match available for current Federal fiscal year (Line 1 plus Line 2)	\$38,009,019
4. Match liability for current Federal fiscal year	\$0
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	\$38,009,019

**Table 6: Match Contribution for the Federal Fiscal Year**

Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
various	PY2021	\$100,000						\$100,000

**Table 7: HOME Program Income FY 2021-22**

Program Income				
Balance on hand at beginning of reporting period	Amount received during reporting period	Total amount expended during reporting period	Amount expended for TBRA	Balance on hand at end of reporting period
\$424,132	\$846,502	\$674,921	\$674,921	\$595,713

**HOME MBE/WBE report (next page)**

The data for the MBE/WBE report is collected for the federal fiscal year (October 1 through September 30). Since this report was prepared before that period, the data is not yet available, but will be inserted before staff submits the CAPER to HUD.

**Table 8: Minority Business Enterprises and Women Business Enterprises:  
FFY: 10/01/21-09/30/22**

Contracts	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	3	0		0	3	3
Dollar Amount	\$0	\$0	\$0	\$0	\$0	\$61,875.75
Sub-Contracts						
Number	0	0	0	0	0	0
Dollar Amount	\$0	\$0	\$0	\$0	\$0	\$0
Contracts	Total	Women Business Enterprises	Male			
Number	0	0	0			
Dollar Amount	\$0	\$0	\$0			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	\$0	\$0	\$0			

**Table 9: Minority Owners of Rental Property [N/A]**

<b>Minority Owners of Rental Property:</b> Number of HOME-assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	n/a	n/a	n/a	n/a	n/a
Dollar Amount	\$0	n/a	n/a	n/a	n/a	n/a

Not Applicable. All of the HOME funds used by the City to assist affordable rental developments was provided to properties owned and managed by non-profit entities, not individual investors.

**Table 10: Relocation and Real Property Acquisition**

Not Applicable. None of the projects funded with CDBG or HOME funds during this program year involved any tenant relocation or acquisition.

## CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

**Table 11: Number of Households**

	<b>One-Year Goal</b>	<b>Actual</b>
Number of homeless households to be provided affordable housing units	20	20
Number of non-homeless households to be provided affordable housing units	0	0
Number of special-needs households to be provided affordable housing units	0	0
<b>Total</b>	<b>20</b>	<b>20</b>

**Table 12: Number of Households Supported**

	<b>One-Year Goal</b>	<b>Actual</b>
Number of households supported through rental assistance	20	20
Number of households supported through the production of new units	0	0
Number of households supported through the rehab of existing units	0	0
Number of households supported through the acquisition of existing units	0	0
<b>Total</b>	<b>20</b>	<b>20</b>

**Discuss the difference between goals and outcomes and problems encountered in meeting these goals.**

The City met its goals, specific to its TBRA program by serving 20-households throughout the program year.

**Discuss how these outcomes will impact future annual action plans.**

These outcomes show that the City met most if not all the goals in the 2020-2025 Consolidated Plan.



Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

**Table 13: Number of Households Served**

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low Income (up to 30% of Area Median)	583	20
Very Low Income (30% - 50% of AMI)	162	0
"Moderate" Income (51% - 80% of AMI, generally referred to as "Low Income" in California)	24	0
<b>Total</b>	<b>769</b>	<b>20</b>

**Narrative Information**

In total, the CDBG and HOME funds expended by the City during the program year assisted 769 households. Of those households, 583 had extremely low incomes and 162 had very low incomes.

**CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)**

**Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:**

**Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The WorkFirst Sunnyvale program includes outreach to homeless clients and assessment of their needs. The program partners with the Sunnyvale Shelter (operated by HomeFirst) to initiate discussions with the unhoused community – and Downtown Streets team, a subcontractor for the WorkFirst Program operates programming out of a local church, and has mobile outreach units to maximize its outreach efforts to the unhoused community. The program facilitates a vulnerability assessment on each client, if they are willing and seeking linkages to supportive services.

**Addressing the emergency shelter and transitional housing needs of homeless persons**

Two of the human services grants (to YWCA and Bill Wilson Center) helped these agencies provide shelter, transitional housing, and services to homeless clients and victims of domestic violence. In addition, the TBRA is a transitional housing program for homeless households, providing assistance for up to two years.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

Several of the Human Services grants supported the provision of services intended to prevent homelessness of Sunnyvale residents including the grants to Sunnyvale Community Services, YWCA, and Bill Wilson Center. In addition, the fair housing services provided also helped tenants avoid eviction and/or homelessness by addressing discrimination practices. In addition to the activities funded with CDBG, the City also provided assistance to other programs that aim to prevent homelessness using local funds. These include grants to Senior Adults Legal Services, and funding for tenant-landlord mediation programs.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

Several of the activities funded helped homeless clients and families transition to permanent housing, including: WorkFirst Sunnyvale, TBRA and the human services grants to the YWCA and Bill Wilson Center.

During the program year, the City provided a significant amount of funding for activities that helped homeless people obtain housing and jobs (TBRA). In addition, the City continues to participate in the county-wide efforts, such as the CoC and Destination Home, to end homelessness throughout the County.

**CR-30 - Public Housing 91.220(h); 91.320(j)**

**Actions taken to address the needs of public housing**

**Actions taken to encourage public housing residents to become more involved in management and participate in homeownership**

**Actions taken to provide assistance to troubled PHAs**

This section is not applicable as there is currently no official public housing in Sunnyvale. The City collaborates with the Santa Clara County Housing Authority (SCCHA) on its efforts to provide Section 8 vouchers, mortgage credit certificates, supportive services and other assistance to Sunnyvale residents. The City also supports the SCCHA in its efforts to increase federal appropriations for Section 8 and other affordable housing programs in Sunnyvale and in the County.

The City partnered with the Housing Authority on several efforts in recent years - as several Sunnyvale housing projects which were awarded project-based vouchers, including the Fair Oaks Senior Housing project, two senior group homes, and two new affordable rental projects (Parkside Studios and Onizuka Crossing).

### **CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)**

**Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)**

The City does not impose any public policies that unreasonably constrain housing development. There are no growth limitations or rent control policies, and property tax policies are largely set by the State. The City's land use designations and zoning are supportive of development of a wide variety of housing types, including single- and multi-family housing, ownership and rental, mobile homes, manufactured/modular housing, and so on. The City follows the State building code, and its fees and charges are reasonable and consistent with prevailing prices in the region. Between 2006 and 2015, a total of 4,933 new housing units were issued building permits by the City, for an average of 493 new units per year. Fifty-six percent of these units were multi-family rental units. Since 2015, 4,743 residential units have been permitted with 741 of those affordable to very low, low or moderate income households.

In 2014-15, the City updated the Constraints Analysis of its Housing Element, as required under California Housing Element law (Government Code 65580), to analyze city policies and land use regulations to determine if they had any negative effects on development. The State determined, with its certification of the City's 2015-2023 Housing Element, that the City does not currently implement policies that create barriers to affordable housing. Additional detail is available in the City's Housing Element <sup>1</sup>, which is provided in its entirety on the City's website and in the Library. As noted above, thousands of new dwelling units of various types and price points have been developed and additional units renovated in recent years, in most cases without any direct assistance from the City. This provides evidence that the City's policies do not unduly constrain residential development. In addition, the City has successfully assisted a number of affordable housing developments in recent years, which demonstrates that City policies do not have negative effects on assisted housing production.

Non-governmental barriers, primarily market factors such as high land costs, construction costs, and high prevailing market prices for housing, have been the primary challenges facing jurisdictions in the region, including Sunnyvale, in recent years, not public policies. These barriers are addressed, within the City's limited ability to address them, through the housing activities listed in the City's Action Plan and through the goals and policies listed in the Housing Element.

### **Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)**

The City continues to seek opportunities to provide housing in the community for underserved residents. These opportunities include local policies and funding commitments that support the development, maintenance, and improvement of affordable housing in Sunnyvale. In addition to Benner Plaza, which is described in section CR-25 above -- in 2020, the City allocated \$26 million in local housing funds to assist the development of new affordable rental housing in Sunnyvale.

**Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)**

The City continues to provide lead-based paint testing and assessment services on all housing built before 1978 that receives CDBG or HOME funding for rehabilitation and/or acquisition. The City ensures that the requirements for notification, evaluation and reduction of lead-based paint hazards in projects receiving federal assistance are met. Information about lead-based paint hazards is given to all property owners and residents before any rehabilitation work begins. The City also requires that all participating contractors and owner participants view the “Safe Work Practices” video developed by the City and read the “Lead Paint Safety” field guide prior to participating in the Paint Program. Staff continues to keep abreast of any new developments in lead-safe housing regulations. During the program year, there were no homes tested for lead, as there were no projects that required testing.

**Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)**

In April 2016, the City adopted a new minimum wage ordinance to increase the minimum wage to \$15 by 2018. The ordinance includes an annual adjustment based on inflation, and starting on January 1, 2022, the minimum wage adjusted up to \$17.10. This action has helped many workers increase their household incomes.

**Employment Development Efforts**

NOVA (North Valley Job Training Consortium)

Sunnyvale residents have access to employment development and training services provided by NOVA (North Valley Job Training Consortium). NOVA is funded entirely through federal, state, and foundation grants, with the primary resources coming from the Workforce Innovation and Opportunity Act (WIOA). NOVA serves a consortium of seven cities in northern Santa Clara County (Cupertino, Los Altos, Milpitas, Mountain View, Palo Alto, Santa Clara, and Sunnyvale), as well as all of San Mateo County. Many of the services and programs provided by NOVA target disadvantaged youth and adults who may have limited education or barriers to employment.

In addition to NOVA’s regular WIOA grants, below are other ways NOVA has recently supported the Sunnyvale population:

1. Since COVID-19 began, NOVAworks has pivoted to provide virtual reemployment assistance to job seekers and employers to mitigate the pandemic’s economic effects. Through new technology, services were successfully modified to an online platform, with career advising, navigation, workshops, and networking delivered remotely. This change in approach offered both challenges and opportunities. With the decline of COVID-19 cases, rise in vaccination rates and new public health orders, NOVAworks has now reopened its Job Center offices to in-person services by appointment. Customers are being asked to schedule an appointment to ensure that everyone can be accommodated in a safe and socially comfortable environment.
2. NOVA began partnering with the Brookings Institution Metropolitan Policy Program, BW Research Foundation and the Greater New Orleans Foundation to launch two regional pilot programs for displaced hospitality workers. The Hospitality Mobility Collaborative will test an equity-centered method to talent development that supports worker career choice, worker voice, and pathways to quality jobs. The program model will utilize a human-centered design approach that incorporates direct input from impacted workers and partners ensuring the process is tailored to user needs.

### Work First Sunnyvale

As noted above, the City provided CDBG funding through the FY 2021-22 Action Plan to continue operating the WorkFirst Sunnyvale workforce development program that aims to reduce poverty, primarily serving homeless people, by helping them gain employment and/or increase earned income, and helping them move into housing. The program helps homeless clients obtain employment and/or other sources of income, and adequate support services/networks to obtain housing and achieve stability. Activities included job readiness training, job search skills training, development of employer networks, job coaching, and job placement. It is important to reiterate that the Workfirst Sunnyvale program was suspended during the second half of Program Year 2021 due to compliance concerns from HUD and therefore only half of the allocated CDBG funding was able to be used. Thankfully, HUD and the City coordinated to rectify the concerns, and the program has relaunched during Program Year 2022.

### **Actions taken to develop institutional structure. 91.220(k); 91.320(j)**

The institutional structure includes private industry, non-profit organizations, and public institutions that deliver the programs outlined in the Consolidated Plan.

The institutional structure for carrying out the City's housing and community development activities consists of the City's cooperative relationships within its departments and other government agencies, non-profit organizations, and other institutions involved in the activities described herein.

The City works with the State, neighboring cities, the Santa Clara County Housing Authority (SCCHA) and the County of Santa Clara, the Housing Trust of Silicon Valley, and other private and/or non-profit agencies to coordinate efforts and use resources strategically. Collaboration with industry groups is accomplished through an ongoing relationship with the Silicon Valley Leadership Group's Housing Action Coalition (HAC), which focuses on regional housing policy, and any other interested industry partners, such as lenders, builders, and real estate industry associations.

The City works with the above-mentioned entities in an effort to provide adequate and affordable housing for residents of Santa Clara County, particularly for those who live and/or work in Sunnyvale. The City participates in regional efforts to leverage private and local government resources with federal resources for the provision of affordable housing and human services for residents of the region. In late 2016, voters of Santa Clara County passed Measure A, an

affordable housing bond, that will provide nearly a billion dollars over ten years to support affordable housing production and related housing programs throughout the county. The City has been actively collaborating with staff of the County and other cities in planning programs and projects that will be able to utilize the Measure A bond funds, and the Sunnyvale Mayor is one of the members on the County's Measure A Bond Oversight Board, to further strengthen the City's role in this important regional housing effort.

Most human service agencies and affordable housing developers that receive funding through the City's entitlement grants serve either the entire county or several counties in the South Bay region, or even larger areas. Sunnyvale cooperates with the other jurisdictions to avoid duplication of services and to ensure that an efficient delivery system is in place. The City continues to cooperate with the County and the County Housing Authority on various programs and projects.

**Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)**

**Coordination**

The City and other community development organizations in the County coordinate frequently on a variety of initiatives. The City Housing Division staff participates in a collaborative of HUD entitlement grantees within the County which holds quarterly meetings to discuss activities, technical assistance issues, and identify future opportunities for coordination and cooperation between local governments, housing providers, social service agencies, and the Housing Authority.

The City also participates in the County's Continuum of Care (CoC), comprised of governmental agencies, homeless service and shelter providers, homeless persons, housing advocates, affordable housing developers, and various private parties, including businesses and foundations. The CoC prepares the Countywide Homelessness Continuum of Care Plan, which seeks to create a comprehensive and coordinated system of affordable housing and supportive services for the prevention, reduction, and eventual end of homelessness. The Plan provides a common guide for the County, cities, service providers, the faith community, the business sector, philanthropy, and the broader community to follow in addressing local housing and the goals and services needs for homeless people. The actions included in the City's FY 2021-22 Action Plan to address housing needs and homelessness are consistent with the CoC's plans and policies.

The City also coordinates with other regional agencies, such as the Housing Trust of Silicon Valley, Joint Venture Silicon Valley, NOVA, the county-wide Fair Housing Task Force, the Valley Transportation Authority, and a number of other non-profit or public agencies, to achieve the goals described in the City's FY 2021-22 Action Plan.

**Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)**

Analysis of Impediments to Fair Housing Choice (AI)

The City's Analysis of Impediments to Fair Housing (AI) meets the requirements of 24 CFR 570.904(c)(1) for entitlement jurisdictions under the CDBG program administered by the U.S. Department of Housing and Urban Development (HUD).



The Housing Division continues to follow updates related to the new Fair Housing Rule. The City is working with the County to update its AFH in FY 2022-23 – and also worked with the County to draft a regional, and City specific Consolidated Plan. The preparation of the AFH was delayed due to the 2020 Coronavirus, but the City recently took the draft AFH to the Housing and Human Services Commission, where it was approved, and Council will consider adopting the draft AFH in October 2022.

Staff continues to make efforts to improve access to services, programs, and activities, including affordable housing opportunities, for all residents, including persons and households with Limited English Proficiency (LEP). The AI includes recommendations to: expand awareness of LEP clients, educate service providers on their obligations to LEP clients, and assess housing and service providers to evaluate the ability of LEP clients to access sponsored services, programs, and activities.

#### Actions to Affirmatively Further Fair Housing

Sunnyvale was involved in the following activities to affirmatively further fair housing during FY 2021-22:

- Provided translation and interpretation services for the City's housing and community development programs.
- Provided information on foreclosure prevention, tenancy rights, financial education, and other fair housing related topics.

The Fair Housing page on the City's website provides a link for residents to report discrimination complaints directly to HUD.

The City actively implements an affirmative marketing plan to inform the public about all housing programs and new housing opportunities, such as the up-coming Benner Plaza development. Housing programs are available to those who live or work in the City and the county, and minority and LEP participants are actively sought by reaching out to community organizations serving these communities. A number of program brochures are translated into Spanish. Last year, staff marketed housing programs online and via various electronic media. Staff also distributed housing brochures to the Sunnyvale Senior Center, Sunnyvale Public Library, Sunnyvale City Hall and the Sunnyvale Community Center.

## **CR-40 - Monitoring 91.220 and 91.230**

**Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

### Monitoring

The City reviews its progress toward the goals of the Consolidated Plan, and continues to monitor all federally funded activities as required by HUD and OMB. All reporting requirements were met this program year.

At the beginning of each program year, agreements are prepared with subrecipients outlining the responsibilities involved with the receipt of federal funds, and the performance standards to be met. During the program year, subrecipients are required to submit quarterly performance reports describing which program goals have been achieved on a quarterly basis. At least every two years, City staff conducts on-site programmatic and internal control monitoring, and visits its funding recipients to review the fiscal and program management of their federally funded programs. The subrecipient agencies maintain documentation of performance indicators available for inspection, with an audit trail from source documents to reports. At year's end, the City prepares biennial evaluations of these agencies. These evaluations are submitted to the Housing and Humans Services Commission for review during the grant application process.

### Outreach to Minority and Women-owned Business Enterprises (MBE/WBE)

The City continues to endeavor to contract with and/or hire MBE/WBE firms for its HOME-assisted projects. The City encourages City staff and CDBG/HOME sub-recipients to actively solicit minority and women-owned businesses in their procurement of goods and services related to HOME-funded projects.

## **Citizen Participation Plan 91.105(d); 91.115(d)**

**Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.**

A notice informing the public of the availability of the CAPER was published in the Sunnyvale Sun on September 2, 2022.

The draft CAPER was available for public review and comment for a 15-day period, beginning September 2, 2022 - and concluding on September 21, 2022. Copies of the draft report were available on the City's website: <https://www.sunnyvale.ca.gov/homes-streets-and-property/housing> - and residents could request a hard-copy or electronic version by contacting City staff via email or by telephone. The Housing and Human Services Commission held a public hearing on Wednesday, September 21, 2022 to take public comment.

**CR-45 - CDBG 91.520(c)**

**Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.**

Not Applicable

**[BEDI grantees] Describe accomplishments and program outcomes during the last year.**

Not Applicable

## CR-50 - HOME 91.520(d)

### **Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations**

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that weren't inspected, please indicate the reason and how you will remedy the situation.

Property	Units Inspected
Parkside Studios	3
Crescent Terrace	3
Aster Park	16
Posolmi Place	1
Carroll Street Inn	8
Stoney Pine	3
Plaza De Las Flores	3
Offenbach Place	2
Klee Court	3
Parkside Studios	3

During the 2021-22 HOME unit site visit and HQS inspection process – there were minimal issues in several units inspected, which were promptly addressed by property management. The City did not encounter any significant issues with any HOME units during its HQS inspection process for 2021-22.

### **Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)**

The City's Analysis of Impediments to Fair Housing Choice includes Appendix A, *Affirmative Marketing Policies and Procedures for Affordable Housing*, which includes a detailed list of special outreach resources to ensure that outreach and marketing efforts will reach groups "least likely to apply," and to provide information to households with limited English proficiency, and/or "linguistically isolated" households. The City will continue to provide the Appendix to assisted housing developers for inclusion in their Marketing Plans.

The waiting lists of local affordable housing developments indicate that affirmative outreach efforts have been very successful in reaching various minority communities, as well as a broad range of household types. MidPen ensures that each of their projects perform outreach marketing in order to affirmatively further fair housing, pursuant to its commitment to non-discrimination and providing equal opportunity in housing, and the requirements and expectations of various regulatory and/or funding agencies. Local housing developers receiving City HOME funds follow a marketing plan that includes contacting local civic and community organizations representative of the ethnic and cultural diversity of the entire County in order to disseminate information about their projects. Both Charities Housing and MidPen Housing implemented a comprehensive affirmative marketing plan to lease the units available at Parkside Studios, Onizuka Crossing, and Benner Plaza. Groups representing disabled and elderly clients are also contacted.

**Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics**

A total of \$846,502 was received in HOME program income. During the program year, about \$674,921, was drawn to fund expenditures for the TBRA program.

**Describe other actions taken to foster and maintain affordable housing. 91.220(k)**

Please see the activities described under the Actions to Address the Needs of Homeless Persons (TBRA) of this report.



PR26 - CDBG Financial Summary Report

Program Year 2021

SUNNYVALE , CA

PART I: SUMMARY OF CDBG RESOURCES

01 UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR	401,720.00
02 ENTITLEMENT GRANT	1,200,561.00
03 SURPLUS URBAN RENEWAL	0.00
04 SECTION 108 GUARANTEED LOAN FUNDS	0.00
05 CURRENT YEAR PROGRAM INCOME	167,597.07
05a CURRENT YEAR SECTION 108 PROGRAM INCOME (FOR SI TYPE)	0.00
06 FUNDS RETURNED TO THE LINE-OF-CREDIT	4,897.25
06a FUNDS RETURNED TO THE LOCAL CDBG ACCOUNT	0.00
07 ADJUSTMENT TO COMPUTE TOTAL AVAILABLE	0.00
08 TOTAL AVAILABLE (SUM, LINES 01-07)	1,774,775.32

PART II: SUMMARY OF CDBG EXPENDITURES

09 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION	921,474.96
10 ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT	0.00
11 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)	921,474.96
12 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	215,230.99
13 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS	0.00
14 ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES	0.00
15 TOTAL EXPENDITURES (SUM, LINES 11-14)	1,136,705.95
16 UNEXPENDED BALANCE (LINE 08 - LINE 15)	638,069.37

PART III: LOW/MOD BENEFIT THIS REPORTING PERIOD

17 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS	0.00
18 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING	0.00
19 DISBURSED FOR OTHER LOW/MOD ACTIVITIES	775,524.09
20 ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT	0.00
21 TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)	775,524.09
22 PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)	84.16%

LOW/MOD BENEFIT FOR MULTI-YEAR CERTIFICATIONS

23 PROGRAM YEARS(PY) COVERED IN CERTIFICATION	PY: 2020 PY: 2021 PY: 2022
24 CUMULATIVE NET EXPENDITURES SUBJECT TO LOW/MOD BENEFIT CALCULATION	0.00
25 CUMULATIVE EXPENDITURES BENEFITING LOW/MOD PERSONS	0.00
26 PERCENT BENEFIT TO LOW/MOD PERSONS (LINE 25/LINE 24)	0.00%

PART IV: PUBLIC SERVICE (PS) CAP CALCULATIONS

27 DISBURSED IN IDIS FOR PUBLIC SERVICES	441,047.07
28 PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
29 PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00
30 ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS	(240,265.82)
31 TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)	200,781.25
32 ENTITLEMENT GRANT	1,200,561.00
33 PRIOR YEAR PROGRAM INCOME	213,614.72
34 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP	0.00
35 TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)	1,414,175.72
36 PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)	14.20%

PART V: PLANNING AND ADMINISTRATION (PA) CAP

37 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	215,230.99
38 PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
39 PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00
40 ADJUSTMENT TO COMPUTE TOTAL PA OBLIGATIONS	0.00
41 TOTAL PA OBLIGATIONS (LINE 37 + LINE 38 - LINE 39 +LINE 40)	215,230.99
42 ENTITLEMENT GRANT	1,200,561.00
43 CURRENT YEAR PROGRAM INCOME	167,597.07
44 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP	0.00
45 TOTAL SUBJECT TO PA CAP (SUM, LINES 42-44)	1,368,158.07
46 PERCENT FUNDS OBLIGATED FOR PA ACTIVITIES (LINE 41/LINE 45)	15.73%



Office of Community Planning and Development  
U.S. Department of Housing and Urban Development  
Integrated Disbursement and Information System  
PR26 - CDBG Financial Summary Report  
Program Year 2021  
SUNNYVALE , CA

ATTACHMENT 1  
Page 29 of 30  
PAGE:

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2

LINE 17 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 17

Report returned no data.

LINE 18 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 18

Report returned no data.

LINE 19 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 19

Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity Name	Matrix Code	National Objective	Drawn Amount
2020	11	598	6601709	ADA Curb Ramps	03L	LMC	\$231,944.28
					03L	Matrix Code	\$231,944.28
2021	5	621	6613904	CASA Foster Youth	05D	LMC	\$7,245.92
2021	5	621	6655698	CASA Foster Youth	05D	LMC	\$7,238.45
2021	5	621	6676968	CASA Foster Youth	05D	LMC	\$14,515.63
					05D	Matrix Code	\$29,000.00
2021	4	612	6601709	WorkFirst Sunnyvale	05H	LMC	\$99,078.51
2021	4	612	6613904	WorkFirst Sunnyvale	05H	LMC	\$100,617.36
2021	4	612	6676968	WorkFirst Sunnyvale	05H	LMC	\$40,569.95
					05H	Matrix Code	\$240,265.82
2021	5	617	6601709	Bill Wilson Center Counseling Program	05O	LMC	\$7,747.47
2021	5	617	6655698	Bill Wilson Center Counseling Program	05O	LMC	\$8,050.00
2021	5	617	6676968	Bill Wilson Center Counseling Program	05O	LMC	\$14,702.53
2021	5	618	6613904	YWCA Crisis Counseling	05O	LMC	\$13,269.55
2021	5	618	6676968	YWCA Crisis Counseling	05O	LMC	\$18,027.70
					05O	Matrix Code	\$61,797.25
2021	5	615	6601709	First United Methodist Church Food Program	05W	LMC	\$11,625.00
2021	5	615	6655698	First United Methodist Church Food Program	05W	LMC	\$11,625.00
2021	5	615	6676968	First United Methodist Church Food Program	05W	LMC	\$23,250.00
2021	5	616	6601709	Sunnyvale Community Services Food Program	05W	LMC	\$16,005.00
2021	5	616	6613904	Sunnyvale Community Services Food Program	05W	LMC	\$47,479.00
					05W	Matrix Code	\$109,984.00
2018	11	623	6601709	Housing Rehab Program Admin (RLF)	14H	LMC	\$58,668.76
2018	11	623	6613904	Housing Rehab Program Admin (RLF)	14H	LMC	\$19,324.09
2018	11	623	6655698	Housing Rehab Program Admin (RLF)	14H	LMC	\$4,125.13
2018	11	623	6676968	Housing Rehab Program Admin (RLF)	14H	LMC	\$20,414.76
					14H	Matrix Code	\$102,532.74
Total							\$775,524.09

LINE 27 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 27

Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity to prevent, prepare for, and respond to Coronavirus	Activity Name	Grant Number	Fund Type	Matrix Code	National Objective	Drawn Amount
2021	5	621	6613904	No	CASA Foster Youth	B21MC060023	EN	05D	LMC	\$7,245.92
2021	5	621	6655698	No	CASA Foster Youth	B21MC060023	EN	05D	LMC	\$7,238.45
2021	5	621	6676968	No	CASA Foster Youth	B21MC060023	EN	05D	LMC	\$14,515.63
								05D	Matrix Code	\$29,000.00
2021	4	612	6601709	No	WorkFirst Sunnyvale	B21MC060023	EN	05H	LMC	\$99,078.51
2021	4	612	6613904	No	WorkFirst Sunnyvale	B21MC060023	EN	05H	LMC	\$100,617.36
2021	4	612	6676968	No	WorkFirst Sunnyvale	B21MC060023	EN	05H	LMC	\$40,569.95
								05H	Matrix Code	\$240,265.82
2021	5	617	6601709	No	Bill Wilson Center Counseling Program	B21MC060023	EN	05O	LMC	\$7,747.47
2021	5	617	6655698	No	Bill Wilson Center Counseling Program	B21MC060023	EN	05O	LMC	\$8,050.00
2021	5	617	6676968	No	Bill Wilson Center Counseling Program	B21MC060023	EN	05O	LMC	\$14,702.53
2021	5	618	6613904	No	YWCA Crisis Counseling	B21MC060023	EN	05O	LMC	\$13,269.55
2021	5	618	6676968	No	YWCA Crisis Counseling	B21MC060023	EN	05O	LMC	\$18,027.70
								05O	Matrix Code	\$61,797.25
2021	5	615	6601709	No	First United Methodist Church Food Program	B21MC060023	EN	05W	LMC	\$11,625.00
2021	5	615	6655698	No	First United Methodist Church Food Program	B21MC060023	EN	05W	LMC	\$11,625.00
2021	5	615	6676968	No	First United Methodist Church Food Program	B21MC060023	EN	05W	LMC	\$23,250.00
2021	5	616	6601709	No	Sunnyvale Community Services Food Program	B21MC060023	EN	05W	LMC	\$16,005.00
2021	5	616	6613904	No	Sunnyvale Community Services Food Program	B21MC060023	EN	05W	LMC	\$47,479.00
								05W	Matrix Code	\$109,984.00
Total				No	Activity to prevent, prepare for, and respond to Coronavirus					\$441,047.07
										\$441,047.07

LINE 37 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 37

Office of Community Planning and Development  
U.S. Department of Housing and Urban Development  
Integrated Disbursement and Information System



Community Development Block Grant and HOME Investment Partnerships Annual  
Accomplishment Summary

Sunnyvale, 2021

<b>Program/Project</b>	<b>Priority</b>	<b>Funding Source</b>	<b>Unit of Measure</b>	<b>Expected Outcome</b>	<b>Actual Outcome</b>
Human/Public Services	Other Community Development Efforts	CDBG	Persons Assisted	500	745
Tenant Based Rental Assistance	Homeless	HOME	Households Assisted	20	20
*WorkFirst Sunnyvale	Homeless/Expand Economic Opportunities	CDBG	Job Creation and Retention	20	12
Minor Home Improvement Program	Other Community Development Efforts	CDBG	Households Assisted	10	10
Major Rehabilitation Program	Other Community Development Efforts	CDBG	Households Assisted	2	2

Note: This table is intended to be a supplement for the HUD Consolidated Plan and Accomplishments report that is typically produced through HUD's Integrated Disbursement and Information System (IDIS).

\*WorkFirst Sunnyvale was "paused" during the second half of Program Year 2021 due to a request from HUD – which impacted the annual outcome. WorkFirst Sunnyvale has resumed for Program Year 2022.



**RTC #:** 22-0926

**Document Title:** 2020-2025 ConPlan and most recent Action Plans and CAPERs

**Link:** <https://www.sunnyvale.ca.gov/homes-streets-and-property/housing> scroll down to Federal Programs



# City of Sunnyvale

## Agenda Item

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**22-0948**

**Agenda Date:** 9/21/2022

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Consideration of Potential Study Issues



# City of Sunnyvale

## Agenda Item

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**22-0949**

**Agenda Date:** 9/21/2022

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Housing Element Update



# City of Sunnyvale

## Agenda Item

**22-0950**

**Agenda Date:** 9/21/2022

Housing and Human Services Commission Proposed Study Issues, Calendar Year: 2023

### Proposed Study Issues\*

Date	Working Title	Summary of Scope	Staff Comments
1/30/22	Inclusionary Update	Raise the Below Market Rate requirement for new developments from 15% to 20%	Supported as a tool to meet RHNA goals and to provide affordable housing.
1/30/22	Raise Below Market Rate (BMR) Fees	Raise BMR in-lieu fees from developers to reflect the actual cost of building an affordable housing unit more closely.	Staff is supportive of a potential review and update to the current in-lieu fee structure.

\*The study issues have been proposed for future sponsorship

Toward the end of the calendar year, no later than October, boards and commissions will review the list of proposed study issues and officially vote on sponsorship for each individually listed study issue. Official sponsorship means that the study issue is approved for ranking with a majority vote of the board or commission. Staff will then prepare the sponsored study issue papers, including fiscal impact **but not** the staff recommendation.