



# City of Sunnyvale

## Notice and Agenda Housing and Human Services Commission

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Wednesday, April 17, 2019

7:00 PM

West Conference Room, City Hall, 456 W.  
Olive Ave., Sunnyvale, CA 94086

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### Special Meeting

#### **CALL TO ORDER**

#### **SALUTE TO THE FLAG**

#### **ROLL CALL**

#### **ORAL COMMUNICATIONS**

*This category provides an opportunity for members of the public to address the 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 commissioners to take action on an item not listed on the agenda. If you wish to address the commission, please complete a speaker card and give it to the Recording Secretary. Individuals are limited to one appearance during this section.*

#### **CONSENT CALENDAR**

- 1.A    [19-0447](#)    Approve the Housing and Human Services Commission Meeting Minutes of April 3, 2019

**Recommendation:** Approve the Housing and Human Services Commission Minutes of April 3, 2019 as submitted.

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

- 2        [19-0338](#)    Consider Approval of Draft 2019 Housing and Urban Development (HUD) Action Plan

**Recommendation:** Recommend to Council Alternative 1: Recommend that the City Council approve the 2019 Action Plan as shown in Attachment 2 of the staff report.

- 3      [19-0459](#)      Consider a Below Market Rate Alternative Compliance Plan for Residential Development at 1142 Dahlia Court. Applicant: Trumark Homes; Planning Files 2018-7989 and 2018-7451.

**Recommendation:** Alternative 1) Recommend City Council approval of the Applicant's BMR Alternative Compliance Plan project located at 1142 Dahlia Court, as shown in Attachment 2 to the report

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

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

-Commissioner Comments

-Staff Comments

### **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, Sunnyvale, CA. during normal business hours and at the meeting location on the evening of the board or commission meeting, pursuant to Government Code §54957.5.*

*Agenda information is available by contacting Edith Alanis at (408) 730-7254. Agendas and associated reports are also available on the City's website at [sunnyvale.ca.gov](http://sunnyvale.ca.gov) or at the Sunnyvale Public Library, 665 W. Olive Ave., Sunnyvale, 72 hours before the meeting.*

*Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact Edith Alanis at (408) 730-7254. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.160 (b) (1))*



# City of Sunnyvale

## Agenda Item

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**19-0447**

**Agenda Date:** 4/17/2019

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**SUBJECT**

Approve the Housing and Human Services Commission Meeting Minutes of April 3, 2019

**RECOMMENDATION**

Approve the Housing and Human Services Commission Minutes of April 3, 2019 as submitted.



# City of Sunnyvale

## Meeting Minutes - Draft

### Housing and Human Services Commission

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Wednesday, April 3, 2019

7:00 PM

West Conference Room, City Hall, 456 W.  
Olive Ave., Sunnyvale, CA 94086

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#### Special Meeting

#### **CALL TO ORDER**

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

#### **SALUTE TO THE FLAG**

Chair Gilbert led the salute to the flag.

#### **ROLL CALL**

**Present:** 6 - Chair Diana Gilbert  
Vice Chair Joshua Grossman  
Commissioner Patti Evans  
Commissioner Ken Hiremath  
Commissioner Minjung Kwok  
Commissioner Elinor Stetson

**Vice Chair Joshua Grossman (arrived at 7:03 p.m.)**  
**Council Liaison Russ Melton (present)**

#### **ORAL COMMUNICATIONS**

None.

#### **CONSENT CALENDAR**

- 1.A**     [19-0318](#)     Approve the Housing and Human Services Commission  
Meeting Minutes of February 27, 2019

Chair Gilbert asked if there were any comments on the consent calendar item, or for a motion.

MOTION: Commissioner Hiremath moved and Commissioner Kwok seconded the motion to Approve the Housing and Human Services Commission Minutes of February 27, 2019 as submitted.



Vice Chair Grossman and Commissioner Kwok noted that they were absent during the February 27 meeting and would abstain.

The motion carried by the following vote:

**Yes:** 4 - Chair Gilbert  
Commissioner Evans  
Commissioner Hiremath  
Commissioner Stetson

**No:** 0

**Abstain:** 2 - Vice Chair Grossman  
Commissioner Kwok

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

- 2      [19-0363](#)      Evaluations and Funding Recommendations for FY 2019/20  
Human Services Grants and CDBG Capital Project Loans

Housing Officer Jennifer Carloni gave an overview of the staff report and answered questions.

Chair Gilbert opened the public hearing at 7:19 p.m.

The following agency representatives spoke in support of their proposals, answered questions, thanked the commissioners for their consideration, and encouraged them to support the funding recommendations.

1. Amanda Clifford, Bill Wilson Center: Family and Individual Counseling.
2. Chris Anderson, Downtown Streets Team: WorkFirst Sunnyvale Program in collaboration with Sunnyvale Community Services.
3. Marie Bernard, Sunnyvale Community Services: WorkFirst Sunnyvale in collaboration with Downtown Streets Team and Food Assistance Program for Low-Income Residents.
4. Tom Morse, First United Methodist Church: Sunnyvale Senior Nutrition Program.
5. Jo Bailard, Abilities United: Adult Services.
6. Wanda Hale, Catholic Charities of Santa Clara County: Long Term Care Ombudsman Program.
7. Jordan Dancer, Next Door Solutions to Domestic Violence: Support Services for Survivors of Domestic Violence.

8. Teresa Johnson, The Health Trust: Meals-on-Wheels Program.
9. Colleen Hudgen, Live Oak Adult Day Services.
10. Ann Marquart, Project Sentinel: Fair Housing Services.
11. Georgia Bacil, Senior Adults Legal Assistance: Free Legal Assistance to Elders.
12. Sarah Norman, Friends for Youth: Mentoring Services for Youth
13. Pai Venegas, Silicon Valley Independent Living Center: Housing and Emergency Services for Persons with Disabilities.

Chair Gilbert closed the public hearing at 8:17 p.m.

After additional questions of staff and some discussion, Chair Gilbert asked for a motion.

MOTION: Commissioner Evans moved and Commissioner Stetson seconded the motion to approve Alternative 1: Recommend that City Council fund the CDBG capital project and human services proposals in the amounts shown in Attachment 2 to the report, and the General Fund human service proposals shown in Attachment 3 to the report, with staff having the authority to make minor adjustments as needed once the final grant allocations arrive.

The motion carried by the following vote:

**Yes: 6 -** Chair Gilbert  
Vice Chair Grossman  
Commissioner Evans  
Commissioner Hiremath  
Commissioner Kwok  
Commissioner Stetson

**No: 0**

MOTION: Commissioner Stetson moved and Commissioner Evans seconded the motion to request that staff allocate any additional CDBG funds that might be received in the final allocation from HUD, based on proposal ranking and past funding history.

The motion carried by the following vote:

**Yes:** 6 - Chair Gilbert  
Vice Chair Grossman  
Commissioner Evans  
Commissioner Hiremath  
Commissioner Kwok  
Commissioner Stetson

**No:** 0

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

None.

**NON-AGENDA ITEMS & COMMENTS**

**-Commissioner Comments**

Chair Gilbert reminded the rest of the commissioners that they could attend the Council meetings in May and June to advocate for human services funding recommendations.

Chair Gilbert also reported attending the Study Issues Workshop to speak in support of the study issues that were ranked by the Housing and Human Services Commission. She noted that not all study issues moved forward.

Vice Mayor Melton thanked the Commissioners for their advocacy and noted that only 10 study issues made it above the line out of the 45 that they started out with for all departments. He suggested to the commissioners to focus on more policy-oriented study issues as they go forward.

**-Staff Comments**

Housing Officer Jenny Carloni shared that the Santa Clara County Board of Supervisors approved to keep the Sunnyvale Cold Weather Shelter on Hamlin Ct. open year-round.

**ADJOURNMENT**

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



# City of Sunnyvale

## Agenda Item

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19-0338

Agenda Date: 4/17/2019

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### REPORT TO HOUSING AND HUMAN SERVICES COMMISSION

#### **SUBJECT**

Consider Approval of Draft 2019 Housing and Urban Development (HUD) Action Plan

#### **REPORT IN BRIEF**

The City must submit an Action Plan to HUD every year in order to receive federal entitlement grants from the Community Development Block Grant (CDBG) and the HOME Investment Partnerships (HOME) Programs. The draft 2019 HUD Action Plan ("Action Plan") provided in Attachment 2 has been prepared in accordance with federal requirements governing the use of these entitlement grants, including the citizen participation requirements. HUD is the federal agency that administers and regulates these grants. The Action Plan sets forth the proposed uses of the CDBG and HOME funds projected to be available in the coming fiscal year, as shown in Table 1 in the Discussion section of this report. These funds may be used for eligible community development activities to meet the priority and/or unmet needs, primarily of lower-income residents, described in the City's HUD Consolidated Plan. A Request for Proposals (RFP) was issued for these funds in January 2019 and seven applications were received.

The Housing and Human Services Commission (HHSC) will hold a public hearing on the draft Action Plan at its April 17, 2019 meeting. The City Council is scheduled to hold a public hearing and consider this item on May 7, 2019. Staff recommends that the HHSC recommend to City Council Alternative 1: Approve 2019 Action Plan, as shown in Attachment 2.

#### **BACKGROUND**

HUD requires entitlement grantees (cities, counties and states) to submit an application, referred to as a Consolidated Plan, every five years, to maintain eligibility for CDBG and HOME Program grants. Sunnyvale's last Consolidated Plan was approved in 2015 and covers fiscal years 2015/16 through 2019/20. In addition, every year entitlement grantees must submit an annual "Action Plan" to HUD for its approval to obtain the grant for the coming fiscal year. Action Plans are required to describe the grantees' local needs and the projects and programs to be funded with the grant funds in the coming fiscal year. Upon HUD approval, the annual Action Plans are appended to the five-year Consolidated Plan. The 2019 Action Plan will be the final Action Plan to be added to the City's 2015-2020 Consolidated Plan.

#### **CDBG and HOME Programs**

The CDBG program was established by the Housing and Community Development Act of 1974, Public Law 93-383; and the HOME Program was established by the National Affordable Housing Act of 1990. These programs provide annual grants to jurisdictions to enable them to "develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for low and moderate-income persons." CDBG regulations define "low and moderate" as households earning not more than 80% of area median household income, or

what the City and the State of California refer to as “lower-income households”. The CDBG and HOME lower-income limits are established annually by HUD and is currently set at \$94,450 for a household of four in the Sunnyvale-San Jose metropolitan area, with adjustments for larger or smaller households. To be eligible for most types of CDBG or HOME assistance, the household’s gross annual income cannot exceed that amount.

CDBG Eligible Uses	HOME Eligible Uses
Activities that “principally benefit” lower-income households, such as: housing rehabilitation, public facilities and infrastructure, public services, energy conservation, economic development and job creation/retention.	Activities that fund lower-income housing efforts, including: construction, rehabilitation, and acquisition of affordable housing, first-time home buyer assistance, and tenant-based rental assistance.

### **EXISTING POLICY**

#### **2015-2020 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.

#### **Human Services Policy 5.1.3**

The City shall make its best efforts to provide supplemental human services, which include but are not limited to emergency services, senior services, disabled services, family services, and youth services.

### **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 is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment. The action is also exempt under the National Environmental Policy Act (“NEPA”) pursuant to 24 CFR 58.34 (a)(1) and (3) as it relates to the development of plans and strategies and is an administrative and managerial activity. Although site-specific projects may be identified in the Action Plan, approval of the Plan does not constitute a formal commitment for those projects.

### **DISCUSSION**

#### **Action Plan Development**

When developing the draft Action Plan, staff analyzed the City’s ongoing programs eligible for CDBG and/or HOME funds, such as the Home Improvement Program and Tenant Based Rental Assistance (TBRA), and seeks proposals from the community for programs and projects to be funded with available CDBG and HOME funds in the coming fiscal year. Funding requests for human services are considered on a competitive basis every two years with conditional funding awards made for a two-year term; capital project proposals are considered annually. The RFP for FY 2019/20 was released

in January 2019 and the City received seven applications for CDBG funds.

### HUD Spending Limits for Public Services and Administration

HUD regulations limit how much entitlement grantees can allocate for program administration and public (human) services activities. CDBG administration is limited to 20% and public services are limited to 15% of CDBG grant and program income funds (no administrative funding is available from disencumbered funds or fund balance).

As shown in Table 1 below, staff estimates that no more than \$250,000\* in CDBG funds can be allocated for administrative and planning (including fair housing), and no more than \$187,000\* can be provided for public services, for next fiscal year. HOME regulations limit funding for administration to no more than 10% of the entitlement grant and 10% of program income received in prior years, if applicable. The amount recommended to be allocated for HOME administration complies with this requirement.

### Funding Availability

HUD has not yet released the FY 2019/20 allocations, and therefore the City estimates its grant based off the previous year's allocation. The City estimates it will receive a CDBG grant of \$1,100,000\*, and a HOME grant of \$400,000\* for FY 2019. In addition to the FY 2019 grants, staff estimates that approximately \$150,000\* in CDBG program income will be received by the end of the current fiscal year, not including amounts deposited into the Housing Rehabilitation Revolving Loan Fund (RLF). Program income consists of loan payments on prior CDBG loans, as well as interest accrued in the fund. In addition, approximately \$150,000 in FY 2018/19 CDBG funds and \$530,000 in FY 2018/19 HOME funds remain unallocated and can be allocated in FY 2019/20.

As shown in Table 1 below, staff estimates that nearly \$1.4 million\* in CDBG funds and approximately \$930,000\* in HOME funds may be available for new activities to be implemented next fiscal year. These amounts include FY 2019 entitlement grants, program income, and balances from prior years' grants. These totals may increase or decrease if the entitlement grant amounts vary from the estimates, or if more program income is received than the current projections. Please see Table 1 below for details.

**Table 1: Funds Available**

<b><i>All Amounts are Estimates</i></b>	<b>CDBG</b>	<b>HOME</b>
Estimated FY 2019 Entitlement Grant	\$1,100,000*	\$400,000*
Estimated FY 2018 Program Income	\$150,000*	n/a
Disencumbered/Fund Balance	\$150,000*	\$530,000*
<b>Total Estimated Funds for FY 2019</b>	<b>\$1,400,000*</b>	<b>\$930,000*</b>

(All amounts followed with \* are estimates.)

### Proposed CDBG Activities

The projects and programs proposed to be funded in 2019 are shown in Table 2 below and in **Attachment 2**. These activities are eligible for the indicated funding type and amount recommended, based on federal regulations associated with these grants, and meet one or more priority needs as identified in the City's 2015-2020 Consolidated Plan.

*Administration and Planning:*

Administration includes the City's expenses for staffing and implementing the CDBG and HOME programs, including public outreach, holding hearings, publishing notices, developing the RFPs, evaluating proposals, grant contract management, tracking of grant funds and program income, sub-grantee monitoring, reporting, and compliance with federal requirements such as environmental, labor, anti-discrimination, and fair housing regulations. Indirect costs (overhead for expenses incurred by internal service departments) and fair housing services are also included in program administration.

*Housing Rehabilitation (Owner-Occupied)*

The Home Improvement Program provides grants and in-kind assistance to lower-income home owners, including mobile home owners, for minor home improvements (e.g., energy efficiency upgrades, exterior painting, emergency repairs and disabled access improvements). The Home Access Grant is also available to lower-income renters, with the landlord's consent. The revolving loan fund (RLF) provides funding for larger loans to lower-income home owners and/or non-profit housing developers for major housing rehabilitation projects. The recommended allocation for home improvement grants for next year is \$50,000, based on the level of demand for this program in recent years and actual expenditures in the current fiscal year.

*Capital Projects & Economic Development*

Preservation of affordable housing is a continuous goal of CDBG funding. Plaza de las Flores, a 100-unit senior affordable housing community near downtown Sunnyvale, needs energy efficiency upgrades and noise reducing measures. The housing development is owned and operated by Christian Church Homes.

The "WorkFirst Sunnyvale" Program has been implemented for over five years by Sunnyvale Community Services, in partnership with Downtown Streets Team. The program provides homeless and at-risk clients with job readiness training, job placement services, career counseling and supportive services. It helps clients obtain long-term employment and/or increase their earnings in order to obtain housing, stability, and increased self-sufficiency. The program qualifies for CDBG funding as a Community-based Development Organization (CBDO) economic development activity.

*Public Services (Human Services):*

CDBG funds may be used for various public services, as long as a majority of the clients are lower income persons, and the services address the priority needs identified in the Consolidated Plan. FY 2019/20 is the first year of the two-year funding cycle so the competitive award process occurred this year. Recommended funding awards include assistance to seniors, disabled adults, homeless residents, lower-income households, and at-risk youth. The agencies that applied for CDBG funds are listed in the Action Plan (Attachment 2); while the agencies that applied for General Funds are listed in Attachment 4, for reference, reflecting HHSC's recommendation. The final General Fund human services grants to be approved by Council will be included in the recommended City budget in June 2019, but are not included in the HUD Action Plan.

*Public Infrastructure:*

When available, the City allocates funds for a curb ramp project, which improves the accessibility of the City's sidewalks, crosswalks and related pedestrian infrastructure for disabled users. Public Works staff have indicated that a minimum of approximately \$500,000 is needed to launch such a project given current cost estimates. Pending the final 2019 allocation, staff proposes to include this

project as a “contingency project” in the 2019 Action Plan. By doing so, if sufficient program income or carryover CDBG funds are available, or the new grant is higher than projected, this project can be implemented next year without requiring an Action Plan amendment.

### **Proposed HOME Activities**

No HOME proposals were received in 2019 for HOME funds. The City will retain funds and issue a larger Request for Proposals in January 2020.

**Table 2: Recommended ESTIMATED Allocations in 2019 Action Plan**

<b>Category</b>	<b>Activity</b>	<b>CDBG*</b>	<b>HOME*</b>
Administration	Planning and Administration	\$250,000*	\$80,000*
Housing Rehabilitation	Home	\$50,000	N/A
Rental Housing	CHDO Set-Aside	N/A	\$60,000
Public Infrastructure	Contingency Project: ADA Curb Ramps*	\$171,000*	N/A
Capital Project	Plaza de las Flores Energy Efficiency Upgrades	\$308,646*	N/A
Economic Development	WorkFirst Sunnyvale (CDBO Activity)	\$432,493*	N/A
Public Services	Human Services Grants	\$187,000*	N/A
	Total	~\$1,400,000*	\$140,000*
	Estimated Funds Available	\$1,400,000	\$930,000
	Difference	-	\$790,000*
	*ESTIMATED FY 2019/20 Funds		

### **FISCAL IMPACT**

Approval of the Action Plan is necessary for the City to receive two federal grants (CDBG and HOME) next fiscal year. The recommended funding allocations in the Action Plan make use of these grant funds and related program income for various purposes consistent with the grant program regulations. Expenditure of these federal funds is necessary to meet timeliness requirements.

### **PUBLIC CONTACT**

Public contact was made by posting the Housing and Human Services Commission’s agenda on the City’s official notice bulletin board and on the City’s website. Notice of public hearings, including the 30-day public comment and review period, was posted at City Hall and published in the *Sunnyvale Sun* newspaper on April 5, 2019. A draft of the 2019 Action Plan was made available for public review at the One Stop Counter at City Hall, at the Sunnyvale Library, and on the City’s website for the required minimum 30-day review period prior to City Council action.



**ALTERNATIVES**

1. Recommend that the City Council approve the 2019 Action Plan as shown in Attachment 2 of the staff report
2. Recommend that the City Council approve the 2019 Action Plan as shown in Attachment 2 of the staff report with modifications.

**RECOMMENDATION**

Recommend to Council Alternative 1: Recommend that the City Council approve the 2019 Action Plan as shown in Attachment 2 of the staff report.

Approval of the Action Plan will allow the City to receive the 2019 CDBG and HOME grants and use them to address local needs for affordable housing and related programs, consistent with the 2015-2020 Consolidated Plan. Most of these projects leverage additional funding from other sources. The Commission made its recommendations on the funding proposal at its April 3rd meeting, as shown in Attachment 3. Once approved by the City Council, Staff will forward the Action Plan to HUD no later than May 15, 2019.

Prepared 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. Draft 2019 Action Plan
3. Draft Minutes of Housing and Human Services Commission meeting of April 3, 2019
4. General Fund Human Services Proposals and HHSC Recommendations

Reserved for Report to Council

# 2019-2020 Draft Action Plan City of Sunnyvale

Community Development Block Grant Program  
Home Investment Partnership Program  
April 2019



Sunnyvale



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## AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

#### AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b) Introduction

This FY2019/20 Action Plan serves as an application for funds under two formula grant programs administered by the U.S. Department of Housing and Urban Development (HUD). These grants provide the City of Sunnyvale (City) with an average of roughly \$1.4 million annually. *As of this draft publication date of April 5, 2019, HUD has not released 2019 allocations, all grant allocation numbers in this draft document are ESTIMATES and noted with an asterisk (\*).* For 2019, the City is estimating an allocation of Community Development Block Grant (CDBG) in the amount of \$1,100,000\*, and a HOME Investment Partnerships (HOME) Program grant of \$400,000\*. This Action Plan covers the fiscal year beginning July 1, 2019 and ending June 30, 2020, the fifth and final year of the City's 2015- 2020 Consolidated Plan (ConPlan) period. The Action Plan describes the eligible activities that the City intends to undertake in FY2019/20 to address the priority needs and implement the strategies identified in the Plan, using the City's CDBG and HOME grants. The activities described in this Action Plan are intended to primarily benefit the lower-income residents of Sunnyvale, affirmatively further fair housing choice, and meet priority needs. In addition to these grants, the City has a local Housing Mitigation Fund (HMF), which is used to support local affordable housing programs, including some that are not eligible for HUD funding. This fund is derived from fees received occasionally in varying amounts, and there is no guaranteed annual funding amount, therefore less emphasis is placed on these funds as a regular funding source in this Action Plan.

In addition to these grants, the City has a local Housing Mitigation Fund (HMF) which is used to support local affordable housing programs, including some that are not eligible for HUD funding. This fund is derived from fees received occasionally in varying amounts, and there is no guaranteed annual funding amount, therefore less emphasis is placed on these funds as a regular funding source in this Action Plan.

### 2. Summarize the objectives and outcomes identified in the Plan

The City has organized its priority needs based on the structure presented in HUD regulations (24 CFR 91.215): affordable housing, alleviation of homelessness, economic development, and nonhousing community development. Priority is assigned based on the level of need that is demonstrated by the data that has been collected during the preparation of the Plan, specifically in the Needs Assessment and Market Analysis; the information gathered during the consultation and citizen participation process; current City policy, federal laws and regulations related to the HUD grants, and the availability of resources to address these needs. Based on these components, housing needs are considered a high priority, as well as alleviation of homelessness, economic development, and non-housing community development needs. The City's goals and objectives are organized into four categories: A. Affordable Housing (including housing for special needs households) B. Alleviation of Homelessness C. Other Community Development Efforts (Public Services, Community Facilities and Infrastructure) Page 2 D.

Expanding Economic Opportunities Table 2 on page 15 summarizes the objectives and outcomes that will be addressed in this Action Plan

### **3. Evaluation of past performance**

The City is responsible for ensuring compliance with all rules and regulations associated with the CDBG and HOME entitlement grant programs. The City's Annual Action Plans and CAPERs, posted on the City's website, provide details about the goals, projects and programs completed by the City. The City recognizes that the evaluation of past performance is critical to ensure the City and its sub-recipients are implementing activities effectively and that those activities align with the City's overall strategies and goals. The City evaluates the performance of subrecipients on a quarterly basis. Sub-recipients are required to submit quarterly progress reports, which include client data, performance objectives, as well as data on outcome measures. Before the start of the program year, program objectives are developed collaboratively by the sub-recipient and the City, ensuring that they are aligned with the City's overall goals and strategies. The City utilizes the quarterly reports to review progress towards annual goals. During the past year, the City successfully implemented its planned programs and projects. Some projects take several years to complete, so in some cases they may not be completed in the same year in which they were initially funded, such as the Persian Drive sidewalk project. This is not unusual for projects involving major construction work.

### **4. Summary of Citizen Participation Process and consultation process**

The City, in collaboration with other local jurisdictions and the consultant team, launched a comprehensive outreach strategy to enhance and broaden citizen participation in the preparation of the Consolidated Plan. The team informed the public that it was in the process of creating the 2015-2020 Consolidated Plan, and encouraged public participation in the process by conducting a Regional Needs Survey and hosting regional forums in collaboration with other jurisdictions in the County, and conducting local hearings. In addition to the extensive consultation conducted for the ConPlan several years ago, the City solicited additional input on this draft Action Plan. The City provides multiple opportunities for public review and comment on the Action Plan and on any substantial amendments to it. Public hearings on this Plan were held (or will be held) on April 3, 2019; April 17, 2019; and May 7, 2019. A notice of public hearings and an announcement of the 30-day public comment period was published in the Sunnyvale Sun on April 5, 2019. An initial draft of the Action Plan was released on April 5, 2019, and comments were accepted through May 7, 2019. It is the policy of the City of Sunnyvale to encourage and engage residents to participate in planning, implementation, and evaluation of its housing and community development programs.

### **5. Summary of public comments**

All comments were accepted. Please refer to Attachment: "Proof of Publication and Citizen Participation Comments."

6. Summary of comments or views not accepted and the reasons for not accepting them

N/A



## PR-05 Lead & Responsible Agencies – 91.200(b)

### 1. Agency/entity responsible for preparing/administering the Consolidated Plan

Table 1 – Responsible Agencies

Agency Role	Name	Department/Agency
CDBG Administrator	SUNNYVALE	Department of Community Development
HOME Administrator	SUNNYVALE	Department of Community Development

The City of Sunnyvale is the Lead and Responsible Agency for HUD entitlement programs in Sunnyvale. The Housing Division (HD), a division of the City's Community Development Department (CDD), is responsible for administering the City's HUD entitlement grants, including the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) grant. In order to continue receiving these grants, the City must develop and submit to HUD a five-year Consolidated Plan (ConPlan) and Annual Action Plans listing priorities and strategies for the use of these federal funds. The ConPlan describes how the City plans to use its CDBG and HOME funds to meet the housing and community development needs of its residents in the next five years. To update its 2015-2020 ConPlan, the City collaborated with the County of Santa Clara (County) and other entitlement jurisdictions in the County to identify and prioritize housing and community development needs across the region, and to develop strategies to meet those needs. The 2019 Action Plan covers the fifth year of the 2015-2020 ConPlan period.

### Consolidated Plan & Action Plan Public Contact Information

#### City of Sunnyvale Housing Division

Trudi Ryan, Director of Community Development  
 Jenny Carloni, Housing Officer  
 456 W. Olive Avenue / PO Box 3707  
 Sunnyvale, CA 94088  
 Tel: (408) 730-7250  
 Fax: (408) 737-4906  
 Email: [Housing@Sunnyvale.ca.gov](mailto:Housing@Sunnyvale.ca.gov)

*Housing Division website: <https://sunnyvale.ca.gov/property/housing/default.htm>*

## AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

### 1. Introduction

#### Consolidated Plan Development

The City has a long history of coordination and partnership with the local public housing provider, which is the Housing Authority of the County of Santa Clara (HACSC), and various assisted housing providers, such as Charities Housing, MidPen Housing Corp., First Community Housing, and others. The City also has a long history of coordinating with and/or providing funding to various local private and public health, mental health, and human services agencies, such as the County Mental Health Department, the local Valley Medical Center, and a variety of service providers that serve seniors, disabled clients, homeless clients, and other lower-income and at-risk clients.

In addition, in preparing the ConPlan, the City collaborated with seven other entitlement grantee jurisdictions (Entitlement Jurisdictions), including the cities of Cupertino, Gilroy, Mountain View, Palo Alto, San Jose, Santa Clara, and the County of Santa Clara (Urban County).

#### **Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))**

Public participation played a central role in the development of the ConPlan. The Entitlement Jurisdictions launched an in-depth, collaborative regional effort to consult with community stakeholders, many of whom represented public or assisted housing providers, health and service agencies, as well as elected officials, City and County staff, and beneficiaries of entitlement programs, to inform and develop the priorities and strategies contained within the ConPlan. The City, in partnership with LeSar Development Consultants (LDC) and MIG, Inc. (MIG) and the other Entitlement Jurisdictions, facilitated a comprehensive outreach process to enhance coordination with these stakeholders and discuss new approaches to using the HUD entitlement grant funds for eligible activities, projects, and programs throughout the county and/or in specific cities.

LDC and MIG, with direction from the Entitlement Jurisdictions, conducted a Regional Needs Survey to solicit input from residents, workers, and stakeholders in the region, which consisted of all of Santa Clara County. Survey respondents were informed that the purpose of this survey was to help the Entitlement Jurisdictions determine local priorities for use of their HUD entitlement funds, and that these funds must be used to fund projects or programs that primarily serve lowerincome residents or neighborhoods with a higher percentage of lower-income residents. The Survey polled respondents about the level of need in their respective neighborhoods for various types of improvements, projects or programs that could possibly be funded by the HUD entitlement funds.

#### Action Plan Development

In addition to the extensive consultation in 2015 noted above, the City solicited additional input for the FY2019-20 Annual Action Plan from community members at public hearings held on April 3, April 17, May 7, 2019. The City and other community development organizations in the County coordinate frequently on a variety of initiatives. City Housing staff participates in a collaborative of HUD entitlement grantees within the County.

Quarterly meetings are held to discuss activities, technical assistance issues, and identify future opportunities for coordination and cooperation. The City also coordinates with other regional agencies, such as the Housing Trust of Silicon Valley, SV@Home, Joint Venture Silicon Valley, NOVA, Page 5 the County-wide Fair Housing Task Force, and the Valley Transportation Authority, among others, to achieve the goals described within this Action Plan.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

The City has coordinated with the Santa Clara County Continuum of Care (CoC) for many years on its efforts to end and prevent homelessness in the County. The CoC, a group of stakeholders from throughout the County, plans and implements many of these efforts. The CoC is governed by the CoC Board, which takes a systems-change approach to preventing and ending homelessness. The City's Housing Officer participated on the CoC's Review and Rank Panel in several recent years. This panel spends about a week reviewing and ranking local proposals for HUD funding through the federal CoC program. The committee's funding recommendations were approved by HUD, resulting in nearly \$20 million in HUD funding being awarded to support transitional and permanent housing programs, and some supportive services, in the County in the past several years.

Members of the CoC meet monthly to plan CoC programs, identify gaps in homeless services, establish funding priorities, and pursue a systematic approach to addressing homelessness. City staff, including the Housing Officer and Housing Analyst, as well as staff of other cities, meet and consult with the County's CoC staff during the quarterly county-wide "CDBG Coordinators Group" meetings, and communicate more frequently via email and/or phone on joint efforts. Destination:Home (D:H), a public-private partnership committed to ending chronic homelessness, is the governing organization for the CoC and implements by-laws and operational protocols for the CoC. D:H is also responsible for ensuring that the CoC complies with the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH).<sup>1</sup>

In 2014, D:H released a draft "Community Plan to End Homelessness in Santa Clara County" (Community Plan), which outlines strategies for ending homelessness in the County by 2020. These strategies were informed by those who participated in a series of community summits conducted between April and August 2014, including Sunnyvale HD staff and local stakeholders, among others. The Community Plan

addresses the needs of homeless people in the County, including chronically homeless people, families with children, veterans, and youth, as well as those at risk of homelessness.

Over a five-year period, the D:H Plan aims to house 2,518 homeless individuals, 718 homeless veterans, and more than 2,333 children, unaccompanied youth, and homeless individuals living in families. The City's current ConPlan and 2015-2023 Housing Element incorporate many policies and programs that are consistent with the Community Plan and "Housing First" policies in general.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

The City is not an ESG entitlement jurisdiction.

The CoC's HMIS is administered by the County Office of Supportive Services, using Clarity Human Services software. The project meets and exceeds HUD's requirements for HMIS and complies with HUD HMIS Standards. The County's HMIS is used by many service providers to record information and report outcomes.

**2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities**

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Abilities United
	Agency/Group/Organization Type	Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum(s) on September 25, 2014
2	Agency/Group/Organization	Bill Wilson Center
	Agency/Group/Organization Type	Counseling, Housing for Homeless Youth
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum(s) on September 27, 2014 and 5 other dates
3	Agency/Group/Organization	Catholic Charities of Santa Clara County
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum(s) on October 2, 2014
4	Agency/Group/Organization	City of Sunnyvale
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum(s) on September 25 and November 5, 2014
5	Agency/Group/Organization	Destination:Home
	Agency/Group/Organization Type	Homeless Advocacy/Policy
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum(s) on September 25, 2014 November 1, 2014 November 5, 2014

6	Agency/Group/Organization	INNVISION-EMERGENCY SHELTER
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum(s) on October 22, 2014
7	Agency/Group/Organization	Law Foundation of Silicon Valley
	Agency/Group/Organization Type	Service-Fair Housing and Legal
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum(s) on October 23, 2014
8	Agency/Group/Organization	LIVE OAK ADULT DAY SERVICES
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum(s) on October 23, 2014
9	Agency/Group/Organization	Midpen Housing Corporation
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum(s) on September 30, 2014
10	Agency/Group/Organization	PROJECT SENTINEL
	Agency/Group/Organization Type	Service-Fair Housing and Legal Services
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum(s) September 25, 2014

11	Agency/Group/Organization	SENIOR ADULTS LEGAL ASSISTANCE
	Agency/Group/Organization Type	Service-Fair Housing and Legal Services
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum (s) on September 27, 2014
12	Agency/Group/Organization	SUNNYVALE COMMUNITY SERVICES
	Agency/Group/Organization Type	Community/Family Services and Organizations
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum (s) on September 25, 2014

#### Identify any Agency Types not consulted and provide rationale for not consulting

There were no agency types that were not consulted as part of the 2015-2020 Consolidated Plan process.

#### Other local/regional/state/federal planning efforts considered when preparing the Plan

Table 3 – Other local / regional / federal planning efforts

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Destination:Home	The D:H plan provides strategies for ending homelessness and increasing affordable housing stock in the County. This effort aligns with the Strategic Plan's goals to increase/support Affordable Housing and Alleviate Homelessness.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
City of Sunnyvale General Plan, 2015-2023 Housing	City of Sunnyvale	Two of the primary goals of each of these plans are essentially the same: Increase/Support Affordable Housing; and Addressing Homelessness. Both plans also have goals related to improving local housing stock and neighborhoods, and addressing priority needs (non-housing community development needs). About 80% of the content of the two plans are very similar.
2012-2014 Comprehensive HIV Prevention & Care Plan	Santa Clara County HIV Planning Council for Prevention and Care	This plan guides the Santa Clara County HIV Planning Council for Prevention and Care in its development of a compassionate system of HIV prevention and care for the County. This effort aligns with the Strategic Plan's goal to address Other Community Development Needs
Regional Housing Need Plan for the San Francisco B	Association of Bay Area Governments	This plan quantifies the needs of the 9-county Bay Area, which includes Sunnyvale, primarily for new housing units to address population growth projected to occur in the next 8 years. The regional housing need is further divided into an "allocation" or RHNA for each county and city in the region. The plan indicates Sunnyvale needs nearly 5,500 new housing units during this period. This plan aligns with the Strategic Plan's goals to increase/support Affordable Housing and Alleviate Homelessness. Sunnyvale's Housing Element describes how the City can accommodate the new units through its zoning and General Plan, and provide some affordable units by using its special funds for affordable housing.

The City ensures that all Action Plan projects and programs are consistent with the City's General Plan and the ConPlan. Regional planning efforts include Plan Bay Area and related statewide planning efforts.

#### Stakeholder Participation and Consultations with Agencies

The City consulted with various groups and organizations as part of the 2015-2020 Consolidated Plan process. Those stakeholders are listed in the Appendices of the ConPlan. A number of the same stakeholders participated in one or more hearings or funding workshops related to the development of the 2018 Action Plan.



**Identify any Agency Types not consulted and provide rationale for not consulting**

Not applicable.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Please see Table 3 provided in the Appendix of the ConPlan. The City ensures that its Action Plan projects and programs are consistent with the City's General Plan and the ConPlan. Regional planning efforts include Plan Bay Area and related statewide planning efforts.

## AP-12 Participation – 91.105, 91.200(c)

### 1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

It is the policy of the City of Sunnyvale to encourage and engage residents to participate in planning, implementation, and evaluation of its housing and community development programs.

The City encourages low- and moderate-income residents, minorities, those with disabilities, and non-English-speaking residents to attend community meetings and/or provide written comments on its plans. The City provides a statement in the languages identified in its Language Access Plan on all public notices regarding HUD-funded activities, and sends public notices to organizations representing the groups listed above. In accordance with the Citizen Participation Plan, the City will provide translation services to any resident who requests such services in advance at such hearings and meetings. The City has translated its primary Housing Program brochures into Spanish, in accordance with the Language Access Plan.

#### Sunnyvale Request for Proposals

The City has a long-standing practice of issuing a request for proposals (RFP), annually for capital/housing projects and every second year for human services grants, to solicit applications for CDBG and HOME funds available to the City. This process aids in gathering community input on local needs and helps the City identify projects and programs that are eligible for and interested in HUD funding, and have demonstrated capacity for successful implementation and compliance with HUD requirements. Staff issues the RFP, evaluates proposals for eligibility, scores the proposals according to criteria approved by the Housing and Human Services Commission, and provides its scores and funding recommendations to the Commission and Council for review. The Commission holds a public hearing before making its own recommendations on the proposed funding allocations, which are advisory to the Council, which approves the final funding awards as part of the annual Action Plan hearing. These programs and projects are also addressed in the ConPlan, as it is assumed that similar types of projects are likely to be implemented in additional years, depending on funding availability.

#### Public Notice and Availability of the Action Plan

As required by HUD, the City provides multiple opportunities for public review and comment on the Action Plan and on any substantial amendments to it. Community members had opportunities to attend public hearings on April 3, April 17, and May 7, 2019. A notice of public hearings and an announcement of the 30-day public comment period was published in the Sunnyvale Sun on April 5, 2019. An initial draft of the Action Plan was released on April 5, 2018, and comments were accepted through May 7, 2019. The proposed Plan was available for review at the library, City Hall, and on the City's website.

Table 4 – Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted
1	Public Meeting	Non-targeted/ broad community	The HHSC met on October 24, 2018 for a Biennial Review of Priority Needs for Human Services for Recommendation to City Council.	Attachment - "Proof of Publication and Citizen Participation Comments." Five members of the public, each representing human services agencies, spoke; four agencies submitted written correspondence.	All comments were accepted
2	Public Meeting	Non-targeted/ broad community	The City council held a public hearing on November 27, 2018 and approved the list of priority needs, excerpted from the 2015-2020 ConPlan.	Attachment - "Proof of Publication and Citizen Participation Comments."	All comments were accepted.
3	Public Meeting	Non-targeted/ broad community	The Housing and Human Services Commission (HHSC) met on February 23, 2019 to hear presentations from non-profit profit agencies, in response to the Request for Proposals for CDBG and HOME funding for FY 2019.	The presenters answered questions of the commissioners and urged them to support their project/funding request.	All comments were accepted.
4	Public Meeting	Non-targeted/ broad community	The HHSC met on April 3, 2019 to discuss funding recommendations for FY 2019/20 CDBG/HOME grants. The HHSC recommended funding the HS proposals and capital project proposal in the amounts recommended by staff.	13 agencies representatives spoke during this meeting. See Attachment - "Proof of Publication and Citizen Participation Comments."	All comments were accepted.
6	Newspaper Ad	Non-targeted/ broad community	A display ad was published in the Sunnyvale Sun on April 5, 2019.	Attachment - "Proof of Publication and Citizen Participation Comments."	Not applicable
7	website	Non-targeted/ broad community	Draft Action Plan posted at: <a href="https://sunnyvale.ca.gov/property/housing/default.htm">https://sunnyvale.ca.gov/property/housing/default.htm</a>	Attachment - "Proof of Publication and Citizen Participation Comments."	Not applicable

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted
8	Public Meeting	Non-targeted/broad community	The HHSC will hold a public hearing on April 17, 2019 to recommend to the City Council to approve the 2019 Action Plan.	Attachment - "Proof of Publication and Citizen Participation Comments."	Not applicable
9	Public Meeting	Non-targeted/broad community	The City council will hold a public hearing on May 7, 2019 to consider the Action Plan, consistent with the 2015-2020 Consolidated Plan.	Attachment - "Proof of Publication and Citizen Participation Comments."	Not applicable

## AP-15 Expected Resources – 91.220(c)(1,2)

### Introduction

As shown in Table A below, the City will receive an ESTIMATED \$1,100,000\* in 2019 entitlement CDBG funds and an ESTIMATED \$400,000\* in HOME funds. In addition, the City estimates that it will also receive approximately \$150,000\* in CDBG program income in FY 2019, and approximately \$150,000\* in disencumbered funds from prior years. This brings the total CDBG funding ESTIMATE for FY 2019 to \$1,400,000\*. This amount may increase slightly, as additional program income may be received before the end of this fiscal year. Staff ESTIMATES that total available HOME funding for FY 2019 will be roughly \$930,000\*. This total includes the 2019 grant, plus an estimated \$530,000\* remaining in fund balance from prior year grants

### Local (City) Resources

The City has a local Housing Mitigation Fund (HMF) and Below Market Rate (BMR) In-Lieu Funds for the development, rehabilitation and/or acquisition of affordable housing. In 2014, \$8.1 million in HMF was provided to the development of two new affordable rental projects, Parkside Studios and Onizuka Crossing, with a total of include 117 new affordable units. In 2017, \$7.43 million in HMF, plus \$600,000 in Home Funds, was committed to the 66-unit Benner Plaza project, completed in December 2018. The City is currently working on a new 90-unit affordable housing development on City owned land which will include over \$9 million in HMF funding in 2019. In addition, the City has funds available in its Housing Successor Agency Low-Mod Housing Fund, these funds are allocated outside of the Action Plan process, but with a similar goal of expanding and preserving the City's affordable housing stock.

### Other Public Resources

#### *Low-Income Housing Tax Credit Program (LIHTC)*

The LIHTC program provides federal and state tax credits for developers and investors who agree to set aside all or a percentage of their rental units for low-income households for no less than 30 years. MidPen Housing applied for and received an award of federal low-income housing tax credits in 2016 for its Benner Plaza project, a new 66-unit affordable rental housing development.

#### *Homeless Emergency and Rapid Transition to Housing (HEARTH) and Emergency Shelter Grants (ESG)*

Santa Clara County serves as lead agency for the County's Continuum of Care (CoC), which receives Hearth Act, ESG, and similar federal grants to provide shelter, housing, and supportive services to homeless people residing anywhere in the County. The City has contributed some of its local funds to various county-wide projects and programs that often receive CoC support as well, such as shelter facilities, transitional and permanent supportive housing, tenant-based rental assistance, and supportive

services.

### Private Resources

Most of the City's housing and human services programs leverage various sources of private financing. The City encourages the participation of local lenders in its housing and/or community development projects as needed. The City is a founding member of the Housing Trust of Santa Clara County, which raises voluntary contributions from the public and private sectors for affordable housing projects within the County. The City has contributed some of its local housing funds to the Trust, which then uses those seed funds to seek matching contributions from corporations and various other sources.

**Table 6 - ESTIMATED Resources – Priority Table**

Program	Source of Funds	Uses of Funds	ESTIMATED Amount Available Year 5				ESTIMATE D Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resource : \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,100,00	150,000	150,000	1,400,000	0	Housing Rehabilitation; Public Infrastructure and Facilities; Public Services; Economic Development; Alleviation of Homelessness; Administration
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	400,000	0	530,000	930,000	930,000	Administration and Planning Activities  To be programmed in FY 2020

### Estimated Funds Available and Activities Proposed for Funding in FY 2019/20

AVAILABLE FUNDS [Estimated]	CDBG	HOME
FY 2019-20 Entitlement Grants	\$ 1,100,000	\$ 400,000
Current FY Remaining Program Income	\$ 0	\$ 0
Projected FY 2018-19 Program Income	\$ 150,000	\$ 0
Disencumbered/Fund Balance	\$ 150,000	\$ 530,000
<b>TOTAL</b>	<b>\$ 1,400,000</b>	<b>\$ 930,000</b>

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The City pursues and encourages its partner agencies to seek all available public and private funding sources in order to achieve the goals of the Consolidated Plan. Most projects and activities secure funding from a variety of sources, including public and private sector donations, grants, loans, and in-kind materials and services.

Most of the City's housing and human services programs leverage various sources of private financing. The City encourages the participation of local lenders in its housing and/or community development projects as needed. Tax credit projects such as Benner Plaza and Onizuka Crossing, required millions of dollars in private equity and financing for construction and related costs. The City requires all applicants for CDBG and HOME funds for capital projects to provide a match of at least 25% to receive funding. For CDBG public services proposals, this match may consist of in-kind materials and services. Most applicants provide a match in excess of 25%.

Matching funds may include other available financing sources, such as tax credits, other public sector loans or grants, private capital or donations, rent proceeds, and/or the value of in-kind services (i.e., volunteer and staff services or pro-bono professional services used to implement the capital project). The City often provides more local funds than CDBG or HOME funds to assist major affordable housing projects, since those local funds are often available in larger amounts than federal funds.

### Discussion

In recent years, the City has made several publicly owned properties available for affordable housing development, which is one of the needs identified in this plan. These projects included the Fair Oaks Plaza, Onizuka Crossing, Habitat Homes, and Parkside Studios. Another City-owned site known as Block 15 of the Downtown Specific Plan is currently under Planning Entitlement review for 90 units of affordable housing; construction is anticipated in late 2020. The City's Public Works Department handles all City property management and surplus property matters.

## AP-20 Annual Goals and Objectives

## Goals Summary Information

Table 7 – Goals Summary

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	ESTIMATED Funding 19/20	Goal Outcome Indicator
1	Affordable Housing	2019	2020	Affordable Housing	Citywide	Affordable Housing	CDBG: \$358,646	Homeowner Housing Rehabilitated: 10 Affordable Rental Rehabilitation Housing Unit: 100 Units
2	Alleviation of Homelessness	2019	2020	Homeless	Citywide	Homeless or at Imminent Risk of Homelessness	HOME: \$0	City currently has large Tenant-based rental assistance / Rapid Rehousing contract in place: 50 Households Assisted
3	Other Community Development Efforts	2019	2020	Non-Homeless Special Needs Non-Housing Community Development	Citywide	Public Services or Facilities	CDBG: \$350,000	Public Service Grants and ADA Curb Ramps. Persons Assisted Other: 1900+
4	Expand Economic Opportunities	2019	2020	Expand Economic Opportunities	Citywide	Economic Opportunities for Lower Income People	CDBG: \$432,493	Jobs created/retained: 20 Jobs Other: 80 Other



## Goal Descriptions

1	<b>Goal Name</b>	Affordable Housing
	<b>Goal Description</b>	<p><b>Goal A: Affordable Housing</b></p> <p><b>Needs Addressed</b></p> <p>Assist in the creation, improvement, and preservation of affordable housing for lower-income and special needs households by supporting affordable rental housing, providing the Home Improvement Program, and promoting fair housing choice.</p> <p><b>Geographic Area</b></p> <p>Affordable housing assistance is provided throughout the City, in order to avoid concentration of poverty, and to ensure fair access to affordable housing, rehabilitation assistance, and homeownership opportunities in all neighborhoods.</p> <p><b>Goal Outcome Indicator</b></p> <p>1. Home:</p> <ul style="list-style-type: none"> <li>• CHDO Set-aside (statutory requirement, project site TBD)</li> </ul> <p>2. CDBG:</p> <ul style="list-style-type: none"> <li>• Home improvement program: 10 Units</li> <li>• Fair Housing Services : 25 Households</li> <li>• Rehabilitate 100 units of senior affordable housing</li> </ul>
2	<b>Goal Name</b>	Alleviation of Homelessness
	<b>Goal Description</b>	<p><b>Goal B: Alleviation of Homelessness</b></p> <p><b>Needs Addressed</b></p> <p>Help people who are currently homeless or at imminent risk of homelessness to obtain housing, employment or other sources of income, and adequate support services/networks to achieve stability.</p> <p><b>Geographic Area</b></p> <p>City-wide</p> <p><b>Goal Outcome Indicator</b></p> <p>Assist 20 households with job training and/or rental assistance.</p>

3	<b>Goal Name</b>	Other Community Development Efforts
	<b>Goal Description</b>	<p><b>Goal C: Other Community Development Efforts</b></p> <p><b>Needs Addressed</b></p> <ol style="list-style-type: none"> <li>1. The needs of very low, extremely low, and/or special needs households (seniors, disabled, homeless people, children, youth, victims of domestic violence, etc. for services and assistance to help them meet basic needs.</li> <li>2. Need to improve infrastructure and facilities to improve accessibility and address other goals.</li> </ol> <p><b>Geographic Area</b></p> <p>City-wide</p> <p><b>Goal Outcome Indicator(s)</b></p> <ol style="list-style-type: none"> <li>1. Assist 410 Households with human services.</li> <li>3. Construct 40 ADA curb ramps on City sidewalks</li> </ol>
4	<b>Goal Name</b>	Expand Economic Opportunities
	<b>Goal Description</b>	<p><b>Goal D: Expand Economic Opportunities</b></p> <p>Support economic development activities that promote employment growth and help lower-income and/or homeless people secure and maintain jobs.</p> <p><b>Geographic Area</b></p> <p>City-wide</p> <p><b>Goal:</b></p> <p>55 Households assisted annually</p> <p>Job Placements: Assist 20 clients to obtain jobs.</p> <p>Job skills/classes: Assist 80 homeless or very low income clients with job training/skills and classes to enable them to obtain or improve their employment and housing opportunities.</p>

## AP-35 Projects – 91.220(d)

### Introduction

The activities that the City will undertake in FY 2019/20 using CDBG and HOME funds include: human services grants; rental housing rehabilitation and energy efficiency; employment development services for homeless and at-risk clients; access improvements, fair housing services, and program administration, as shown below. All of these activities are eligible for the indicated funding type based on federal regulations associated with these grants, and all of them meet one or more priority needs as identified through the City's citizen participation process.

### Projects

**Table 8 - Project Information**

#	Project Name
1	CDBG Administration and Monitoring
2	Minor Home Improvement Grants/Loans (Home Improvement Program)
3	Plaza de la Flores Energy Efficiency and Rehabilitation
4	WorkFirst Sunnyvale CBDO Activity
5	Public Services [5 projects]
6	ADA Curb Ramps
7	Home Administration and Monitoring
8	CHDO Set-Aside

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

### Funding Priorities

The projects listed above were selected based on the needs identified in the Consolidated Plan, and in response to the proposals for funding received, and an evaluation of project feasibility.

Each year the City solicits proposals from local organizations for CDBG and HOME funding for eligible housing and community development programs or projects in Sunnyvale. The Request for Proposals sets forth the types of public services (human services) programs, capital and housing projects that are eligible for CDBG or HOME funding from the City, and explains the City's process for evaluating and scoring proposals, determining award amounts, and approving awards. The City provides human services grants for public services which address identified priority needs and principally benefit lower-income people in Sunnyvale.

Applications for the human services grants are solicited every other year, following hearings held by the Housing and Human Services Commission (HHSC) and Council to determine the City's current "priority human service needs." The "Priority Needs" for the City of Sunnyvale's Community Development Block Grant Program were determined through a series of community meetings held between September 2014 and April 2015, and were adopted as part of the 2015-2020 Consolidated Plan in accordance with

regulations established by HUD.

FY 2019/20 is the first year of the two-year funding cycle for human services and the City confirmed in November 2018 that the list of Priority Needs in the 2015 Consolidated Plan continues to be valid.

**Obstacles to Meeting Underserved Needs**

In the past several years, the primary obstacle to meeting underserved local needs in the near term has been the significant delays and continued uncertainty regarding federal appropriations for the CDBG and HOME programs, and other HUD programs, such as the Section 8 program and public housing funding, as well as changes to the LIHTC created by the recent federal tax reform bill. The region also continues to struggle finding a qualified CHDO to allocate funds towards.

## AP-38 Project Summary

1	<b>Project Name</b>	CDBG Administration and Monitoring
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: *\$225,000
	<b>Description</b>	Program administration for CDBG Program activities.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	Citywide
2	<b>Project Name</b>	Minor Home Improvement Grants/Loans (Home Improvement Program)
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	CDBG: *\$50,000
	<b>Description</b>	Minor Improvement Grants/Loans
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Assist at least 10 households with minor home improvement grants or loans.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	The Home Improvement Program provides small grants and loans for minor improvements, such as: energy efficiency upgrades, exterior painting, emergency repairs and accessibility improvements. Homes must be owned and occupied by a lower-income household to be eligible for this program.
4	<b>Project Name</b>	Plaza de las Flores Energy Efficiency and Rehabilitation
	<b>Target Area</b>	Citywide

	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	CDBG: *\$308,646
	<b>Description</b>	Replace all windows in existing senior affordable housing community with energy efficient windows for efficiency and noise purposes.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The project will assist in rehabilitation of a senior affordable housing complex which has 100 one bedroom apartments affordable to those making 50% AMI or less. Approximately 110 persons reside in this complex.
	<b>Location Description</b>	233 Carroll St, Sunnyvale, CA 94086
	<b>Planned Activities</b>	Rehabilitate senior affordable housing community built in the 1980's to incorporate energy efficient and noise reducing windows throughout the development.
6	<b>Project Name</b>	WorkFirst Sunnyvale CBDO Activity
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Expand Economic Opportunities
	<b>Needs Addressed</b>	Economic Opportunities for Lower Income People
	<b>Funding</b>	CDBG: *\$432,493
	<b>Description</b>	Economic Development/CDBO Activity
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Assist 60 homeless or very low income clients with job training and job placement services, to enable them to obtain or improve their employment and housing opportunities.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	This program provides work-readiness training, job placement assistance, and supportive services for homeless and at-risk clients.
7	<b>Project Name</b>	Public Services
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Other Community Development Efforts
	<b>Needs Addressed</b>	Public Services or Facilities
	<b>Funding</b>	CDBG: *\$180,000

	<b>Description</b>	Human Services Grants to non-profit agencies
	<b>Target Date</b>	6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Assist approximately 550 individuals and/or households with human services through 5 separate non-profit programs.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Assist clients with basic needs, such as food, shelter, transportation, health & mental health care, employment assistance/training, legal aid, etc.
8	<b>Project Name</b>	ADA Curb Ramps
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Other Community Development Efforts
	<b>Needs Addressed</b>	Public Services or Facilities
	<b>Funding</b>	CDBG: *\$170,000
	<b>Description</b>	Construct curb ramps and related ADA retrofits or improvements to pedestrian infrastructure
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	40 curb ramps installed. Funding from previous years of unallocated CDBG.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Construct an estimated 40 curb ramps on city sidewalks
9	<b>Project Name</b>	Home Administration and Monitoring
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	HOME: *\$80,000
	<b>Description</b>	Administration of HOME Activities : Planning and Monitoring (Includes authorized program income)
	<b>Target Date</b>	6/30/2020

	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	Citywide
	Planned Activities	Funds are used for administering the HOME program, includes costs of HOME capital project management, tracking grant funds and program income, subrecipient monitoring, reporting, and compliance with federal requirements such as environmental, labor, and anti-discrimination. Indirect costs (overhead) are also included in program administration.
10	Project Name	CHDO Set-Aside
	Target Area	Countywide
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	HOME:* \$60,000
	Description	To provide funding to a qualified Sunnyvale CHDO with a project site
	Target Date	6/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	TBD
	Planned Activities	Identify eligible Sunnyvale CHDO with a project site

\* Funds noted for FY 2019/20 are ESTIMATED until HUD releases final allocations.



## AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Investments will be allocated citywide for affordable housing services and related capital projects, homeless services, fair housing, and public services.

### Geographic Distribution

Table 5 - Geographic Distribution

Target Area	Percentage of Funds
Citywide	100%

### Rationale for the priorities for allocating investments geographically

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. Projects that qualify for CDBG funding based on the area benefit method are limited to areas with the required proportion of lower- and moderate income residents as determined by HUD.

Human services are supported 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. The City does not have any blighted areas requiring major redevelopment, and private development is occurring throughout the City.

## AP-55 Affordable Housing – 91.220(g)

### Introduction

The City's housing programs are intended to prevent and/or end homelessness, improve the quality, affordability, and/or accessibility of housing, and preserve, maintain, and extend the useful life of existing affordable housing. The goals below include only the new CDBG and HOME activities to be funded in FY 2019/20. Other activities funded in prior years' Action Plans through non-HUD programs, will continue to be funded using carry-over funds, and will assist additional households.

**Table 6 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	20
Non-Homeless	110
Special-Needs	10
Total	150

**Table 7 - One Year Goals for Affordable Housing by Support Type**

<b>One Year Goals for the Number of Households Supported</b>	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	110
Acquisition of Existing Units	0
Total	110

## **AP-60 Public Housing – 91.220(h)**

### **Actions planned during the next year to address the needs to public housing**

Not applicable.

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

Not applicable.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

Not applicable.

## **Discussion**

### **Needs of Public Housing**

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

The City has partnered with the Housing Authority on several efforts in recent years, including a joint TBRA program for clients on the Section 8 waiting list, and several Sunnyvale housing projects which were awarded project-based vouchers, including the Fair Oaks Senior Housing project, two senior group homes, Parkside Studios, Onizuka Apartments, and Edwina Benner Plaza.

## AP-65 Homeless and Other Special Needs Activities – 91.220(i)

### Introduction

This Action Plan includes a planned ESTIMATED allocation of \*\$432,493 for a program that helps homeless people obtain jobs (WorkFirst Sunnyvale), as well as funding for various public services, several of which address homelessness. The City continues to participate in the county-wide efforts to end homelessness throughout the County. Recently, the City approved over \$12 million in funds to assist the development of Block 15, which will have a 25% set aside for developmentally disabled adults, expected to break ground in 2020.

**Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:**

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

The WorkFirst Sunnyvale programs include outreach to unsheltered homeless clients and assessment of their needs.

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

One of the public services sub-recipients, YWCA, provides emergency shelter, transitional housing, and services to homeless clients and victims of domestic violence. In addition, the County operates a year round Shelter Program facility in Sunnyvale with 125 beds that takes referrals and receives supportive services from a number of the City's CDBG sub-recipients.

*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 help homeless clients and families transition to permanent housing, including: WorkFirst Sunnyvale, and the human services grant to YWCA. The total ESTIMATED CDBG funding planned for these activities is \*\$458,000 in 2019.

*Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: 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); or, receiving assistance from*

*public or private agencies that address housing, health, social services, employment, education, or youth needs.*

See discussion below.

## **Discussion**

Several of the Human Services grants will support 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 can also help tenants avoid eviction and/or homelessness by addressing discrimination practices. In addition to the activities funded with CDBG, the City also provides assistance to other programs that aim to prevent homelessness using local funds or previous year HOME funds. These include grants to Senior Adults Legal Services, funding for tenant-landlord mediation programs, and the Homelessness Prevention and Rapid Re-Housing Program funded with general funds and 2018 HOME funds.

## AP-75 Barriers to affordable housing – 91.220(j)

**Actions it planned 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**

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. This equaled an average of 493 new units per year, slightly higher than the City's historic annual average which is closer to 300 annually. Fifty-five percent of the new units permitted during that ten-year period were in multi-family rental projects. Since 2018, 1,183 residential units have been constructed with 277 of those affordable to very low, low, or moderate income households.

In 2014, 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 in January 2015 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, available on the City's website and in the Sunnyvale 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 demonstrates 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 city land use policies. These barriers are addressed, within the City's limited ability to address them, through the housing activities listed above and through the goals and policies listed in the Housing Element.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

This section discusses the City’s efforts in addressing the underserved needs, expanding and preserving affordable housing, reducing lead-based paint hazards, and developing institutional structure for delivering housing and community development activities.

### **Actions planned to address obstacles to meeting underserved needs**

The City has addressed obstacles to meeting underserved needs by adopting programs to generate local funds for affordable housing through impact fees or new development of affordable units (inclusionary zoning). The primary obstacle to meeting unmet needs is the continued decline in federal appropriations for affordable housing and community development programs. The City has established local policies to address needs to the extent possible with local resources.

### **Actions planned to foster and maintain affordable housing**

Please see AP-35 (i.e., Affordable Housing Rehabilitation, Fair Housing Services, and Home Improvement Program).

### **Actions planned to reduce lead-based paint hazards**

The City provides financial assistance to income-eligible homeowners to abate lead-based paint hazards through its Home Improvement Program. Paint grants and loans, as well as housing rehabilitation loans, are provided, as well as free lead-based paint testing and education services. Lead-based paint hazards in rental housing can also be addressed through housing rehabilitation loans.

### **Actions planned to reduce the number of poverty-level families**

In 2014 the City adopted a new minimum wage ordinance increasing the local minimum wage, it is currently \$15.65/hour. It will be adjusted annually thereafter by the CPI. This action alone will help many local low-wage workers increase their household incomes to above the federal poverty levels.

The North Valley Workforce and Investment Board (“NOVA”) helps prepare lower-income and unemployed residents of Sunnyvale for career growth and stable employment. NOVA provides employment and training services to low-income workers and dislocated professionals within Sunnyvale and the surrounding region under the federal Workforce Investment Act (WIA), with a goal of helping these clients obtain jobs and improve career prospects. In addition, many of the human services supported by the City help impoverished families meet their basic needs in the short term, or help them achieve living-wage employment. Although the economic situation has improved in the Silicon Valley since 2010, there is still an increased level of need and demand for assistance with employment services as well as basic needs. The City, which serves as the administrative agent for NOVA, will continue its

ongoing efforts to improve economic opportunities for all of its residents through NOVA and the City's Economic Development Division.

The WorkFirst Sunnyvale Program is also a major anti-poverty program that helps Sunnyvale residents who are currently homeless or at imminent risk of homelessness increase their incomes through job training and placement, and other employment-supportive services.

### **Actions planned to develop institutional structure**

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, local residents, non-profit organizations, and other institutions involved in the activities described herein.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

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 this Plan to address housing needs and homelessness are consistent with the CoC's plans and policies. The City's Housing Officer has served on the CoC's "Review and Rank" panel, evaluating and scoring applications for CoC funding, for the past three years.

Sunnyvale 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, and the Valley Transportation Authority, and a number of other non-profit or public agencies, to achieve the goals described within this Action Plan.

### **AP-90 Program Specific Requirements – 91.220(I)(1,2,4)**



**Introduction:**

Overall Benefit: FY 2018-2019

**Community Development Block Grant Program (CDBG)**

**Reference 24 CFR 91.220(l)(1)**

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total ESTIMATED amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	150,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>150,000</b>

**Other CDBG Requirements**

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income in FY 2019/20.	90.00%
Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	

**HOME Investment Partnership Program (HOME)**

**Reference 24 CFR 91.220(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows: N/A
2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

*Not applicable:* The City has not allocated any HOME funds for homebuyer program activities since 2014. The City does not plan to fund any home buyer loans with HOME funds for the foreseeable future, since market-rate home prices in the City are far too high for such a program to be feasible, and the City has enough local (non-federal) Housing funds to meet demand for down payment

assistance loans related to its inclusionary housing program.

For several years prior to 2014, the City allocated HOME funds for a First-Time Home Buyer (FTHB) Program, but only a very small number of HOME loans were made, and those were used to buy price-restricted affordable homes through the City's inclusionary home buyer program. These homes are subject to a thirty-year resale restriction. Currently there are four outstanding FTHB loans made with HOME funds at that time. These four loans are subject to the "resale" restriction rather than the "recapture" provision, consistent with the City's First Time Home Buyer Program guidelines, and the inclusionary program's resale restrictions. These restrictions are also included in the HOME loan documents and affordability covenants recorded against the home. The FTHB Program Guidelines, available online, and the provisions of the City's HOME Promissory Note and Loan Agreement comply with the resale provisions and requirements set forth in 24 CFR 92.254, and were approved by HUD in 2011. For the four participants who purchased inclusionary homes, the "resale option" was used to meet HOME program requirements. Although the market-rate home purchase option was made available for the several years during which the HOME FTHB program operated, and during that time the City had loan documents and guidelines available to impose the "recapture" provisions, the City never made any HOME loans to assist with purchase of market-rate homes, as none ever progressed to an escrow closing. The City does not plan to allocate HOME funds to home buyer activities in the future because the unpredictability of such transactions occurring in any given year does not mesh well with the expenditure deadlines imposed by the HOME regulations, and because there is no inventory of market-rate homes affordable to lower-income buyers.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Please see above. The City's FTHB program has not been funded with HOME funds since 2014 and the City does not intend to fund such activities in the future. The four outstanding HOME-funded FTHB loans made before 2014 used the resale method, which is a 30-year price restriction imposed through the City's inclusionary housing program (a.k.a. Below Market Rate Home Ownership Program, Sunnyvale Municipal Code 19.67) documents and is also included in the FTHB loan documents. For more information about the FTHB guidelines and the BMR Program, please see the information on the City's website: <https://sunnyvale.ca.gov/civicax/filebank/blobdload.aspx?BlobID=22887> [note that Guidelines still reference HOME funds as a possible funding source, although the City is no longer allocating HOME funds to this program.]

Chapter 19.67 of Sunnyvale Municipal Code:

[http://qcode.us/codes/sunnyvale/view.php?topic=19-5-19\\_67-19\\_67\\_070&frames=off](http://qcode.us/codes/sunnyvale/view.php?topic=19-5-19_67-19_67_070&frames=off)

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is

rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

*Not Applicable.* The City has not and does not plan to use HOME funds to refinance existing debt on multi-family housing.

The City does not use any of the methods addressed in Questions 1-4 above in administering its HOME programs.

## Attachments

## Proof of Publication and Citizen Participation Comments



# City of Sunnyvale

## Meeting Minutes - Final Housing and Human Services Commission

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Wednesday, October 24, 2018

7:00 PM

West Conference Room, City Hall, 456 W.  
Olive Ave., Sunnyvale, CA 94086

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### **CALL TO ORDER**

Chair Gilbert called the meeting to order at 7:01 p.m.

### **SALUTE TO THE FLAG**

Chair Gilbert led the salute to the flag.

### **ROLL CALL**

**Present:** 6 - Chair Diana Gilbert  
Vice Chair Joshua Grossman  
Commissioner Patti Evans  
Commissioner Ken Hiremath  
Commissioner Minjung Kwok  
Commissioner Elinor Stetson

**Council Liaison Nancy Smith (present)**

### **ORAL COMMUNICATIONS**

Trudi Ryan, Director of Community Development, introduced new Housing Officer Jennifer Carloni. She noted that her official start day will be November 19 and was attending the meeting to observe and prepare for the work ahead.

### **CONSENT CALENDAR**

**1.A**     [18-0890](#)     Approve the Housing and Human Services Commission  
Meeting Minutes of September 19, 2018

MOTION: Commissioner Evans moved and Vice Chair Grossman seconded the motion to Approve the Housing and Human Services Commission Minutes of September 19, 2018 as submitted.

The motion carried by the following vote:

**Yes:** 5 - Chair Gilbert  
Vice Chair Grossman  
Commissioner Evans  
Commissioner Hiremath  
Commissioner Stetson

**No:** 0

**Abstain:** 1 - Commissioner Kwok

**PUBLIC HEARINGS/GENERAL BUSINESS**

**2**      [18-0892](#)      Biennial Review of Priority Needs for Human Services and  
Recommendation to City Council

Housing Programs Analyst, Joseph Shin, provided the staff report.

Chair Gilbert opened the public hearing at 7:11 p.m.

Staff noted that the Commissioners had received written comments and materials from Senior Adults Legal Assistance, Abilities United, and Downtown Streets Team to be included as part of the public hearing.

The following representatives spoke in support of their programs that provide services to low-income residents of all ages, and thanked the Commissioners for their continued support.

- Teresa Johnson, Meals-on-Wheels Program Manager
- Sarah Norman, Friends for Youth Community Partnerships Director
- Pilar Furlong, Bill Wilson Center Chief Community Resources Officer
- Marie Bernard, Sunnyvale Community Services Executive Director
- Georgia Bacil, Senior Adults Legal Assistance Directing Attorney

Services for youth include mentoring and counseling. Services for Seniors include home-delivered hot meals and legal services. Services for residents with special needs, homeless individuals, and families also include, outreach, job readiness, independent living skills, and food programs.

All the speakers shared accomplishments from the current year and indicated that the need for their services continues to increase. They also noted that a major driving factor has been the continuing rise in housing costs.

Ms. Bernard also encouraged a recommendation to Council an increase to the budgeted annual allocation of General Fund for human services which has remained at \$100,000 for many years.

Chair Gilbert closed the public hearing at 7:37 p.m.

After some discussion and clarification questions of staff, Chair Gilbert asked for a motion.

MOTION: Commissioner Evans moved and Commissioner Stetson seconded the motion to recommends to Council Alternatives 1 and 4: 1) Recommend to City Council the list of priority needs as shown in the staff report, excerpted from the 2015-2020 ConPlan; and, 2) Recommend a supplemental funding amount of \$200,000 for human services grants for FY 2019/20. The funding recommendation is to include information and supporting documentation from staff based on CPI, increasing housing costs, number of potential low-income or high need clients, and percentage of the total General Fund that it represents.

The motion carried by the following vote:

**Yes:** 6 - Chair Gilbert  
Vice Chair Grossman  
Commissioner Evans  
Commissioner Hiremath  
Commissioner Kwok  
Commissioner Stetson

**No:** 0

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

None.

**NON-AGENDA ITEMS & COMMENTS**

**-Commissioner Comments**

Chair Gilbert reiterated the commissioners' welcome to Ms. Carloni.

**-Staff Comments**

None.





**ENDING HOMELESSNESS THROUGH THE DIGNITY OF WORK**

Headquarters • 1671 The Alameda, Suite 306 • San Jose, Ca 95126

October 24, 2018

Dear Housing & Human Services Commission,

Thank you for your time and service, I am sorry that I am not able to be there this evening in person.

I wanted to write and express how important the funding for our program is, and how impactful the funds are to our city and community. Downtown Streets Team continues to serve the un-housed population through our work experience program and the need is greater than ever. We have seen an increase in men and woman attending our weekly success meetings and joining the wait list. With the Sunnyvale Shelter being year-round we increasing our services and the CDBG funding allows to provide the employment and case management services needed.

We have continued to grow our Team with grants from the Santa Clara Valley Water District and other partners like Bank of America, which allows us to serve more un-housed men and women. Our partnership with Sunnyvale Community Services is strong and we are working together to end homelessness in Sunnyvale. I know this is the first of many meetings and I look forward to sharing with you more impact data and testimonies of how this funding is helping change the lives of our Team Members. Thank you again for your time and service.

Sincerely,

Chris Anderson

Project Manager- Sunnyvale Downtown Streets Team



Downtown Streets Team, Inc. is a 501 (c)(3) non-profit corporation.

Tax ID: 20-5242330

StreetsTeam.org

**SEE  
CHANGE  
FIGHT  
HOMELESSNESS**

NORTH COUNTY  
(650) 969-8656

SOUTH COUNTY  
(408) 847-7252



**SALA**  
*Senior Adults Legal Assistance*

**ATTACHMENT 2**

1425 KOLL CIRCLE  
SUITE 109  
SAN JOSE, CA 95112  
(408) 295-5991  
FAX: (408) 295-7401

October 23, 2018

Joseph Shin  
Community Development Department  
City of Sunnyvale  
456 W. Olive Avenue  
Sunnyvale, CA 94086

**RE: Comments for Biannual Review of Priority Needs for  
Human Services in Sunnyvale**

Dear Mr. Shin,

Senior Adults Legal Assistance (SALA) submits these comments for the public hearing on October 24 before the Housing and Human Services Commission regarding the Biannual Review of Priority Needs for Human Services in Sunnyvale. We request that our letter be distributed to the Commission and that these written comments become part of the hearing record.

We understand the Commission is interested in receiving input on priority needs that will be included in the applications for Human Service Grants for fiscal years 2019-2020 and 2020-2021. The need for **Legal Assistance for Sunnyvale seniors**, particularly individuals and couples that are low income and at-risk, is one such area of priority need..

This priority need is currently identified in Sunnyvale's 2015-2020 Consolidated Plan (CON Plan) as objective D and is referenced in the staff memo (18-0892) on page 3 as follows:

***"D. Other specialized supportive services as may be requested by the community, such as ... legal assistance for seniors ..."*** [Emphasis added].

SALA is currently receiving Human Service Grant support from Sunnyvale for our Legal Assistance to Seniors project targeting low income and/or at risk Sunnyvale clients because our program aligns with this CON Plan priority.

We hope that our comments will confirm that specialized supportive services for seniors, and in particular Legal Assistance for lower income and/or at risk seniors, continue to be high priority and unmet human service needs for Sunnyvale, especially in light of the fact that seniors are the fastest growing segment of the population and funding for senior services has not kept up with this growth.

The remainder of this letter documents the need for Legal Assistance for seniors and provides information about the legal services SALA provided to Sunnyvale residents in FY 2017-18. That information will also demonstrate that legal issues are often imbedded in many areas of service essential to the elder population's daily survival.

## THE NEED FOR LEGAL ASSISTANCE FOR SENIORS

We preface this section by noting that Legal Assistance is a service that provides support to elders across numerous fields of human service, so the need for this service tends to be under-reported and under-ranked as a priority when funders conduct needs assessments.

For the foregoing reason, our comments are limited to the need for Legal Assistance by elders. The limitation of our comments to this need area should not be construed as our position regarding the relative merits of any other human service needs in Sunnyvale or as an indication that we believe that they are not important needs as well.

### A. Documentation of Need from Local Needs Assessments

Needs reports prepared by the Area Agency on Aging (AAA), formerly Council on Aging and now known as Sourcewise) and by the County of Santa Clara provide documentation of the critical need for accessible and affordable legal services for local elders, in particular for those seniors that are low income or at risk (SALA's target population), to keep them independent and to prevent their abuse, conservatorship, or premature institutionalization.

The AAA's Area Plan for 2009-2012 notes that legal assistance is a priority need *"to help older persons to obtain services and benefits including protective services for financial abuse, competence and conservatorship"*. The AAA's Area Plan for 2012-16 affirms that legal services are a priority service and notes such services *"are crucial in helping keep seniors in their homes"* and *"are absolutely vital to those in need of them."* The most recent Area Plan for 2016-2020 further affirms that legal assistance continues to be *"priority service"* for seniors in Santa Clara County.

Unmet Civil Legal Needs of Indigent Residents of Santa Clara County, a report prepared for the Santa Clara County Board of Supervisors in August 2001, confirms the findings above and notes: *"legal representation and counsel can be essential to the elderly and their families in gaining access to health, income, and social services."* More recently the Santa Clara County Seniors' Agenda: A Quality of Life Assessment, prepared for the Board of Supervisors in April 2012, identifies legal assistance and elder abuse prevention as key service/safety net needs, noting SALA *"is the only non-profit elder law office in the county focused on the legal needs of seniors"* and that SALA's target population includes *"seniors who are most likely at risk for abuse, exploitation, and institutionalization"*.

The Senior's Agenda further states that one of the big challenges to providing free legal services to seniors are the drastic reductions in funding that have taken place and have increased over the last several years, noting that two major consequences of reduced funding are an increase in the waiting lists and a decrease in the number of clients to be served. Significantly, waiting times for SALA appointments at many of our agency's community-based sites average a minimum of 2 months.

The AAA's Area Plan for 2016-2020 notes that persons age 65+ will comprise 25% of the Santa Clara County population by 2060 as compared to 17% today and 12% in 2010. The need for supportive services for seniors, including legal services, will continue to grow along with this dramatic demographic shift toward an older population.

We believe the sources above document that Legal Assistance continues to be a need that is critical to the lives and well being of Sunnyvale seniors, particularly those that are at-risk and/or low-income. We also believe this documentation supports the conclusion that Legal Assistance is a key access service for seniors and their families or caregivers. These reports could also support the interpretation that Legal Assistance is the most critical of access services because, as a provider of last resort,



Legal Assistance is necessary to enforce elders' rights to services and public benefits after preliminary access has been denied. These needs reports also identify the linkage between Legal Assistance and Protective Services (including prevention of elder abuse and conservatorship), yet another factor that should support the ranking of Legal Assistance as a critical service need.

#### **B. Documentation of Need from SALA**

Founded in 1973, SALA is the only legal aid agency in Santa Clara County designated by the AAA, Sourcewise, to provide free Legal Assistance exclusively to elders under the Older Americans Act. SALA is also the only provider of free legal services with a physical presence in Sunnyvale, making our services accessible locally to Sunnyvale seniors. Specifically, SALA currently provides services at least twice monthly in donated space at the offices of Sunnyvale Community Services.

Consistent with the mandate of the Older Americans Act, SALA targets our legal services to elders countywide and in Sunnyvale who have low incomes, are frail, or are at-risk of abuse, isolation or institutionalization. Due to their low-income status, many of SALA's target clients are underserved because they struggle to provide for their basic needs (food, medical, housing, transportation) and cannot pay a private attorney \$400 to \$500 an hour. Our target clientele is also at higher risk (in Greater Social Need) due to characteristics (age 75/+ or disabled) many exhibit that are cited below.

Statistics for SALA clients from Sunnyvale provide support for the assessment that Legal Assistance is critical to the lives and well being of the most vulnerable and at-risk elders in Sunnyvale. Specifically, most of the Sunnyvale seniors receiving legal services from SALA in 2017-18 had characteristics that put them in great economic need or at some level of being "at risk" of abuse, isolation, conservatorship, or premature institutionalization as noted below:

- **45% were extremely low income** (incomes at or below 30% of the county median)
- An additional **21% were very low income** (incomes at or below 50% of the county median).
- **47% were age 75 or older** (placing them at higher risk according to the Older Americans Act)
- **30% had a disability** (placing them at higher risk according to the Older Americans Act).

In addition, **63%** of the Sunnyvale seniors served were female and **45%** self-identified as minority elders. We believe that these statistics for SALA clients also align with the Priority Client Types noted in the 2015-2020 CON Plan and in the staff memo on page 2, specifically **very low-income, extremely low- income and/or other special needs populations (e.g., seniors, disabled ...)** [Emphasis added]

The critical role SALA plays in the lives of elders countywide, and in Sunnyvale, is also illustrated by the types of legal problems for which they request our assistance. These requests address a broad spectrum of legal issues including: (1) **Housing** (landlord-tenant and fair housing/reasonable accommodation matters) and **Public Benefits** (Social Security, SSI, Medicare, Medi-Cal, In Home Supportive Services) to meet their **Basic Needs**; (2) **Elder Abuse and Domestic Violence Prevention** (through court issued Restraining Orders or other interventions); and (3) **Legal Planning for Incapacity/End Stages of Life** to maintain their independence, prevent conservatorship, and support Aging in Place.

We close this section by noting that the increasing need for Legal Assistance for seniors over the past decade has created a demand that far exceeds the existing service levels of SALA, the sole provider of such services locally. Moreover, funding for SALA's services has not keep up with the demand, creating waiting times for an appointment with SALA at many of our 15+ appointment

Comments for Sunnyvale Hearing on Priority Needs for Human Services  
October 23, 2018

locations through the County that now average two months. The Santa Clara County Senior Agenda report notes that this will only get worse: *"The coming "age wave" will increase the demand for these [legal] services and currently service providers are fighting for their own survival while attempting to advocate for seniors"*

### SUMMARY

We believe that we have demonstrated that Legal Assistance continues to be a need that is critical to the lives and well being of elders in Sunnyvale, particularly those that are low income or at risk. The importance of Legal Assistance in the area of Incapacity/End of Life Planning and Elder Abuse is also documented, as is the role of Legal Assistance as a "safety net" service and key access service to ensure elders' adequate income, housing, basic necessities, safety, and independence.

Lastly we hope that we have demonstrated that Legal Assistance to Sunnyvale elders as provided by SALA align with the Priority Client Types (***very low income, extremely low income and/or other special needs populations including seniors***) and with Priority Needs (***other specialized supportive services as may be requested by the community, such as ...legal assistance for seniors***) set forth in the current Sunnyvale CON Plan.

The City of Sunnyvale staff is recommending **Alternative #1** that reaffirms the current list of priority needs from the 2015-2020 CON Plan, which they excerpted on pages 2 and 3 of their memo. We encourage the Commission to support this recommendation.

We also hope that the Commission will support **Alternative #3** recommended by the staff to set aside \$100,000 in supplemental funding for Human Service Grants for FY 2019/20, which in the past has supported funding for projects such as SALA's Legal Assistance to Elders.

We thank you for the opportunity to submit these comments.

Respectfully submitted,



Georgia Bacil  
Directing Attorney

Dear Health and Human Services Commission,

Good evening, thank you for the opportunity to tell you about the LTC Ombudsman Program at Catholic Charities of Santa Clara County, also to thank the **City of Sunnyvale** for your *past* and *continued* support of the Ombudsman Program.

The Ombudsman is the **Advocate** for the most **vulnerable citizens of your city** – those who live in Nursing Homes and Assisted Living Facilities. We advocate for the dignity, rights and needs of seniors and disabled in those facilities.

This is an **unduplicated service** in Santa Clara County – no other program has **24/7 access** to residents in facilities. All are required by law to have our posters (phone number in large type) in their facilities.

The Program is authorized by the federal Older Americans Act, as well as the California Older Californian Act to advocate for the rights of seniors and disabled residents in long term care facilities. The main function of the Ombudsman Program is to **investigate and to resolve complaints made by or on behalf of residents related to issues of quality of care and abuse**.

In essence the program protects and helps improve the **quality of care and quality of life** for the frailest of our senior and disabled population.

Living in a long term care facility is often not the first choice for anyone. Many seniors and disabled adults have *no* option but to live in a facility and for this reason it is very important that their rights are protected. The presence of LTC Ombudsmen in itself improves quality of care and life of all residents by giving a voice to those seniors and providing an advocate for their needs and concerns.

We investigate **ELDER ABUSE**, complaints, solve problems, mediate, give referrals and witness Advance Health Care Directives... all our services are **FREE** to residents and their family/friends.

We partner with other agencies ie. *Silicon Valley Independent Living Center, SALA, Next Door Solutions, Police and Sherriff Departments, Adult Protective Services, and Licensing for the facilities, to name a few.*

**Actual Sunnyvale facilities and residents:**

- **4** Nursing Homes + **28** RCFEs (Assisted Living Facilities + 6-Bed Board & Care) = Total 31 facilities
- **1,125** residents in Sunnyvale facilities
- City of Sunnyvale: **1 Staff + 5 volunteers** – (last year our volunteer contributed 5,295 hours throughout Santa Clara County)



11/14/2018

For: City Council Agenda:

Housing and Human Services Commission Meeting

Nov 14th at 7 p.m.

Dear City of Sunnyvale Commissioners,

On Behalf of the Adult Day Care Center of Catholic Charities that operates in the City of Sunnyvale. I would like to express my gratitude for your past support on behalf of the beneficiaries of our services in this City.

Thanks to you, our services improve the quality of life of dependent seniors and their caregiving families in the City of Sunnyvale. Seniors who are experiencing first stages of dementia and cannot be left at home alone depend on services like ours to allow their closes relatives access some respite. While our services helps the seniors to age in place, be socially active, delaying premature institutionalization, depression and dead; and also alleviating the high cost of senior care for these families.

The funds provided by the City of Sunnyvale continues to help to subsidize for some Adult Day Care hours for families who cannot cover for service's cost; allowing them to access a minimum of respite care or extend the number of days they can use such services.

We look forward to keep serving this City and its strong sense of community support for the elderly.

As always, we thank you for your support and for believing in Community Based Organizations, like ours.

Respectfully,

*Milton Cadena*

Milton R. Cadena, MPA  
Program Director, Day Break Cares  
Older Adult Services- Catholic Charities of Santa Clara County  
535 Old San Francisco Road,  
Sunnyvale, CA 94086  
(408) 831-0440 Ext. 422





# City of Sunnyvale

## Meeting Minutes - Final - excerpt City Council

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Tuesday, November 27, 2018

6:00 PM

Council Chambers and West Conference  
Room, City Hall, 456 W. Olive Ave.,  
Sunnyvale, CA 94086

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### Special Meeting: Study Session - 6 PM | Regular Meeting - 7 PM

#### 3. [18-0894](#) Biennial Review of Priority Needs for Human Services

Community Development Director Trudi Ryan introduced Jenny Carloni, Housing Officer, and provided the staff report.

Mayor Hendricks opened the Public Hearing at 7:24 p.m.

Diana Gilbert, Chair of Housing and Human Services Commission, presented the Commission's recommendation to increase the funding to \$200,000 to maintain a similar level of impact for the City's residents.

Pilar Furlong, Chief Community Resources Officer at Bill Wilson Center, provided information regarding the services the Center provides and applauded Sunnyvale for recognizing mental health services as a priority need for its residents. She urged Council to think about the other basic services needs for its residents, especially low income residents and requested consideration of supplemental funding up to \$200,000.

Teresa Johnson, Director of Meals on Wheels for the Health Trust, spoke in support of the Commission recommendation and provided information on the needs of low-income nutritionally at-risk, home bound seniors.

Marie Bernard, Sunnyvale Community Services, provided information regarding the services provided to meet the needs of Sunnyvale residents and requested consideration of a funding increase to \$200,000 on condition, for one year.

John Cordes, speaking on his own, urged the Council to approve the Commission's recommendation of \$200,000.

Richard Mehlinger, speaking on his own, spoke in support of the recommendation



and urged consideration for increasing the funding amount annually moving forward.

Closed Public Hearing at 7:52 p.m.

MOTION: Vice Mayor Klein moved and Councilmember Griffith seconded the motion to approve Alternatives 1 and 3: 1) Approve the list of priority needs as shown in the staff report, excerpted from the 2015-2020 Consolidated Plan; and, 3) Select a preliminary budget for supplemental funding amount of \$125,000 for human services grants for FY 2019/20.

FRIENDLY AMENDMENT: Mayor Hendricks offered a friendly amendment to increasing the funding amount to \$135,000. Vice Mayor Klein and Councilmember Griffith accepted the friendly amendment.

Mayor Hendricks clarified that the motion is for funding over a two-year cycle.

FRIENDLY AMENDMENT: Councilmember Goldman offered a friendly amendment to increase the funding amount to \$150,000. Vice Mayor Klein accepted but Councilmember Griffith declined to accept the friendly amendment.

FORMAL AMENDMENT: Councilmember Goldman moved and Councilmember Smith seconded to amend the motion to increase the funding amount to \$150,000.

The formal amendment failed by the following vote:

**Yes: 3 -** Councilmember Smith  
Vice Mayor Melton  
Councilmember Goldman

**No: 4 -** Mayor Hendricks  
Mayor Klein  
Councilmember Griffith  
Councilmember Larsson

The main motion as amended by the first friendly amendment carried by the following vote:

**Yes:** 5 - Mayor Hendricks  
Mayor Klein  
Councilmember Griffith  
Councilmember Larsson  
Vice Mayor Melton

**No:** 1 - Councilmember Smith

**Abstain:** 1 - Councilmember Goldman



# City of Sunnyvale

## Meeting Minutes - Draft - excerpt Housing and Human Services Commission

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Wednesday, April 3, 2019

7:00 PM

West Conference Room, City Hall, 456 W.  
Olive Ave., Sunnyvale, CA 94086

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### Special Meeting

- 2      19-0363      Evaluations and Funding Recommendations for FY 2019/20  
Human Services Grants and CDBG Capital Project Loans

Housing Officer Jennifer Carloni gave an overview of the staff report and answered questions.

Chair Gilbert opened the public hearing at 7:19 p.m.

The following agency representatives spoke in support of their proposals, answered questions, thanked the commissioners for their consideration, and encouraged them to support the funding recommendations.

1. Amanda Clifford, Bill Wilson Center: Family and Individual Counseling.
2. Chris Anderson, Downtown Streets Team: WorkFirst Sunnyvale Program in collaboration with Sunnyvale Community Services.
3. Marie Bernard, Sunnyvale Community Services: WorkFirst Sunnyvale in collaboration with Downtown Streets Team and Food Assistance Program for Low-Income Residents.
4. Tom Morse, First United Methodist Church: Sunnyvale Senior Nutrition Program.
5. Jo Bailard, Abilities United: Adult Services.
6. Wanda Hale, Catholic Charities of Santa Clara County: Long Term Care Ombudsman Program.
7. Jordan Dancer, Next Door Solutions to Domestic Violence: Support Services for Survivors of Domestic Violence.
8. Teresa Johnson, The Health Trust: Meals-on-Wheels Program.
9. Colleen Hudgen, Live Oak Adult Day Services.
10. Ann Marquart, Project Sentinel: Fair Housing Services.
11. Georgia Bacil, Senior Adults Legal Assistance: Free Legal Assistance to Elders.
12. Sarah Norman, Friends for Youth: Mentoring Services for Youth
13. Pai Venegas, Silicon Valley Independent Living Center: Housing and Emergency

Services for Persons with Disabilities.

Chair Gilbert closed the public hearing at 8:17 p.m.

After additional questions of staff and some discussion, Chair Gilbert asked for a motion.

MOTION: Commissioner Evans moved and Commissioner Stetson seconded the motion to approve Alternative 1: Recommend that City Council fund the CDBG capital project and human services proposals in the amounts shown in Attachment 2 to the report, and the General Fund human service proposals shown in Attachment 3 to the report, with staff having the authority to make minor adjustments as needed once the final grant allocations arrive.

The motion carried by the following vote:

**Yes: 6 -** Chair Gilbert  
Vice Chair Grossman  
Commissioner Evans  
Commissioner Hiremath  
Commissioner Kwok  
Commissioner Stetson

**No: 0**

MOTION: Commissioner Stetson moved and Commissioner Evans seconded the motion to request that staff allocate any additional CDBG funds that might be received in the final allocation from HUD, based on proposal ranking and past funding history.

The motion carried by the following vote:

**Yes: 6 -** Chair Gilbert  
Vice Chair Grossman  
Commissioner Evans  
Commissioner Hiremath  
Commissioner Kwok  
Commissioner Stetson

**No: 0**

## CITY OF SUNNYVALE

NOTICE OF PUBLIC REVIEW PERIOD AND PUBLIC HEARINGS FOR  
CONSOLIDATED PLAN 2019 ACTION PLAN

This is to notify the general public and other interested parties that a **30-day public review and comment** period for the fifth Annual Action Plan of Sunnyvale's 2015-2020 Consolidated Plan will begin on **April 5, 2019** and end on **May 7, 2019**. The draft Annual Action Plan describes the activities the City plans to undertake in Program Year 2019 using funds made available through the federal Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Programs. These activities are intended to meet Sunnyvale's affordable housing and community development needs, as described in the Consolidated Plan.

**2019 Action Plan****Available Funds:**  
**CDBG**

The City anticipates a total of \$1,400,000 in CDBG funds to be available for use during FY 2019/20. This amount includes an anticipated 2019 CDBG entitlement grant of approximately \$1,100,000, pending federal budget appropriations, plus an estimated \$150,000 in local program income receipts, and a balance of approximately \$150,000 in unexpended/reallocated CDBG funds, and/or CDBG program income from the prior year.

**Proposed Activities**

The City proposes using the available CDBG funds for activities benefiting income-eligible persons and providing suitable living environments, as described in the 2015-2020 Consolidated Plan. The Draft 2019 Action Plan proposes to fund the following activities in 2019: public (human) services for low income Sunnyvale residents with priority needs, including senior citizens, at-risk youth, homeless persons, disabled persons and others; affordable housing rehabilitation; ADA accessibility projects, job training and placement; and program administration, which includes compliance activities (environmental, labor, and other federal requirements), monitoring, and other fiscal tasks.

**HOME**

The City anticipates a total of \$800,000 in HOME funds to be available for use during FY 2019/20. This amount includes an anticipated 2019 HOME entitlement grant of approximately \$300,000, pending federal budget appropriations, and \$500,000 in reserves and/or HOME program income from prior years.

**Proposed Activities**

The City proposes to provide HOME funds for compliance activities which include environmental, monitoring, and other federal requirements.

**PUBLIC REVIEW PERIOD**

The 30-day public review and comment period for the FY 2019/20 Annual Action Plan, will begin on **April 5, 2019** and end on **May 7, 2019**. Copies of the Draft Action Plan will be available at the following locations: 1) Sunnyvale City Hall, One-Stop Center, Community Development Department, 456 West Olive Avenue, Sunnyvale, CA 2) Sunnyvale Public Library, 665 W. Olive Avenue, Sunnyvale, CA and 3) on the City of Sunnyvale website: [sunnyvale.ca.gov](http://sunnyvale.ca.gov). To request a copy of the Plan, or for more information, please call 408-730-7254. Interested parties are encouraged to submit written comments on the proposed Action Plan during the review period, or to comment at the public hearings described below. Written comments should be sent to the City of Sunnyvale, Housing Division, Attn: Jenny Carloni, P.O. Box 3707, Sunnyvale, CA 94088-3707.

**PUBLIC HEARINGS**

- 1) A public hearing will be held before the Housing and Human Services Commission during their special meeting on Wednesday, April 17, 2019 at 7 p.m. in the West Conference Room, 456 West Olive Avenue, Sunnyvale, California.
- 2) A public hearing will be held before the City Council at their regular meeting on Tuesday, May 7, 2019 at 7 p.m. in the Council Chambers, Sunnyvale City Hall, 456 West Olive Avenue, Sunnyvale, California.

**PARA RESIDENTES QUE HABLAN ESPAÑOL:** Esta información sobre los Programas de Desarrollo de Comunidad en la Ciudad de Sunnyvale puede ser muy importante para usted. Por favor traduzca esta noticia.

**CƯ DÂN NÓI TIẾNG VIỆT:** Bản thông báo này cho những người cư ngụ, tại thành phố Sunnyvale. Chương trình này có thể liên quan đến quý vị. Xin chú ý đến bản thông báo này.

**PARA SA MGA MAMAMAYANG PILIPINO:** Ang paalalang ito ay patungkol sa Departamento ng Kaunlaran para sa Pamayanan ng Lungsod ng Sunnyvale. Ito ay maaaring makatulong sa inyo kaya maaari po lamang na ipaabot at ipamahagi sa inyong kasamahan.

此通知是關於 Sunnyvale 的社區發展計劃, 可能對您非常重要。  
請將這 信息提供給他人。

इस सूचना पर में हिंदी और समीक्षा के अवसर और समुदाय विभाग के कार्यक्रमों के बारे में जानकारी है। अगर आप इस बारे में और जानना चाहते हैं तो इस नंबर पर संपर्क करें (408) 730-7250 अथवा किसी हिंदी भाषी से अनुवादकरवाएं

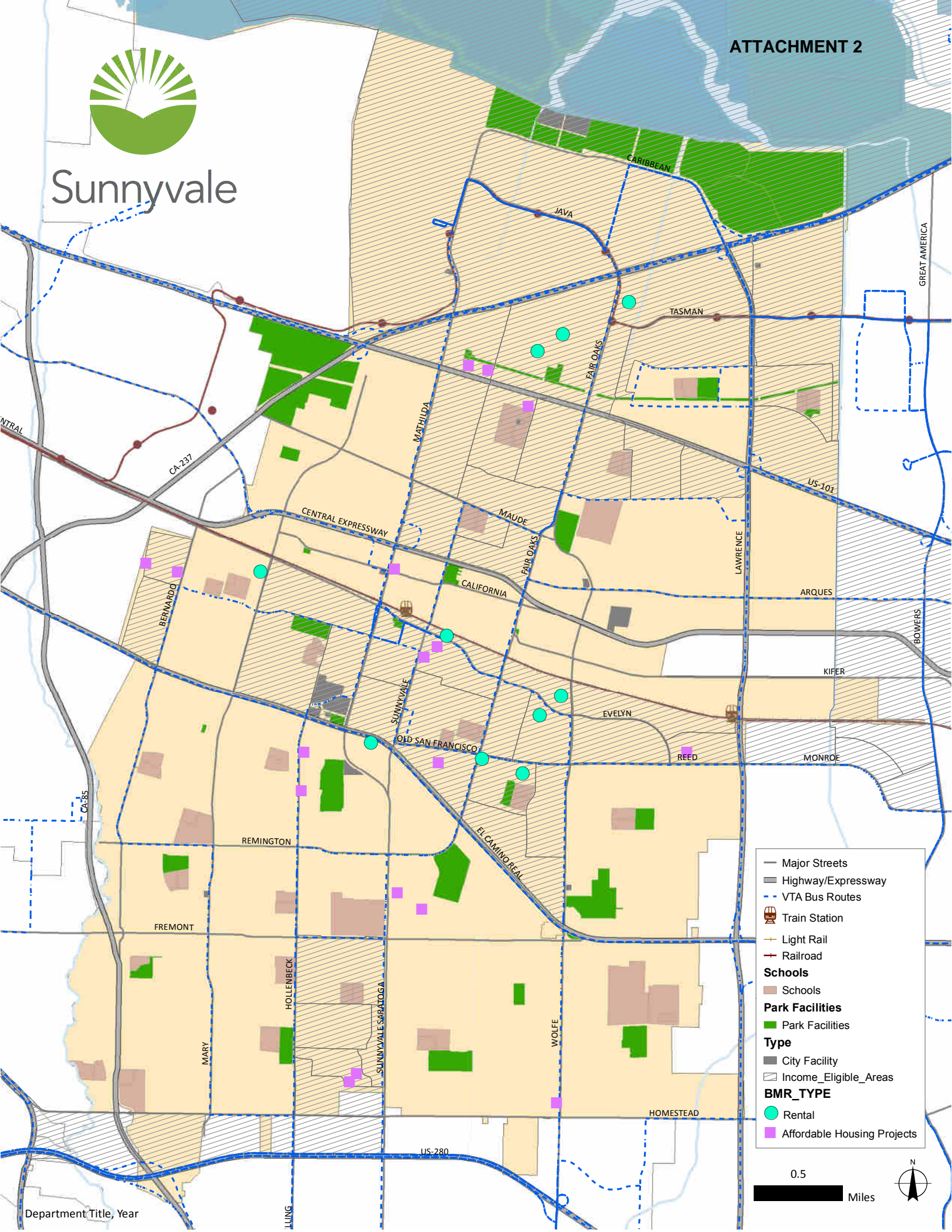
The City of Sunnyvale does not discriminate on the basis of race, color, religion, national origin, sex (including sexual harassment), handicap, or age in any of its policies, procedures, or practices. This nondiscrimination policy covers admission and access to, or treatment or employment in, the City of Sunnyvale programs and activities.

**Special Needs:** The session locations are accessible to persons with physical disabilities. Pursuant to the Americans with Disabilities Act, the City of Sunnyvale will make reasonable efforts to accommodate persons with qualified disabilities. Persons who need special accommodations or auxiliary aids or services, such as interpreters for persons who are hearing impaired, a reader, large print or Braille, are requested to contact staff at (408) 730-7451 no less than five days prior to the public hearing so that appropriate arrangements can be made. Individuals using TTY/TDD machines may access the City at (408) 730-7501. If you have inquiries regarding the equal opportunity policies, the filing of grievances, or to request a copy of the City's grievance procedures, please contact the Housing Division at (408) 730-7254 at least five days in advance of the meeting.

## Map of CDBG Eligible Neighborhoods



Sunnyvale



— Major Streets  
— Highway/Expressway  
- - - VTA Bus Routes  
Train Station  
+ Light Rail  
+ Railroad  
**Schools**  
Schools  
**Park Facilities**  
Park Facilities  
**Type**  
City Facility  
Income\_Eligible\_Areas  
**BMR\_TYPE**  
Rental  
Affordable Housing Projects





# City of Sunnyvale

## Meeting Minutes - Draft - excerpt Housing and Human Services Commission

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Wednesday, April 3, 2019

7:00 PM

West Conference Room, City Hall, 456 W.  
Olive Ave., Sunnyvale, CA 94086

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### Special Meeting

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9. Colleen Hudgen, Live Oak Adult Day Services.
10. Ann Marquart, Project Sentinel: Fair Housing Services.
11. Georgia Bacil, Senior Adults Legal Assistance: Free Legal Assistance to Elders.
12. Sarah Norman, Friends for Youth: Mentoring Services for Youth
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Services for Persons with Disabilities.

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**Yes: 6 -** Chair Gilbert  
Vice Chair Grossman  
Commissioner Evans  
Commissioner Hiremath  
Commissioner Kwok  
Commissioner Stetson

**No: 0**

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The motion carried by the following vote:

**Yes: 6 -** Chair Gilbert  
Vice Chair Grossman  
Commissioner Evans  
Commissioner Hiremath  
Commissioner Kwok  
Commissioner Stetson

**No: 0**

## FY2019-20 General Fund Human Services Draft Funding Recommendations

Agency Name	Program	Final Rank	Average Staff Rating	Funding Amount Requested	Draft Recommendation
SALA	Legal Assistance to Sunnyvale Elders	1	90.33	\$ 11,250	\$ 11,250
Catholic Charities of Santa Clara County	Long Term Care Ombudsman	2	88.67	\$ 10,000	\$ 10,000
The Health Trust	Meals on Wheels	3	86.00	\$ 24,000	\$ 24,000
Abilities United	Adult Services	4	84.67	\$ 11,531	\$ 11,500
Catholic Charities of Santa Clara County	Day Break Cares-Adult Day Care Program	5	82.00	\$ 15,000	\$ 15,000
Live Oak Adult Day Services	Adult Day Care - Cupertino Center	6	81.33	\$ 10,000	\$ 10,000
Next Door Solutions to Domestic Violence	Domestic Violence Case Management	7	77.67	\$ 10,000	\$ 10,000
Friends for Youth	Mentoring Services: A Positive Alternative for Sunnyvale Youth	8	76.00	\$ 15,000	\$ 14,000
Caminar	Youth and Family Counseling	9	75.00	\$ 15,000	\$ 13,000
Silicon Valley Independent Living Center	Housing and Emergency Services for Persons with Disabilities	10	65.00	\$ 23,400	\$ 16,250
Total Funding Recommendations					\$ 135,000
Total Funds Available					\$ 135,000
Remaining Funds					\$ -



# City of Sunnyvale

## Agenda Item

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19-0459

Agenda Date: 4/17/2019

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### REPORT TO HOUSING AND HUMAN SERVICES COMMISSION

#### **SUBJECT**

Consider a Below Market Rate Alternative Compliance Plan for Residential Development at 1142 Dahlia Court. Applicant: Trumark Homes; Planning Files 2018-7989 and 2018-7451.

#### **BACKGROUND**

In March, 2019, the Planning Commission approved a new residential development proposed by Trumark Homes for 58 single-family homes at 1142 Dahlia Court, aka "The Corn Palace", Planning File 2018-1055. The Conditions of Approval require compliance with the Below Market Rate Housing requirements (BMR), codified in Sunnyvale Municipal Code (SMC) Chapter 19.67 (Chapter 19.67).

SMC Chapter 19.67 requires that residential projects of eight or more new ownership units provide 12.5% of the units in the project as BMR homes, affordable to moderate- or lower-income home buyers. Further, it allows the applicant to apply for City Council approval of an alternative compliance option, as defined in SMC Section 19.67.090, to satisfy the BMR requirements. Additionally, the City's Administrative Policy requires the Housing and Human Services Commission to review and make a recommendation to City Council when an alternative compliance option is requested by an applicant.

Prior to the public hearing date for this project with the Planning Commission, the Applicant filed an application, Planning File 2018-7989, requesting City Council approval for the alternative compliance option of paying BMR in-lieu fees (ILF) rather than providing BMR homes within the project. This ILF option is set forth in SMC Section 19.67.090(b), while SMC Section 19.67.090 (a) allows Council discretion to approve or deny the Applicant's proposal to pay ILF to satisfy the BMR requirements for each project.

The City Council is scheduled to consider this item on May 21, 2019.

#### **EXISTING POLICY**

Sunnyvale General Plan, Housing Element

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

**Policy A.3:** Utilize the BMR Housing requirements as a tool to integrate affordable units within market rate developments, and increase the availability of affordable housing throughout the community.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably

foreseeable indirect physical change in the environment.

### **DISCUSSION**

The Zoning Code defines “ownership housing” as a residential development where each dwelling unit is developed to be sold separately to a home buyer, primarily intended for owner-occupancy. BMR requirements apply to ownership housing projects of eight or more new ownership units (e.g., single-family homes, townhouses, or condominiums). The standard requirement is for 12.5% of the ownership units in such projects to be provided as BMR homes. The BMR requirement for the Corn Palace site would equal 7.25 BMR units. Fractional units may be rounded up to the nearest whole number, or a pro-rated in lieu fee (ILF) may be paid by the applicant prior to issuance of the Building Permit. Sunnyvale Municipal Code Chapter 19.67 allows developers to seek City Council approval of one of several alternative compliance options, such as an ILF payment for the entire BMR obligation.

The ILF rate is set at 7% of the final contract sales price of each market-rate home in the project. Payment of this fee for each home in the project would fully satisfy the BMR requirement for that component. The applicant is requesting City Council approval of the alternative to pay ILF for all units in this project.

### **Estimated In-Lieu Fee Amount**

Staff estimated the potential ILF revenue to be \$10,400,000, based on the Market Feasibility Study of potential home prices, provided by the applicant and included in this report as Attachment 2. The actual ILF paid could be higher or lower than these estimates if local home values increase or decrease by the time these homes are sold.

### **Process for Collecting the BMR In-Lieu Fee**

The requirement to pay the ILF is enforced by recording a BMR Developer Agreement against each property within the project, creating a lien against title until the BMR requirements are satisfied in full. With the ILF option, staff also places a Demand for Payment into escrow for the sale of each home to collect the ILF. At the close of escrow of each new home, the escrow officer will send a check to the City for the ILF due from the sales proceeds of that home. Staff then provides a partial lien release for the escrow officer to record, releasing that home from requirements of the BMR agreement. This process repeats until all the homes in the project are sold.

### **Considerations Related to Use of In-Lieu Fee as Alternative Compliance Plan**

Historically, most ownership projects in Sunnyvale provide on-site BMR units, even in single-family developments, and pay ILF only for fractional units. This project is the third to apply for City Council approval of any alternative compliance option since those options were created through amendments to the SMC adopted in 2012. On October 3, 2017, City Council approved two Alternative Compliance Plan requests for payment of an ILF rather than provide on-site BMR units.

SMC Chapter 19.67 does provide additional compliance options available to the Applicant. The rationale behind most of these alternatives is largely the same: to provide a greater number of affordable housing units to more households than could be achieved through the standard compliance option. Often these alternatives also result in deeper income-targeting of the units, serving very low or even extremely low income households, for example.

These alternatives are most preferable when a project consists of large, luxury, expensive homes. In

such cases, more units of affordable housing could be provided to assist more households through payment of an ILF, which the City would award to a non-profit development partner, compared to the standard compliance option. The ILF can fund affordable projects where economies of scale, modest unit sizes, and higher density reduces the per-unit cost compared to that of market-rate units, allowing more affordable housing units to be created. Also, most affordable projects leverage local funds with federal tax credits or other sources that far exceed the local funding amount, often by a 6:1 ratio, so the impact of the ILF can be much greater.

The level of unmet demand for all types of rental housing affordable to lower-income households, particularly very low-income households, far exceeds the unmet demand for moderate-income, BMR for-sale housing. This is because a larger segment of the population is in the lower-income ranges, and very few market-rate homes or rentals are affordable to lower-income households.

The standard BMR compliance option in higher-priced, luxury projects can also create difficulties for staff in handling the sale of very few, highly desirable BMR homes, given the high demand. In these cases, staff would hold a lottery, which is often time intensive for staff and stressful for potential buyers. In addition, large and luxury homes, while sold at BMR prices, are extremely expensive to maintain and insure for a household at a lower income level and can often cause a financial burden they may have been unaware of.

For the above reasons, some housing policy advocates assert that, particularly in cases of projects of larger, higher-priced homes, greater public benefit results from using ILF payments to assist many more households, and often with greater need for assistance, than could benefit from a few BMR homes provided within the project.

### **FISCAL IMPACT**

If approved, staff estimates that the Alternative Compliance Plan for Corn Palace could result in total revenues of approximately \$10.4 million, deposited to the BMR sub-fund of the Housing Special Revenue Fund (70-200). This Fund can be used to assist various affordable housing projects with an emphasis on creating new affordable units for rent or sale. The funds can also be used to fund rehabilitation projects, provide First Time Home Buyer loans, and create new affordable housing programs. The Alternative Compliance Plan would have no impact on the General Fund.

Staff periodically issues Requests for Proposals for new affordable housing projects to be funded using BMR and/or other available Housing funds. Use of these Housing-related funds would be reviewed by the Housing and Human Services Commission and approved by City Council during the City's normal budgeting process or prior to awarding and funding proposals.

### **PUBLIC CONTACT**

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

### **ALTERNATIVES**

1. Recommend City Council approval of the Applicant's BMR Alternative Compliance Plan project located at 1142 Dahlia Court, as shown in Attachment 2 to this report.
2. Recommend City Council approval of the Applicant's BMR Alternative Compliance Plan project

- located at 1142 Dahlia Court, with modifications.
3. Do not recommend City Council approval of the BMR Alternative Compliance Plan the project and require the Applicant to comply with the BMR conditions of approval by providing BMR units within the project, or other alternative specified by City Council.

### **STAFF RECOMMENDATION**

Alternative 1) Recommend City Council approval of the Applicant's BMR Alternative Compliance Plan project located at 1142 Dahlia Court, as shown in Attachment 2 to the report

Staff recommends approving the Alternative Compliance Plan, as requested, to allow payment of an In-Lieu Fee to satisfy the Inclusionary Housing requirement for the Corn Place project. Through this Alternative Compliance Plan, the City would receive over \$10 million to use for new affordable housing projects to be determined at a future date. This approach allows the City to use these funds to assist our non-profit partners develop a much larger number of extremely low, very few, and low income units in our community.

Prepared by: Ernie Defrenchi, Affordable Housing Manager  
Reviewed by: Jennifer 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. Corn Palace Market Feasibility Analysis
3. BMR Alternative Compliance Plan

## **ATTACHMENT 1**

Reserved for Report to Council.



# Market Feasibility Analysis

Corn Palace | Sunnyvale, CA

*for Trumark Homes*

*December 12, 2018*





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Limiting Conditions



# Introduction

## Background

Client	Trumark Homes (“Client”)
Subject	Corn Palace (“Subject”)
Location	Sunnyvale, Santa Clara County, CA
Setting	Residential community - 58 lots
Objective	Recommend pricing, forecast absorption, and appropriate standard specifications in this market. Provide guidance regarding the new home market and relevant economic and demographic trends.

## Methodology

Subject	Review Subject information and visit site
Market	Collect and analyze information on actively selling new-home projects and resale transactions in the Competitive Market Area (CMA)  Compile and analyze macro-economic, housing market, and demographic data and trends
Survey Period	December 2018

## Authors and Contact

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## Assumptions

### *Home Specifications and Execution*

We assume that the Builder will construct homes:

- of the same sizes and types described for the Subject in this study; and
- of slightly superior quality than key comparables (e.g. Radius Villas by Pulte, Estancia by Lennar).

### *Project or Community Specifications and Execution*

We assume that the developer and Builder will:

- execute their work in a “market-appropriate” manner;
- have advertising and marketing efforts generating qualified shopper traffic commensurate with communities achieving sales rates similar to those projected for the Subject;
- have an on-site sales office open at least 7 days a week;
- have fully decorated model homes for most floor plans;
- have experienced sales agent(s) familiar with the local market; and
- come to market within 12 months.

Failure to meet these conditions could adversely impact achievable prices and/or sales rates.

### *Level of Competition*

Our pricing and absorption recommendations assume competition during the Subject’s sell-out will be similar to today’s competition.

See appendix for [Limiting Conditions](#)

# EXECUTIVE SUMMARY





# Recommendations

## Price

Average base price	\$2,497,069
• Average incentive	(\$10,000)
• Average options	\$62,447
• Average premiums	\$2,000
<b>Average total net price</b>	<b>\$2,551,516</b>

## Price Change

Remainder

2018	2019	2020	2021
0.3%	2.0%	-1.5%	-4.0%

## Sales Per Month and Sell-Out

Remainder

2018	2019	2020	2021
2.50	2.50	2.50	2.50

**Sell Out 23 Months**

## Project

*Corn Palace*

Sunnyvale, Santa Clara County, CA

**Homes** 58

**Product Type** SFD

**Average Lot** 3,750 SqFt

**Lot Dimensions** 50' x 75'

**Home Size Range** 2,618 - 2,897 SqFt

**Average Home Size** 2,773 SqFt

**Eff. Tax Rate** 1.25%

**HOA/Month** \$0

**Amenities:**

None

**Target Market:**

Young and mature families, dual income professionals.



Resales in the Subject Area  
Excellent accessibility  
Strong elementary/middle schools  
Surrounded by tech jobs



Slowing new home market  
Lower priced alternative product  
Home sizes pushing prices  
Adjacent to busy expressway

## PRICING AND ABSORPTION RECOMMENDATIONS





# Recommendations Detail

## JBREC Pricing Detail

- Based on the locational and competitive market factors outlined in this analysis, we recommend the price points detailed in the table below for the product types at the Subject property. We have assumed an **incentive** in line with the CMA. However, incentives have been increasing in the CMA and the wider market, so incentives so should be closely monitored going forward.
- We estimate average **option/upgrade spending** of +/- 2.5% of base pricing or \$62,447 given CMA norms and experience at key comparables.
- We estimate average **premium revenue** of +/- \$2,000 per home given product type and pricing levels and a review of the site plan. Premiums will be garnered by oversized lots, end units, and any favorable adjacencies such as against the planned park at the southern end of the site. This may be mitigated by the potential for discounting for lots located along busy Lawrence Expressway (though there will be a 13' sound wall along the eastern side of the Subject, this will be a less desirable adjacency).

				MIX	PRODUCT				TAX & HOA		JBREC RECOMMENDED											
				Sq. Ft.					Tax Rate	HOA	Monthly Pace	Base Price		Net Base Price	Net Base Price/ Sq. Ft.			Total Price	Total Price/ Sq. Ft.	80% 4.90% Net Pmt.	31% Income to Qualify*	
Project Name	Builder				Bed	Bath	Levels	Pkg														
CORN PALACE																						
Corn Palace		TBD	12	2,618	4	4.5	2	2	1.25%	\$0	2.50	\$2,420,000	(\$10,000)	\$2,410,000	\$921	\$60,500	\$2,000	\$2,472,500	\$944	\$13,073	\$506,000	
			4	2,662	4	4.0	2	2	1.25%	\$0		\$2,435,000	(\$10,000)	\$2,425,000	\$911	\$60,900	\$2,000	\$2,487,900	\$935	\$13,155	\$509,000	
Product:	SFD	Total Units:	58	21	2,758	4	4.5	2	2	1.25%	\$0		\$2,490,000	(\$10,000)	\$2,480,000	\$899	\$62,300	\$2,000	\$2,544,300	\$923	\$13,453	\$521,000
Configuration:	3,750	Units Sold:	0	21	2,897	4	4.5	2	2	1.25%	\$0		\$2,560,000	(\$10,000)	\$2,550,000	\$880	\$64,000	\$2,000	\$2,616,000	\$903	\$13,832	\$535,000
Lot Dimensions:	50' x 75'	3 Mon. Sold:	0																			
% Remaining:	100%	Units Remaining:	58																			
Totals/Averages:				58	2,773						\$2,497,069 (\$10,000) \$2,487,069 \$897 \$62,447 \$2,000 \$2,551,516 \$920 \$13,491 \$522,138											



# Positioning & Absorption

## Price Positioning

**The Subject is positioned at the top of the CMA** against key comparables. Specifically, the Subject is positioned (per net base pricing unless otherwise noted):

- Above **Radius – Villas** given the Subject's detached product. However, based on our adjustment analysis, recommended prices are generally in-line with Radius – Villas after adjusting for product, lot size, home sizes, location, etc. The Villas also sold out in April 2018, thus pricing is substantially out of date. While Mountain View still carries a substantial premium against Sunnyvale, Radius is in a comparatively slightly less desirable (but still highly desirable) part of Mountain View compared to the city, while the Subject is within an appealing neighborhood within Sunnyvale with very strong schools.
- For similar reasons, the Subject is priced similarly above **Estancia** SFD. While this comparable is within a somewhat superior location within Mountain View than Radius, it has sold without models or any on-site sales presence and is essentially a construction zone.
- Above townhome product at **The Vale** by Landsea and Taylor Morrison based on location (the Subject is within a superior part of Sunnyvale) and far less dense product. Detached homes with conventional (or nearly conventional) lot sizes in the CMA and throughout the core Bay Area are very rare and extremely valued. Further, though the Landsea comparables (Echo and Nexus) have experienced slower sales of late, all three of the townhome communities at The Vale have sold briskly, indicating they may have been priced under market until conditions slowed this summer.
- Competitively with Sunnyvale and Subject Area **resales** based on the premium for new construction mitigated by generally smaller lots than the bulk of detached resales. Critically, the Subject is positioned roughly in-line with the one relatively recent transaction from the neighborhood located immediately west of the Subject. This neighborhood, built in 2013, provides the best comparison to the Subject, but, unfortunately, this transaction is the only sale in the last two years and there are no currently actively listed homes nor pending or contingent sales in this neighborhood.
- Appropriately below the Mountain View resale trend line. Mountain View commands a premium over Sunnyvale, thus newly built product in this area should be priced appropriately. Like Sunnyvale, however, the vast majority of resales in Mountain are comparatively small and old (typically built in the late 1950s to early 1960s). This, along with limited competition regionally for detached new homes with lots of about 3,000 SF or larger, should accentuate the appeal of the Subject.



# Positioning & Absorption

## Absorption

- Since the Subject is price positioned at the top of the market, our targeted pace is slower than what the surveyed comparables have achieved in terms of overall sales paces. Moreover, absorption has slowed dramatically in recent months in the region. Although overall absorptions are higher, the average sales pace for comparables over the last three months is only 2.3 sales per month. While the Subject's size and location warrant its pricing and given that we expect some normalization in the CMA with the spring selling season next year, we believe a pace of 2.5 sales per month for the Subject is achievable. The Subject's high absolute price points, however, strongly indicate that Client should not expect a higher sales pace than this given market normalization (i.e., the CMA will no longer support rapid sales pace of four per month or higher for top of the market new home communities).
- The table below shows Sunnyvale sales over the last year segmented by price niches. The figures to the right show the Subject's necessary capture rate for various monthly sales rates at the price category relevant to Subject pricing. Even at 2.5 sales per month, the Subject would need to capture about half the Sunnyvale market. However, an offering like the Subject – new homes larger than most resales in Sunnyvale – will expand this market niche. Low inventory (0.4 months at the \$2.5-3.0M price range) indicate limited options at these price points in a market characterized by relatively smaller, older homes. Further, low days on market (average 20 days all Sunnyvale and 30 days at the \$2.5-3.0M niche) indicates latent demand. Still, the top of the market pricing of the Subject, slower recent new home sales, and expectation of a more normalized market sales going forward indicate our absorption estimate is appropriate.

Sunnyvale Sales and Closings by Price Range over Last Year							Capture	Capture	Capture
Price Categories	Sales	%	Sales / Mth	Closings	%	Sales / Mth	3.0/mo.	2.5/mo.	2.0/mth
<\$500,000	0	0.0%	0.0	0	0.0%	0.0			
\$500k-\$1M	60	6.8%	5.0	64	6.9%	5.3			
\$1.0-1.5M	289	32.8%	24.1	301	32.4%	25.1			
\$1.5-2.0M	286	32.5%	23.8	300	32.3%	25.0			
\$2.0-\$2.5M	182	20.7%	15.2	198	21.3%	16.5			
\$2.5-3.0M	61	6.9%	5.1	63	6.8%	5.3	57%	48%	38%
\$3.0M+	3	0.3%	0.3	3	0.3%	0.3			
	<b>881</b>	<b>100%</b>	<b>73</b>	<b>929</b>	<b>100%</b>	<b>77</b>			

Notes: Sales and closings over last year (12/11/17-12/1-18). Months of supply are per closing data.  
Listings as of 12/11/18. All data per MLS.





# Basements

- All Subject floor plans have basement options that would add between 677 and 1,136 SF to home sizes. Since there are no resale or new home transactions in the CMA (or even the wider region) upon which to base pricing, we are not able to formally price the value of basement space at the Subject. Clearly, basements would increase the price of Subject homes solely given the added space. However, our experience in other markets is that basement space is priced far lower on a per square foot basis than normal house space. In the CMA, this is likely to be exaggerated given the complete unfamiliarity with basements among buyers.
- The one recent new home community in California that offered a basement of which we are aware is Lumiere by Lennar. This is a smaller lot detached community with pricing averaging about \$2M, so is reasonably comparable to the Subject from the standpoint of product and pricing if not in terms of location. This community had a basement option on one plan that sold for about \$250,000 for an additional 2,000 SF. That is, its value ratio was \$125 per square foot. This compares to a value ratio of roughly \$400 to \$425/SF for normal home space, or less than 1/3<sup>rd</sup> of above-ground home pricing. The sales agent at Lumiere told us that the basement was desirable, but few buyers wanted to pay for it. When selling (the relevant plan is sold out) buyers chose the basement option on five of 23 purchases. This may offer some guidance to pricing and demand for an optional basement at the Subject but should not be considered conclusive.
- While Subject basements could be offered as options, this would likely lead to logistical problems. Basements would have to be laid prior to foundation slabs and thus buyers would have to purchase the basements very early in the development process. If that buyer should cancel prior to closing, Client could be left with a home that is difficult to sell. Pre-plotting basements would also be perilous given the uncertainty of the market for basements.
- Beyond the market unfamiliarity and uncertain pricing of basements is the fact that any substantial increase in pricing at the Subject will push the Subject into very high absolute price points for Sunnyvale. Currently, most homes will be priced in the \$2.5-3.0M range, and mainly toward the bottom half of that range (and some slightly below that threshold). At 30% of the Subject's average value ratio, the typical basement value at the Subject would be about \$250,000. This would increase Subject pricing into a thin part of the market (see table previous page for lack of \$3.0M+ sales) even allowing for the Subject to expand the size of this niche.
- Given this absolute price factor, pre-plotting basements could thus diminish absorption and necessitate price discounting should basements prove difficult to sell. Given the lack of transactions, basements may also be difficult to appraise.



# Basements

- We thus strongly recommend the Subject is planned without basements. The following summarize the key factors:
  - Total unfamiliarity in the market with basements.
  - No data with which to price or appraise basements.
  - Would likely slow absorption if pre-plotted (or if a buyer option and then canceled).
  - Basements would push Subject pricing into market niche with very limited activity in Sunnyvale.
  - Basements would increase home sizes which are already large for the CMA.
  - Basements are often poorly lit in terms of natural lighting (one planned basement has no natural lighting conduits) and could add a security concern given the alternative exits, which would provide another ingress into the house.
  - Basements are not favorable from a multi-generational standpoint since grandparents residing in the basement would necessitate climbing stairs to join the family.

## LOCATION AND PROPERTY ANALYSIS

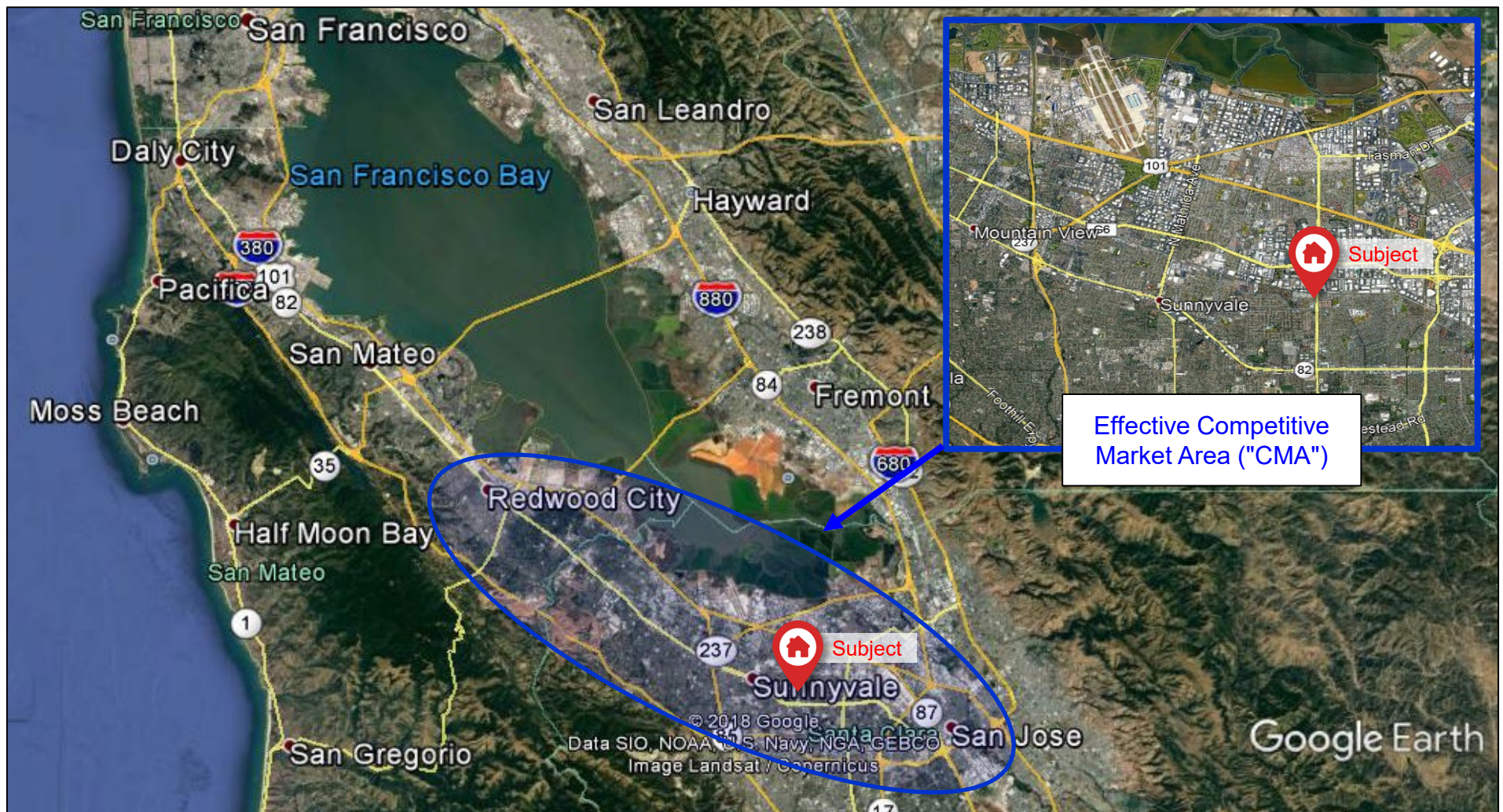




# Regional Location

MSA	San Jose-Sunnyvale-Santa Clara
County	Santa Clara
City	Sunnyvale
Distances	Subject is along the eastern boundary of Sunnyvale, which is about five miles southeast of Mountain View and five miles west of Santa Clara.

Sunnyvale is a bedroom community with excellent accessibility both regionally and immediately. With Highway 101 so close, employment hubs in San Francisco, San Jose, and the entire Silicon Valley are easily accessible.

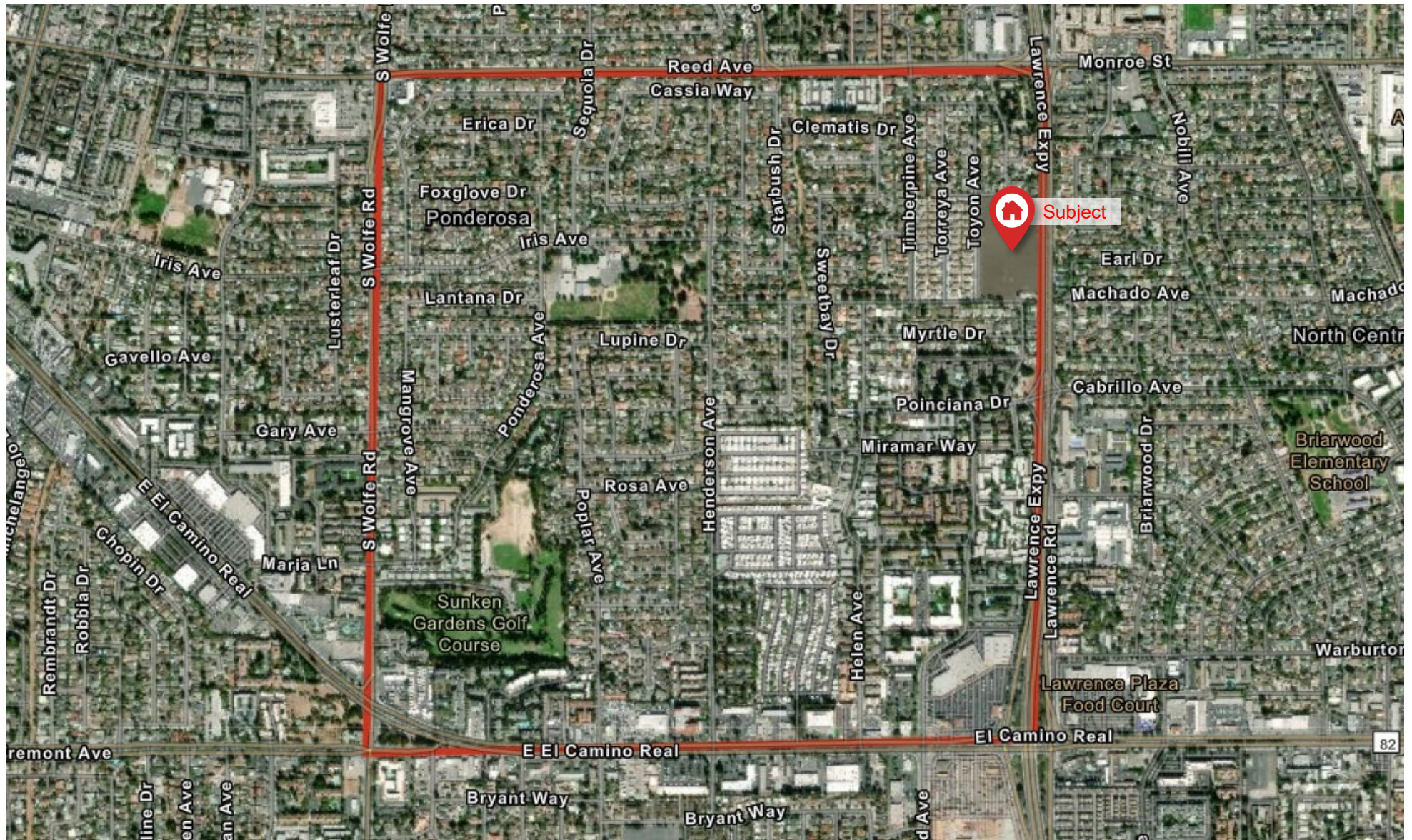




# Subject Area



The red polygon capturing the Subject was used to gather Subject Area key resale transactions that are examined later in the report. The Subject area is defined by the area bounded by Reed Avenue, Lawrence Expressway, El Camino Real, and Wolfe Road.





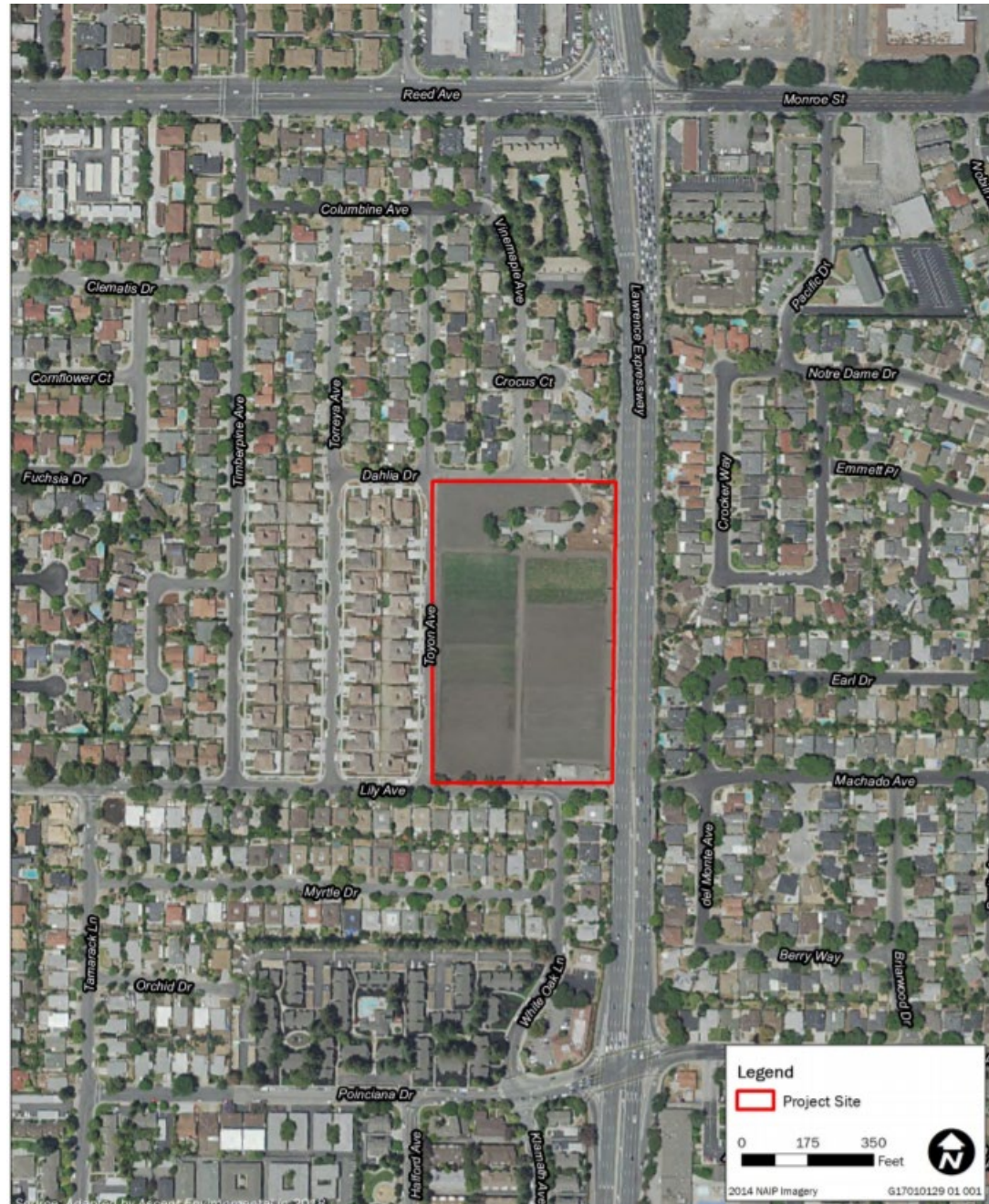


# Subject Vicinity

The Subject site is located west of Lawrence Expressway and is bounded by Lily, Toyon and Dahlia avenues. The 8.8 acre-project site, commonly known as the “Corn Palace,” is a former cornfield that has a closed produce stand, farm structures and a house on site.

The Subject is surrounded by existing residential, which includes most conventional lot single-family detached homes, some townhomes, and apartments toward El Camino Real to the south of the Subject site. The best resale comparables are homes adjacent west of the Subject built in 2013 on lots roughly 6,000 SF.

The proposed project by Trumark Homes includes developing the land with 58 single-family homes (9.5 dwelling units per acre) and a 2-acre public park on the southern edge of the site (against Lily).



# Subject Site Plan



Architecture + Planning  
The Learning Building  
1914 Franklin St., Ste. 400  
Oakland, CA 94612  
510.272.2910  
ktgy.com

TRUMARK HOMES

CORN PALACE

DECEMBER 11, 2018

0 15 30 45

HOME LAYOUT PLAN

Source: Client

John Burns Real Estate Consulting



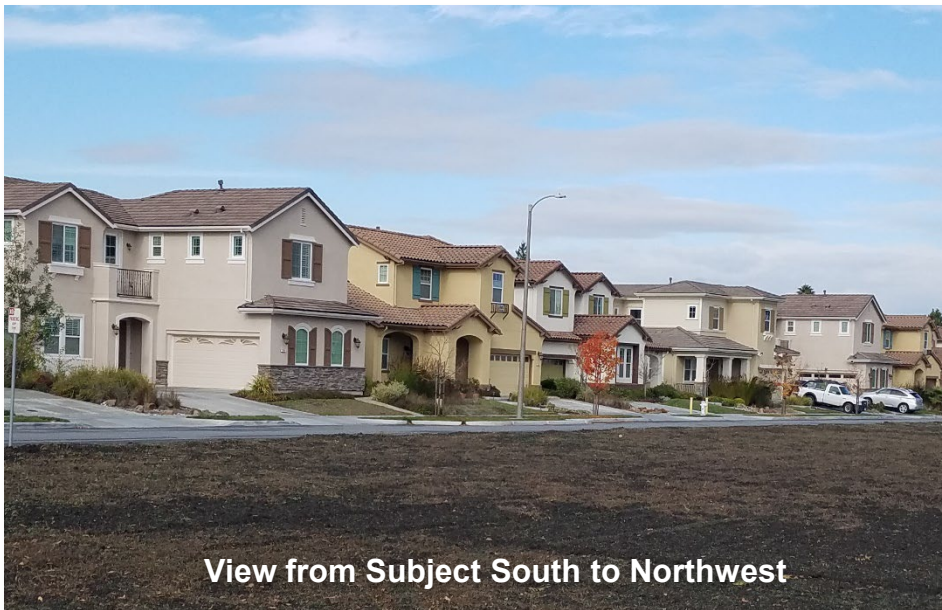
# Site Photography



View from Subject South to Northeast



View from Subject South to North



View from Subject South to Northwest



Radius Villas





# School Rankings – Subject & Key Comps

The Subject will be within the Santa Clara Unified School District. The district scores average on the School Digger metric (School Digger illustrates test scores on a 1-100 scoring index with 50 as the approximate average). However, Santa Clara County is known for strong school districts.. The Subject's elementary and middle schools will be perceived as higher performing against most comparable schools. The Subject high school is strong, though comparable high schools are equally as strong, if not better. Overall, Subject schools will be a strong plus.

## School Digger Rating by District Major Santa Clara County School Districts

2017 Rank	District	2017 Score	2016 Score	2016-17 Growth
1	Los Altos Elementary	98.1	97.9	0.2
2	Saratoga Union Elementary	98.1	99.2	-1.1
3	Cupertino Union	96.5	96.5	-0.1
4	Los Gatos-Saratoga Joint Union High	95.6	98.0	-2.4
5	Union Elementary	94.8	94.4	0.4
6	Palo Alto Unified	94.5	96.2	-1.7
7	Fremont Union High	93.4	94.8	-1.4
8	Los Gatos Union Elementary	92.4	94.4	-2.0
9	Moreland	81.2	82.0	-0.9
10	Mountain View Whisman	78.5	78.4	0.1
11	Campbell Union High	77.7	78.6	-0.9
12	Milpitas Unified	77.4	75.6	1.8
13	Mountain View-Los Altos Union High	74.7	71.2	3.5
14	Cambrian	74.6	79.2	-4.7
15	Berryessa Union Elementary	73.0	73.7	-0.7
16	Evergreen Elementary	71.3	72.1	-0.8
17	Orchard Elementary	68.5	64.4	4.1
18	<b>Santa Clara Unified</b>	<b>66.7</b>	<b>66.8</b>	<b>-0.1</b>
19	Sunnyvale	64.4	66.6	-2.2
20	Campbell Union	63.3	62.4	0.9
21	Santa Clara County Office Of Educati	61.7	57.9	3.8
22	Gilroy Unified	61.0	59.7	1.3
23	Morgan Hill Unified	60.0	63.7	-3.7
24	Franklin-McKinley Elementary	58.6	60.3	-1.7
25	Oak Grove Elementary	56.9	53.9	3.1
26	San Jose Unified	54.1	50.6	3.6
	CALIFORNIA STATE AVERAGE	52.0	52.7	-0.7
27	East Side Union High	50.3	47.4	2.9
28	Alum Rock Union Elementary	44.3	42.2	2.1
29	Mount Pleasant Elementary	41.1	49.3	-8.3
30	Luther Burbank	34.8	43.9	-9.0
31	Ravenswood City Elementary	9.9	15.1	-5.2

## Assigned Schools of Subject and Key Competitors

### Elementary Schools - Ranked by School Digger Score

Project	City	District	Elementary	School Digger (1-100)	Great Schools (1-10)
<b>Subject</b>	<b>Sunnyvale</b>	<b>Santa Clara Unified</b>	<b>Ponderosa</b>	<b>85</b>	<b>6</b>
Radius	Mountain View	Mountain View Whisman	Edith Landels	74	6
Palmero	Mountain View	Mountain View Whisman	Theuerkauf	62	5
Classics at Permanente	Mountain View	Mountain View Whisman	Monta Loma	60	6
Estancia	Mountain View	Mountain View Whisman	Castro	47	6
The Vale	Sunnyvale	Sunnyvale	San Miguel	34	4

### Middle Schools - Ranked by School Digger Score

Project	City	District	Middle	School Digger (1-100)	Great Schools (1-10)
Estancia	Mountain View	Mountain View Whisman	Graham	89	7
<b>Subject</b>	<b>Sunnyvale</b>	<b>Santa Clara Unified</b>	<b>Marian A. Peterson</b>	<b>87</b>	<b>7</b>
Palmero	Mountain View	Mountain View Whisman	Crittenden	82	7
Classics at Permanente	Mountain View	Mountain View Whisman	Crittenden	82	7
Radius	Mountain View	Mountain View Whisman	Crittenden	82	7
The Vale	Sunnyvale	Sunnyvale	Columbia	32	3

### High Schools - Ranked by School Digger Score

Project	City	District	High	School Digger (1-100)	Great Schools (1-10)
Radius	Mountain View	MV-Los Altos Union High	Mountain View	95	9
Classics at Permanente	Mountain View	MV-Los Altos Union High	Los Altos	94	9
Palmero	Mountain View	MV-Los Altos Union High	Los Altos	94	9
Estancia	Mountain View	MV-Los Altos Union High	Los Altos	94	9
<b>Subject</b>	<b>Sunnyvale</b>	<b>Santa Clara Unified</b>	<b>Adrian Wilcox</b>	<b>80</b>	<b>8</b>
The Vale	Sunnyvale	Fremont Union	Fremont	75	7

Source: School Digger, Great Schools, JBREC

John Burns Real Estate Consulting

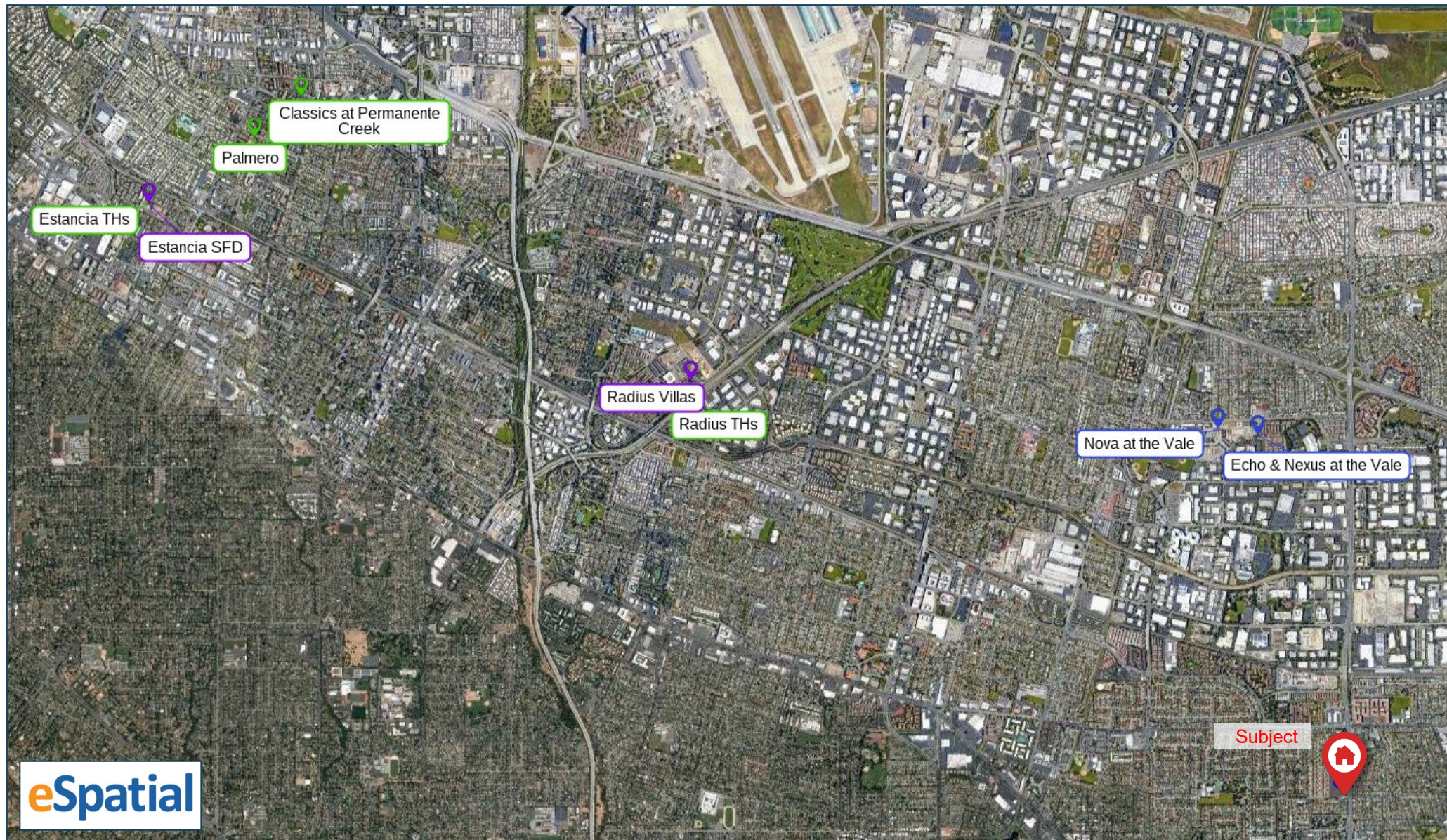
## NEW-HOME ANALYSIS







# Comparable New Home Communities Map







# Comparable New Home Communities Summary

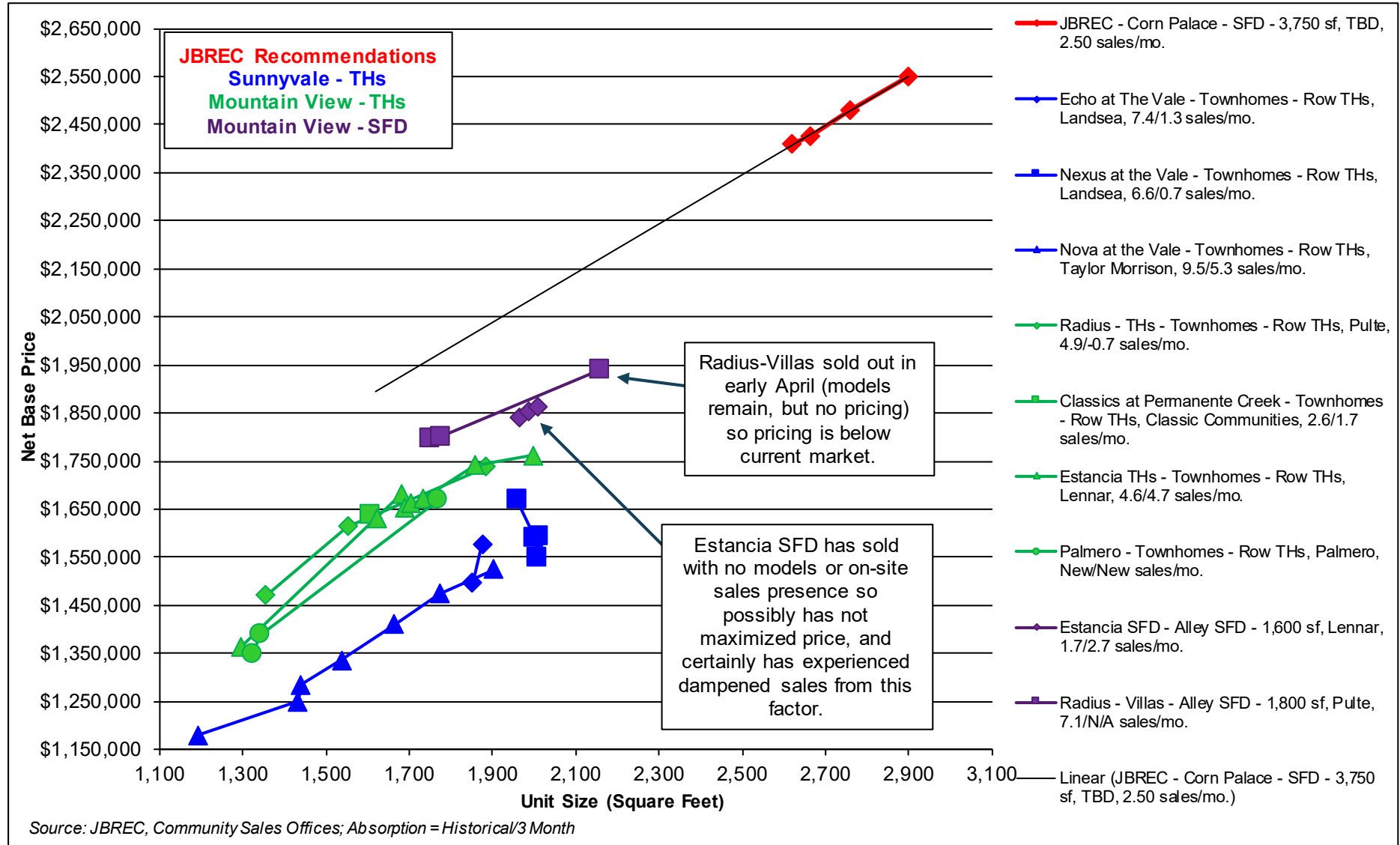
Due to the lack of direct comparables in the area, we surveyed actively selling townhomes and small lot detached projects in the CMA. The comparable set includes nine actively selling and recently sold out new home projects, including three neighborhoods in Sunnyvale and six in Mountain View.

Community	Builder	Location	SIZE (SF)		ABSORPTION		AVG. INCENTIVE		AVG. OPTION EXP.		AVG. PREM.		PRICING SUMMARY		
			Min. Lot	Avg. Unit	Overall	L3M	Total	% Base	Total	% Base	Total	% Base	Base Price	Total Price	Total \$/SF
Corn Palace	TBD	Carson City	3,750	2,773	2.5	N/A	(\$10,000)	-0.4%	\$62,447	2.5%	\$2,000	0.1%	\$2,497,069	\$2,551,516	\$920
Echo at The Vale	Landsea Homes	Sunnyvale	Row THs	1,859	7.4	1.3	(\$2,500)	-0.2%	\$40,000	2.6%	\$10,000	0.7%	\$1,526,833	\$1,574,333	\$847
Nexus at the Vale	Landsea	Sunnyvale	Row THs	1,996	6.6	0.7	(\$2,500)	-0.2%	\$40,000	2.5%	\$10,000	0.6%	\$1,602,000	\$1,649,500	\$827
Nova at the Vale	Taylor Morrison	Sunnyvale	Row THs	1,563	9.5	5.3	(\$10,000)	-0.7%	\$40,856	3.0%	\$5,000	0.4%	\$1,361,857	\$1,397,713	\$894
Radius - THs	Pulte	Mountain View	Row THs	1,597	4.9	(0.7)	(\$10,000)	-0.6%	\$50,000	3.1%	\$5,000	0.3%	\$1,618,323	\$1,663,323	\$1,042
Palmero	Palmero	Mountain View	Row THs	1,479	New	New	\$0	0.0%	\$35,000	2.4%	\$0	0.0%	\$1,468,000	\$1,503,000	\$1,016
Estancia THs	Lennar	Mountain View	Row THs	1,697	4.6	4.7	(\$7,500)	-0.5%	\$16,536	1.0%	\$25,000	1.5%	\$1,653,630	\$1,687,666	\$994
Classics at Permanente Creek	Classic Communities	Mountain View	Row THs	1,609	2.6	1.7	\$0	0.0%	\$22,000	1.3%	\$0	0.0%	\$1,638,000	\$1,660,000	\$1,032
Estancia SFD	Lennar	Mountain View	1,600	1,987	1.7	2.7	(\$7,500)	-0.4%	\$18,599	1.0%	\$25,000	1.3%	\$1,859,880	\$1,895,979	\$954
Radius - Villas	Pulte	Mountain View	1,800	1,896	7.1	N/A	(\$10,000)	-0.5%	\$64,925	3.5%	\$5,000	0.3%	\$1,854,990	\$1,914,915	\$1,010
COMPARABLE AVERAGE				1,743	5.6	2.2	(\$5,556)	-0.3%	\$36,435	2.3%	\$9,444	0.6%	\$1,620,390	\$1,660,714	\$953
COMPARABLE MEDIAN				1,697	5.8	1.7	(\$7,500)	-0.4%	\$40,000	2.5%	\$5,000	0.4%	\$1,618,323	\$1,660,000	\$978



# Net Base Price Comparison

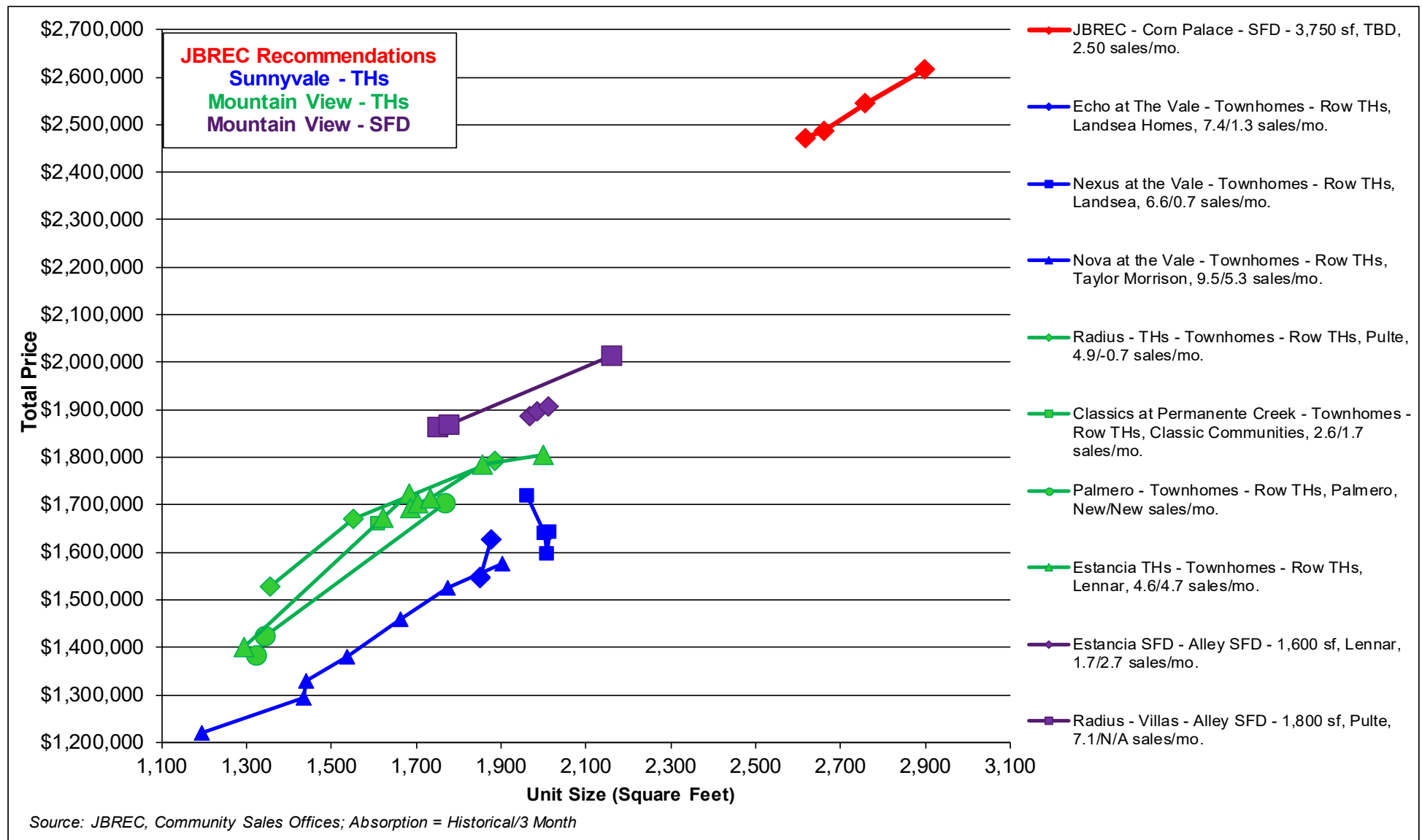
The Subject is positioned above Radius – Villas and Estancia SFD based on net base pricing. Both of those key comparables are very small lot alley loaded detached offerings in Mountain View (the black trend line helps to illustrate this relationship). However, Radius – Villas pricing is dated (from April when all but the models sold out) and Estancia has never had models or an on-site sales presence. The chart below also illustrates the Subject's very large home sizes compared to even detached competition.





# Total Net Price Comparison

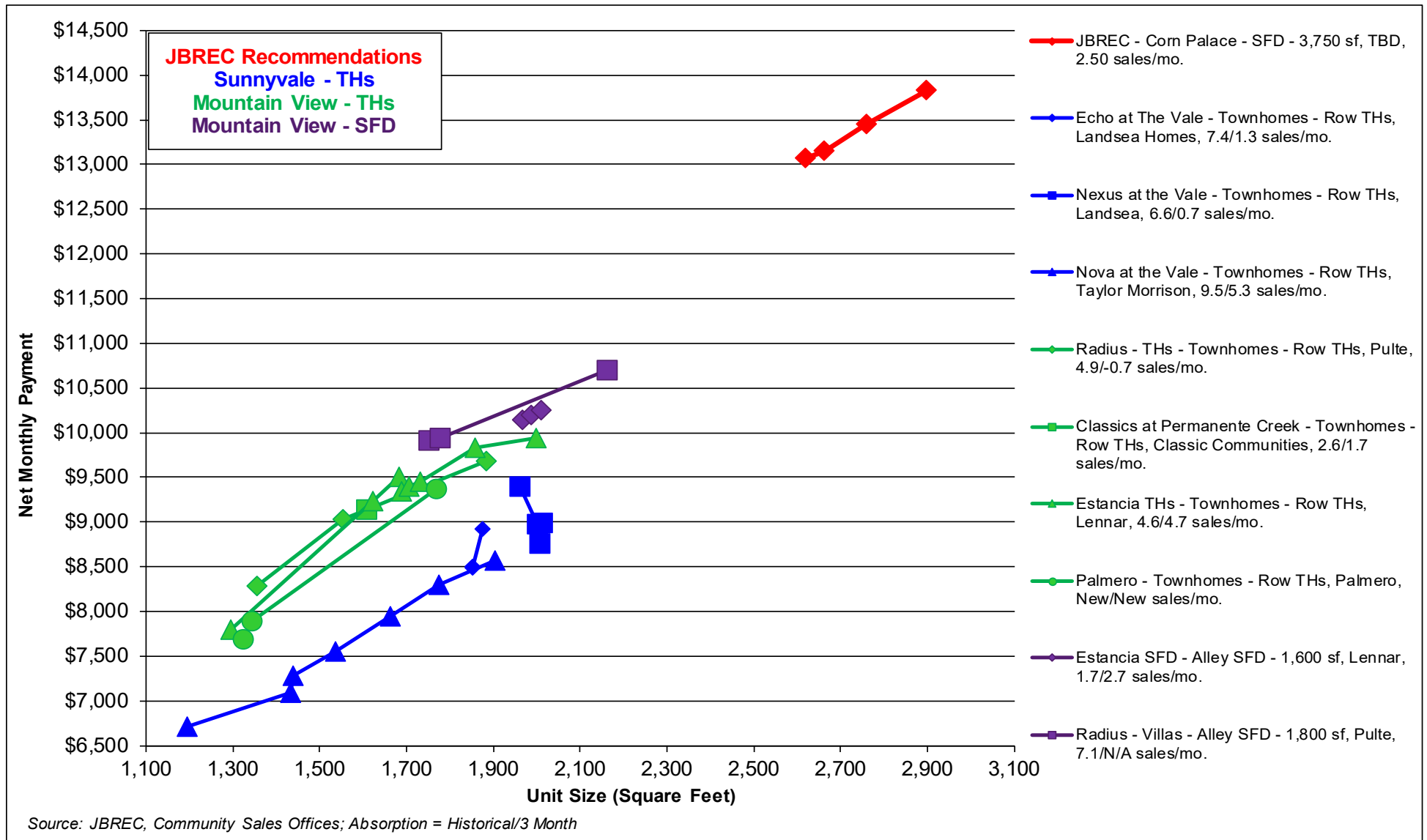
On a total price comparison (base price + options + premiums - incentives), JBREC recommendations position the Subject similarly to net base price positioning, with highly comparable option and premium expectations.





# Total Monthly Cost-to-Own Comparison

Converting total prices to monthly payments again shows very similar Subject positioning against comparables given similar tax and HOA profiles.





# New Home Comps Detail

				MIX	PRODUCT						TAX & HOA			MARKET PRICE											
				Sq. Ft.	Plan Configuration					Tax Rate	Add'l Taxes	HOA	Absorption		Base Price	Incent's	Net Base Price	Net Base Price/ Sq. Ft.	Options	Premiums	Total Price	Total Price/ Sq. Ft.	80% 4.90% Net Pmt.	31% Income to Qualify*	
					Bed	Extra	Bath	Level	Pkg				Overall	L3M											
Project Name	Builder																								
ECHO AT THE VALE																									
Echo at The Vale		Landsea Homes		1	1,851	3		3.5	3	2	1.20%	\$0	\$380	7.4	1.3	\$1,501,500	(\$2,500)	\$1,499,000	\$810	\$40,000	\$10,000	\$1,549,000	\$837	\$8,506	\$329,000
City:	Sunnyvale			1	1,851	3	Den	4.0	4	2	1.20%	\$0	\$380			\$1,499,000	(\$2,500)	\$1,496,500	\$808	\$40,000	\$10,000	\$1,546,500	\$835	\$8,493	\$329,000
Product:	Townhomes	Total Units:	171	1	1,875	4		3.5	3	2	1.20%	\$0	\$380			\$1,580,000	(\$2,500)	\$1,577,500	\$841	\$40,000	\$10,000	\$1,627,500	\$868	\$8,918	\$345,000
Configuration:	Row THs	Units Sold:	120																						
Lot Dimensions:	Attached	3 Mon. Sold:	4																						
% Remaining	30%	Units Remaining:	51																						
Sales Open Date: Aug-17																									
Overall Sales Rate: 7.4																									
3 Mon. Sales Rate: 1.3																									
Totals/Averages:					1,859									\$1,526,833 (\$2,500) \$1,524,333 \$820 \$40,000 \$10,000 \$1,574,333 \$847 \$8,639 \$334,333											
NEXUS AT THE VALE																									
Nexus at the Vale		Landsea		1	1,960	4		3.5	3	2+	1.20%	\$0	\$380	6.6	0.7	\$1,671,000	(\$2,500)	\$1,668,500	\$851	\$40,000	\$10,000	\$1,718,500	\$877	\$9,395	\$364,000
City:	Sunnyvale			1	2,002	4		3.5	3	2	1.20%	\$0	\$380			\$1,592,000	(\$2,500)	\$1,589,500	\$794	\$40,000	\$10,000	\$1,639,500	\$819	\$8,981	\$348,000
Product:	Townhomes	Total Units:	143	1	2,007	3		3.5	3	2	1.20%	\$0	\$380			\$1,550,000	(\$2,500)	\$1,547,500	\$771	\$40,000	\$10,000	\$1,597,500	\$796	\$8,760	\$339,000
Configuration:	Row THs	Units Sold:	107	1	2,014	4		3.5	3	2	1.20%	\$0	\$380			\$1,595,000	(\$2,500)	\$1,592,500	\$791	\$40,000	\$10,000	\$1,642,500	\$816	\$8,996	\$348,000
Lot Dimensions:	Attached	3 Mon. Sold:	2																						
% Remaining	25%	Units Remaining:	36																						
Sales Open Date: Aug-17																									
Overall Sales Rate: 6.6																									
3 Mon. Sales Rate: 0.7																									
Totals/Averages:					1,996									\$1,602,000 (\$2,500) \$1,599,500 \$801 \$40,000 \$10,000 \$1,649,500 \$827 \$9,033 \$349,750											
NOVA AT THE VALE																									
Nova at the Vale		Taylor Morrison		1	1,194	2		2.5	3	1	1.18%	\$0	\$324	9.5	5.3	\$1,190,000	(\$10,000)	\$1,180,000	\$988	\$35,700	\$5,000	\$1,220,700	\$1,022	\$6,707	\$260,000
City:	Sunnyvale			1	1,433	2		2.5	3	1	1.18%	\$0	\$324			\$1,260,000	(\$10,000)	\$1,250,000	\$872	\$37,800	\$5,000	\$1,292,800	\$902	\$7,084	\$274,000
Product:	Townhomes	Total Units:	136	1	1,439	2	Tech	2.5	3	2	1.18%	\$0	\$324			\$1,296,000	(\$10,000)	\$1,286,000	\$894	\$38,880	\$5,000	\$1,329,880	\$924	\$7,278	\$282,000
Configuration:	Row THs	Units Sold:	87	1	1,537	3		3.5	3	2	1.18%	\$0	\$324			\$1,346,000	(\$10,000)	\$1,336,000	\$869	\$40,380	\$5,000	\$1,381,380	\$899	\$7,547	\$292,000
Lot Dimensions:	Attached	3 Mon. Sold:	16	1	1,663	3		3.5	3	2T	1.18%	\$0	\$324			\$1,421,000	(\$10,000)	\$1,411,000	\$848	\$42,630	\$5,000	\$1,458,630	\$877	\$7,951	\$308,000
% Remaining	36%	Units Remaining:	49	1	1,773	3		3.5	3	2T	1.18%	\$0	\$324			\$1,485,000	(\$10,000)	\$1,475,000	\$832	\$44,550	\$5,000	\$1,524,550	\$860	\$8,296	\$321,000
				1	1,903	4		3.5	3	2	1.18%	\$0	\$324			\$1,535,000	(\$10,000)	\$1,525,000	\$801	\$46,050	\$5,000	\$1,576,050	\$828	\$8,565	\$332,000
Sales Open Date: Mar-18																									
Overall Sales Rate: 9.5																									
3 Mon. Sales Rate: 5.3																									
Totals/Averages:					1,563									\$1,361,857 (\$10,000) \$1,351,857 \$865 \$40,856 \$5,000 \$1,397,713 \$894 \$7,633 \$295,571											





# New Home Comps Detail

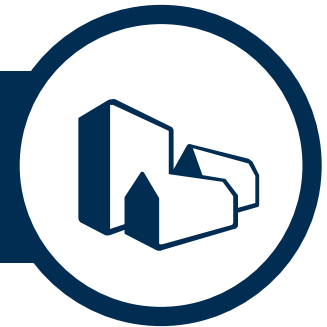
Project Name		Builder		MIX	PRODUCT						TAX & HOA			MARKET PRICE											
					Sq. Ft.	Plan Configuration					Tax Rate	Add'l Taxes	HOA	Absorption		Base Price	Incent's	Net Base Price	Net Base Price/ Sq. Ft.	Options	Premiums	Total Price	Total Price/ Sq. Ft.	80% 4.90% Net Pmt.	31% Income to Qualify*
						Bed	Extra	Bath	Level	Pkg				Overall	L3M										
RADIUS - THS																									
Radius - THs		Pulte		1	1,355	2	Den	2.5	3	2	1.20%	\$0	\$271	4.9	-0.7	\$1,481,990	(\$10,000)	\$1,471,990	\$1,086	\$50,000	\$5,000	\$1,526,990	\$1,127	\$8,281	\$321,000
City: Mountain View				1	1,552	3		3.5	3	2	1.20%	\$0	\$271			\$1,624,990	(\$10,000)	\$1,614,990	\$1,041	\$50,000	\$5,000	\$1,669,990	\$1,076	\$9,031	\$350,000
Product: Townhomes		Total Units: 113		1	1,884	4		3.5	3	2	1.20%	\$0	\$271			\$1,747,990	(\$10,000)	\$1,737,990	\$923	\$50,000	\$5,000	\$1,792,990	\$952	\$9,677	\$375,000
Configuration: Row THs		Units Sold: 97																							
Lot Dimensions: Attached		3 Mon. Sold: -2																							
% Remaining 14%		Units Remaining: 16																							
Sales Open Date: May-17		Overall Sales Rate: 4.9																							
		3 Mon. Sales Rate: -0.7																							
Totals/Averages:					1,597																				
CLASSICS AT PERMANENTE CREEK																									
Classics at Permanente Creek		Classic Communities		1	1,609	3	Den	2.5	3	2	1.22%	\$0	\$400	2.6	1.7	\$1,638,000	\$0	\$1,638,000	\$1,018	\$22,000	\$0	\$1,660,000	\$1,032	\$9,136	\$354,000
City: Mountain View																									
Product: Townhomes		Total Units: 29																							
Configuration: Row THs		Units Sold: 29																							
Lot Dimensions: Attached		3 Mon. Sold: 5																							
% Remaining 0%		Units Remaining: 0																							
Sales Open Date: Jan-18		Overall Sales Rate: 2.6																							
Sold Out Date: Dec-18		3 Mon. Sales Rate: 1.7																							
Sold out approximately 12/5/2018																									
Totals/Averages:					1,609																				
ESTANCIA THS																									
Estancia THs		Lennar		1	1,295	2		2.5	3	1T	1.25%	\$0	\$391	4.6	4.7	\$1,369,880	(\$7,500)	\$1,362,380	\$1,052	\$13,699	\$25,000	\$1,401,079	\$1,082	\$7,799	\$302,000
City: Mountain View				1	1,621	3		3.5	3	2	1.25%	\$0	\$391			\$1,639,880	(\$7,500)	\$1,632,380	\$1,007	\$16,399	\$25,000	\$1,673,779	\$1,033	\$9,241	\$358,000
Product: Townhomes		Total Units: 61		1	1,682	3		3.5	3	2	1.25%	\$0	\$391			\$1,689,880	(\$7,500)	\$1,682,380	\$1,000	\$16,899	\$25,000	\$1,724,279	\$1,025	\$9,508	\$368,000
Configuration: Row THs		Units Sold: 32		1	1,687	3		3.5	3	2	1.25%	\$0	\$391			\$1,659,880	(\$7,500)	\$1,652,380	\$979	\$16,599	\$25,000	\$1,693,979	\$1,004	\$9,348	\$362,000
Lot Dimensions: Attached		3 Mon. Sold: 14		1	1,705	3		3.5	3	2	1.25%	\$0	\$391			\$1,669,880	(\$7,500)	\$1,662,380	\$975	\$16,699	\$25,000	\$1,704,079	\$999	\$9,401	\$364,000
% Remaining 48%		Units Remaining: 29		1	1,732	3		3.5	3	2	1.25%	\$0	\$391			\$1,679,880	(\$7,500)	\$1,672,380	\$966	\$16,799	\$25,000	\$1,714,179	\$990	\$9,455	\$366,000
				1	1,857	3		3.5	3	2	1.25%	\$0	\$391			\$1,749,880	(\$7,500)	\$1,742,380	\$938	\$17,499	\$25,000	\$1,784,879	\$961	\$9,829	\$380,000
Sales Open Date: May-18		Overall Sales Rate: 4.6		1	1,998	3		3.5	3	2	1.25%	\$0	\$391			\$1,769,880	(\$7,500)	\$1,762,380	\$882	\$17,699	\$25,000	\$1,805,079	\$903	\$9,935	\$385,000
		3 Mon. Sales Rate: 4.7																							
*Options estimated based on EI program.																									
Totals/Averages:					1,697																				
PALMERO																									
Palmero		Palmero		1	1,324	2		2.5	3	2T	1.25%	\$0	\$372	New	New	\$1,348,000	\$0	\$1,348,000	\$1,018	\$35,000	\$0	\$1,383,000	\$1,045	\$7,685	\$297,000
City: Mountain View				1	1,343	2		2.5	3	2T	1.25%	\$0	\$372			\$1,388,000	\$0	\$1,388,000	\$1,034	\$35,000	\$0	\$1,423,000	\$1,060	\$7,896	\$306,000
Product: Townhomes		Total Units: 33		1	1,769	3		3.5	3	2	1.25%	\$0	\$372			\$1,668,000	\$0	\$1,668,000	\$943	\$35,000	\$0	\$1,703,000	\$963	\$9,377	\$363,000
Configuration: Row THs		Units Sold: 11																							
Lot Dimensions: Attached		3 Mon. Sold: 11																							
% Remaining 67%		Units Remaining: 22																							
Sales Open Date: Nov-18		Overall Sales Rate: New																							
		3 Mon. Sales Rate: New																							
Note: Community temporarily sold out as of Dec. 8, 2018.																									
Totals/Averages:					1,479																				



# New Home Comps Detail

		MIX	PRODUCT						TAX & HOA			MARKET PRICE											
		Sq. Ft.	Plan Configuration				Tax Rate	Add'l Taxes	HOA	Absorption		Base Price	Incent's	Net Base Price	Net Base Price/ Sq. Ft.	Options	Premiums	Total Price	Total Price/ Sq. Ft.	80% 4.90% Net Pmt.	31% Income to Qualify*		
Project Name	Builder		Bed	Extra	Bath	Level	Pkg				Overall	L3M											
ESTANCIA SFD																							
Estancia SFD	Lennar	1	1,966	3		3.5	3	2	1.25%	\$0	\$175	1.7	2.7	\$1,849,880	(\$7,500)	\$1,842,380	\$937	\$18,499	\$25,000	\$1,885,879	\$959	\$10,147	\$393,000
City: Mountain View		1	1,986	3		3.5	3	2	1.25%	\$0	\$175			\$1,859,880	(\$7,500)	\$1,852,380	\$933	\$18,599	\$25,000	\$1,895,979	\$955	\$10,200	\$395,000
Product: Alley SFD	Total Units: 14	1	2,010	3		3.5	3	2	1.25%	\$0	\$175			\$1,869,880	(\$7,500)	\$1,862,380	\$927	\$18,699	\$25,000	\$1,906,079	\$948	\$10,253	\$397,000
Configuration: 1,600	Units Sold: 12																						
Lot Dimensions: 30' x 52'	3 Mon. Sold: 8																						
% Remaining: 14%	Units Remaining: 2																						
Sales Open Date: May-18	Overall Sales Rate: 1.7																						
	3 Mon. Sales Rate: 2.7																						
*Options estimated based on EI program. Lot size estimated.																							
Totals/Averages:			1,987									\$1,859,880 (\$7,500) \$1,852,380 \$932 \$18,599 \$25,000 \$1,895,979 \$954 \$10,200 \$395,000											
RADIUS - VILLAS																							
Radius - Villas	Pulte	1	1,751	3	Den	2.5	3	2	1.20%	\$0	\$144	7.1	N/A	\$1,804,990	(\$10,000)	\$1,794,990	\$1,025	\$63,175	\$5,000	\$1,863,165	\$1,064	\$9,918	\$384,000
City: Mountain View		1	1,776	3		3.0	3	2	1.20%	\$0	\$144			\$1,809,990	(\$10,000)	\$1,799,990	\$1,014	\$63,350	\$5,000	\$1,868,340	\$1,052	\$9,945	\$385,000
Product: Alley SFD	Total Units: 85	1	2,161	3	Den	2.5	3	2	1.20%	\$0	\$144			\$1,949,990	(\$10,000)	\$1,939,990	\$898	\$68,250	\$5,000	\$2,013,240	\$932	\$10,705	\$414,000
Configuration: 1,800	Units Sold: 82																						
Lot Dimensions: 31' x 58'	3 Mon. Sold: N/A																						
% Remaining: 4%	Units Remaining: 3																						
Sales Open Date: May-17	Overall Sales Rate: 7.1																						
Sold out Date: Apr-18	3 Mon. Sales Rate: N/A																						
*Sold out April 2018, 3 models left. Pricing is last base pricing in April.																							
Totals/Averages:			1,896									\$1,854,990 (\$10,000) \$1,844,990 \$973 \$64,925 \$5,000 \$1,914,915 \$1,010 \$10,189 \$394,333											

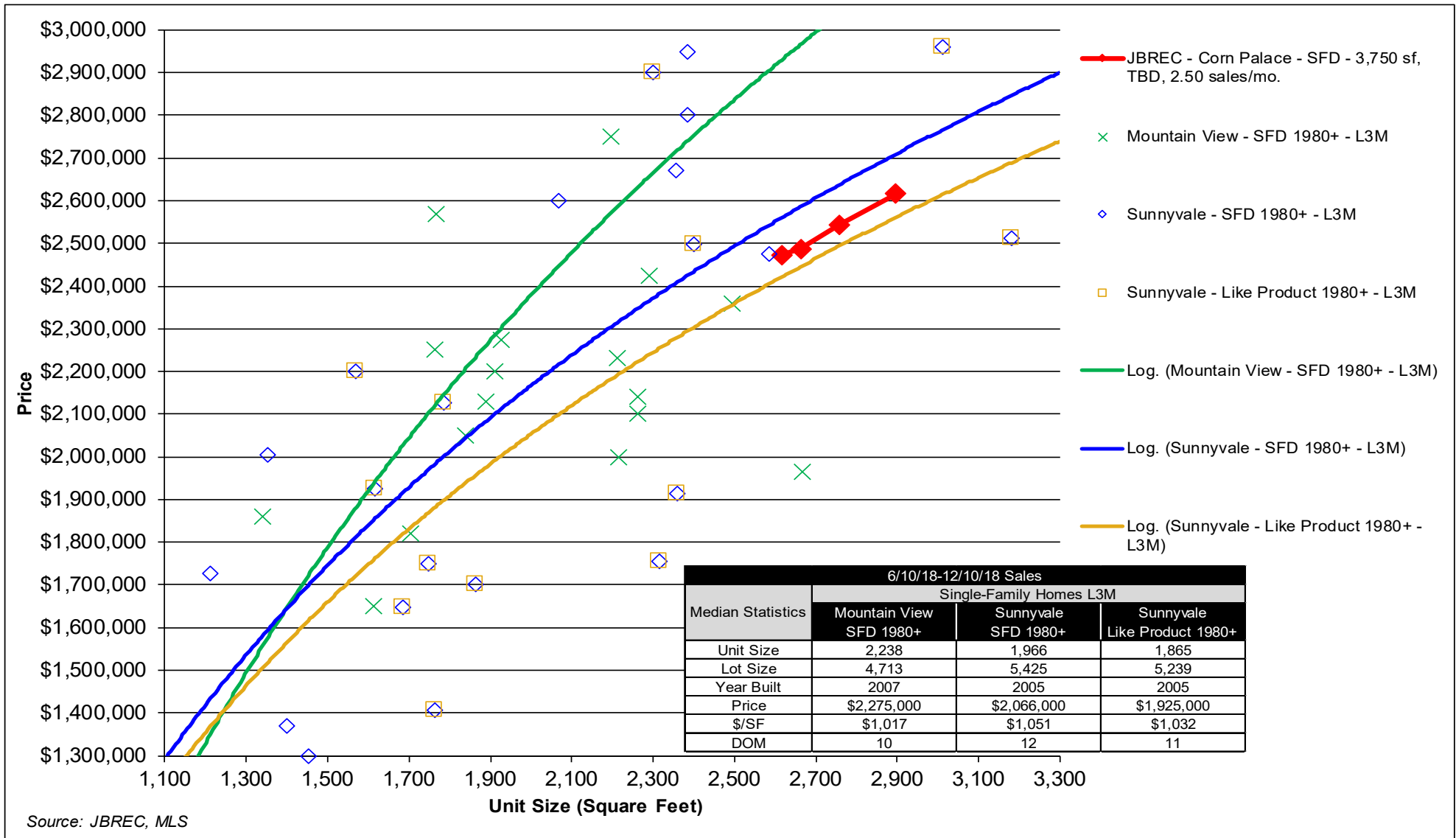
## RESALE ANALYSIS



# Resales Graph



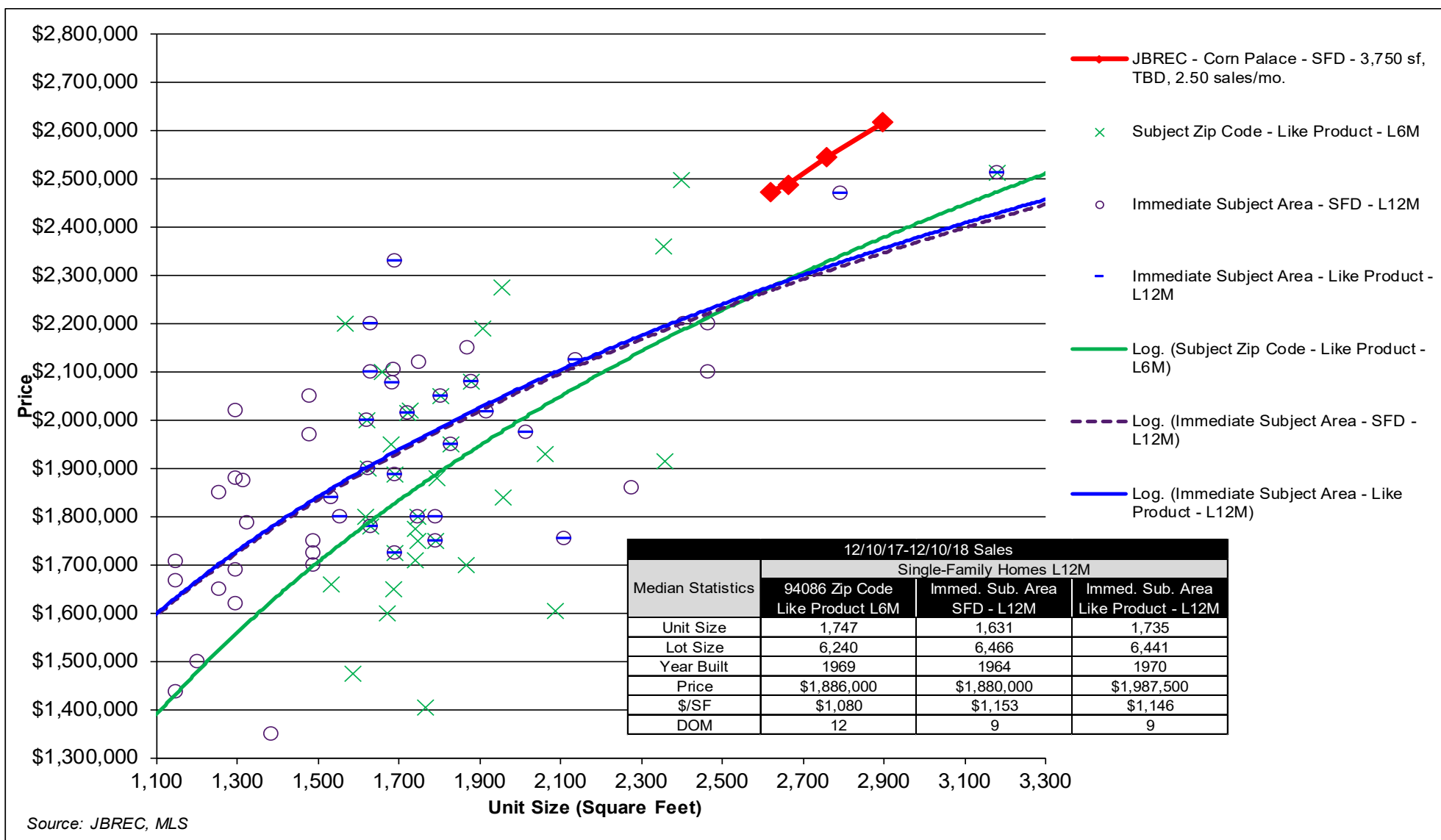
We positioned the Subject homes in-line with the resale trends for Sunnyvale and below the Mountain View trend. Mountain View commands a premium over Sunnyvale, thus newly built product in this area should be priced appropriately. Subject home sizes are far larger than the CMA norm, which increases absolute price points, and this has impacted our recommendations. (Note that "Like Product" includes transactions with comparatively similar lot and home sizes to the Subject.)





# Resales Graph

The Subject homes are positioned about \$200K to \$250K above the pricing trend line for recent resale transactions in the Subject zip code and the immediate Subject area (polygon shown in locational section). As mentioned previously, the existing home market generally consists of relatively older homes and smaller homes than the Subject - about 1,600 to 1,700 SF compared to 2,773 SF at the Subject.





# Resale Price Adjustment Grid

The table below takes average values for the Subject and compares it to key variables derived from recent resale data. "1980+" = minimum year built. The Adjusted Price figures at the bottom of the page indicate the implied average total price for the Subject. These figures average somewhat above our weighted average total recommended price. However, a similar analyses using new home data showed implied pricing below our recommendations. Adjustments for the best comparable, Radius Villas, are very close to Subject pricing, as is the value implied by the single transaction at the key neighborhood just west of the Subject.

Subject Price Adjustments from Key Resale Comparables							
	Sunnyvale SFD L3M	Sunnyvale 1990+ L3M	Sunnyvale Like Prod. 1980+ L3M	Subject Zip Code SFD 1990+ L3M	Subject Area SFD L12M	Subject Area Like Prod. L12M	726 Torreya
<b>Avg. Total Price</b>	\$1,800,000	\$2,066,000	\$1,925,000	\$1,832,500	\$1,880,000	\$1,987,500	\$2,512,000
<b>Sale Date</b>	↑ \$38,268	↑ \$41,660	↑ \$49,364	↑ \$49,804	↑ \$79,527	↑ \$81,025	↑ \$100,205
<b>Year Built</b>	↑ \$432,000	↑ \$241,722	↑ \$225,225	↑ \$233,644	↑ \$406,080	↑ \$429,300	↑ \$125,600
<b>Lot Size</b>	↓ -\$101,925	↓ -\$64,245	↓ -\$56,805	↓ -\$22,405	↓ -\$105,885	↓ -\$104,885	↓ -\$87,245
<b>Unit Size</b>	↑ \$457,545	↑ \$403,500	↑ \$454,000	↑ \$457,545	↑ \$457,545	↑ \$457,545	↓ -\$203,500
<b>Location</b>	↑ \$36,000	↑ \$41,320	↑ \$38,500	↑ \$18,325	⇒ \$0	⇒ \$0	⇒ \$0
<b>Product</b>	↓ -\$54,000	↓ -\$61,980	↓ -\$57,750	↓ -\$54,975	↓ -\$56,400	↓ -\$39,750	⇒ \$0
<b>Tax Rate</b>	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0
<b>HOA</b>	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0	⇒ \$0
<b>Adj. Price</b>	<b>\$2,607,889</b>	<b>\$2,667,977</b>	<b>\$2,577,535</b>	<b>\$2,514,438</b>	<b>\$2,660,867</b>	<b>\$2,810,735</b>	<b>\$2,447,060</b>
<b>Avg. Implied Subject Price</b>							
<b>\$2,612,357</b>							

The price figures seen at the bottom of the table indicate the Subject's imputed value derived from key variable adjustments. Adjustments on median values are from empirically based rules of thumb and observed data. The sale date adjustment is based on continued (annualized) appreciation from the median sale date. Location and product adjustments are based on an assessment of superiority / inferiority of Subject vs. comparison (positive figures indicate Subject superiority). Tax rate and HOA calculated at 50% of present value difference. Note that year built, lot size, and unit size adjustments are capped to prevent extreme adjustments.

# MSA ECONOMIC AND HOUSING MARKET TRENDS





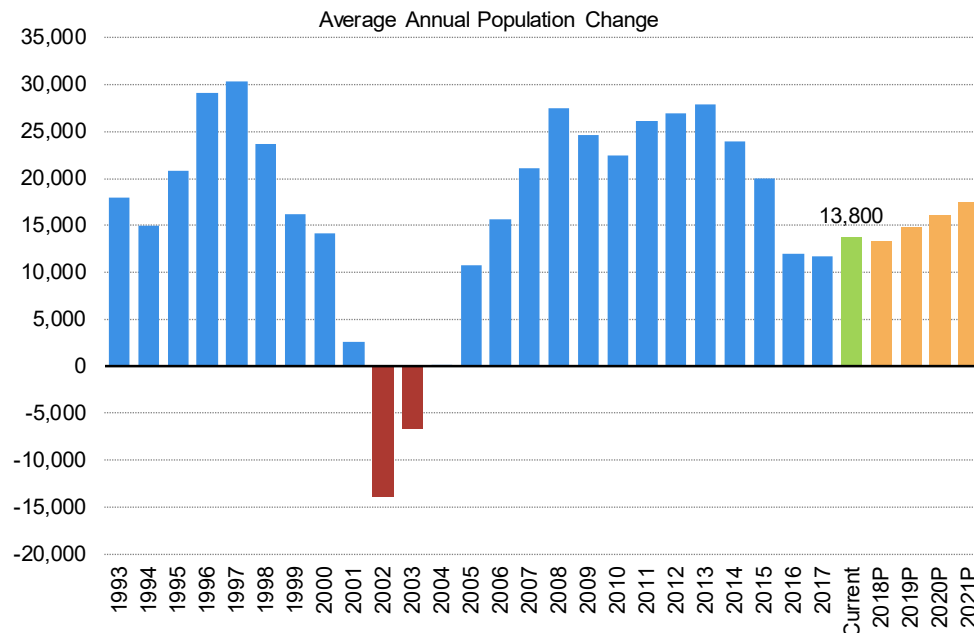
# Population and Employment Change

From the mid-2000s, the San Jose MSA population experienced significant growth. Since 2013, population growth has eased, but remains strong and growth is projected to be positive over the next four years.

Total household formations resemble overall population growth changes in the San Jose MSA and households are also projected to increase through 2021.

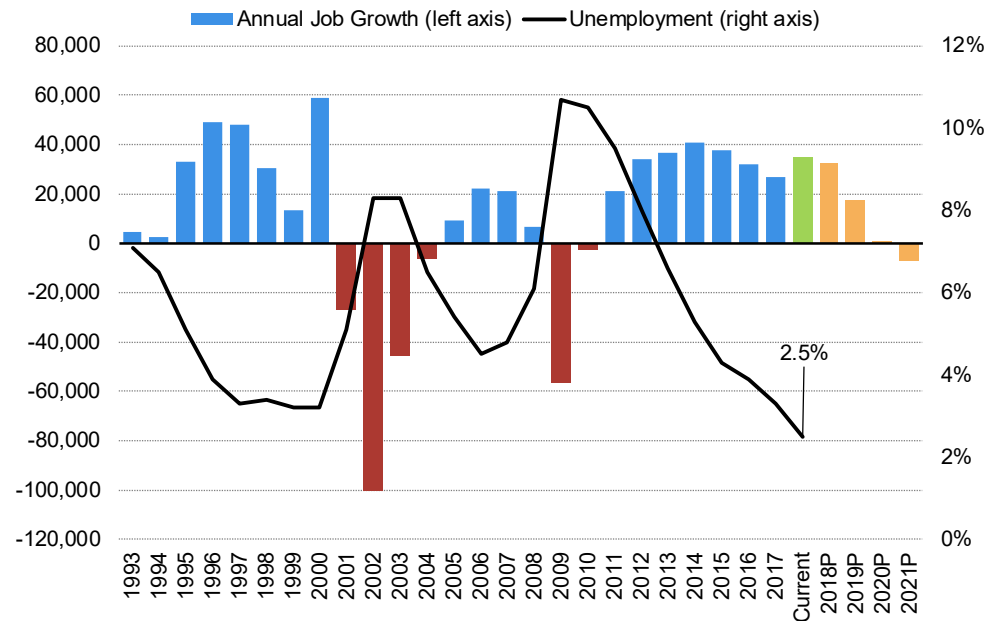
## Population Change

2018P	2019P	2020P	2021P
13,400	14,800	16,100	17,400
0.7%	0.7%	0.8%	0.9%



## Employment Change

2018P	2019P	2020P	2021P
32,500	17,500	1,200	-7,200
3.0%	1.5%	0.1%	-0.6%



Sources: U.S. Bureau of Labor Statistics (BLS); Moody's Economics; JBREC (Data as of October 2018, projections as of December 2018)





# Permits and Employment Relationship

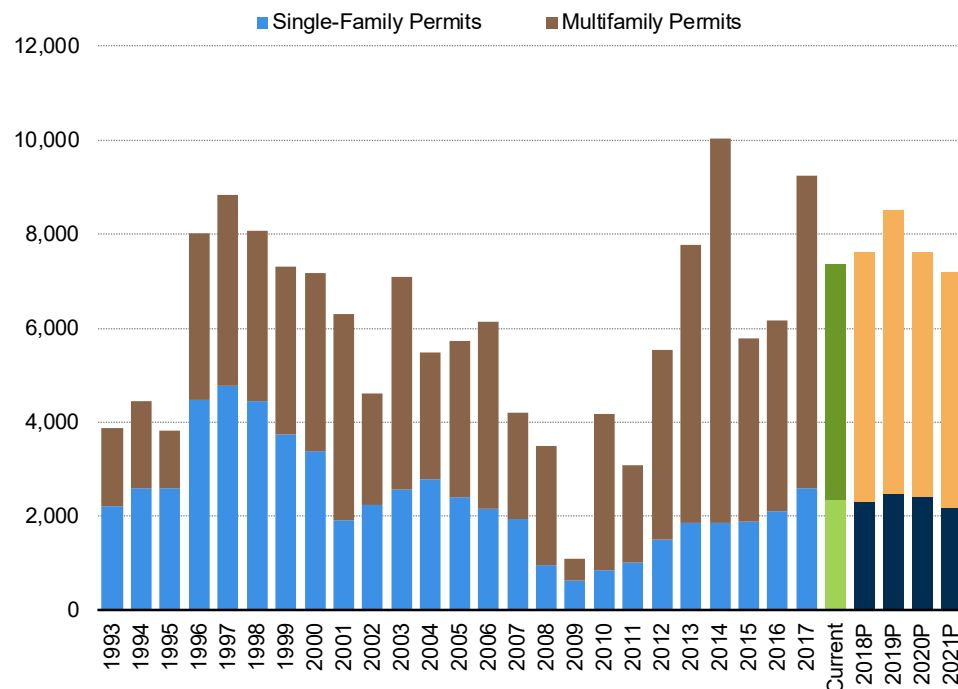
Permit levels in San Jose troughed with 2009's low of 1,094 permits and have risen since. We forecast 7,800 total permits pulled in 2018 then decrease incrementally primarily due to a lesser proportion of multifamily homes.

The E/P Ratio (new jobs divided by permitted dwelling units) can be a leading indicator as permits respond to job-based migration.

- >1.0 generally means healthy housing demand
- The San Jose MSA ratio is 3.9 but is projected to go negative in 2021.

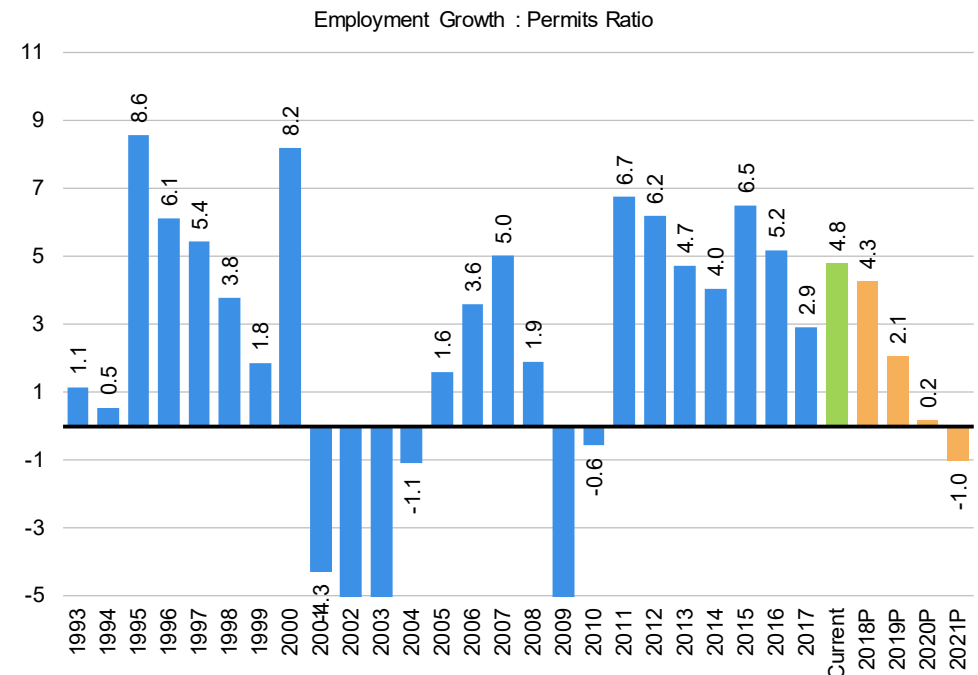
## Total Permits

2018P	2019P	2020P	2021P
7,600	8,500	7,600	7,200



## Employment Growth : Permits Ratio

2018P	2019P	2020P	2021P
4.3	2.1	0.2	-1.0



Note: Chart cropped at -5 to better illustrate variations between years

Sources: U.S. Bureau of Labor Statistics (BLS); U.S. Census Bureau; JBREC (Data as of October 2018, projections as of December 2018)

John Burns Real Estate Consulting

San Jose



# Resale Market

Months of supply (ratio of homes listed for sale to average monthly sales) depicts housing surpluses or shortages.

- 4-5 months generally means equilibrium
- The San Jose MSA supply has risen throughout 2018 but has averaged around 1 month since 2014.

Existing home sales in the San Jose MSA have generally been decreasing since 2012 as distressed properties that once fueled activity have dramatically declined. Price appreciation in the existing home market has remained stronger than the new home market with an increase of 15% in 2017. .

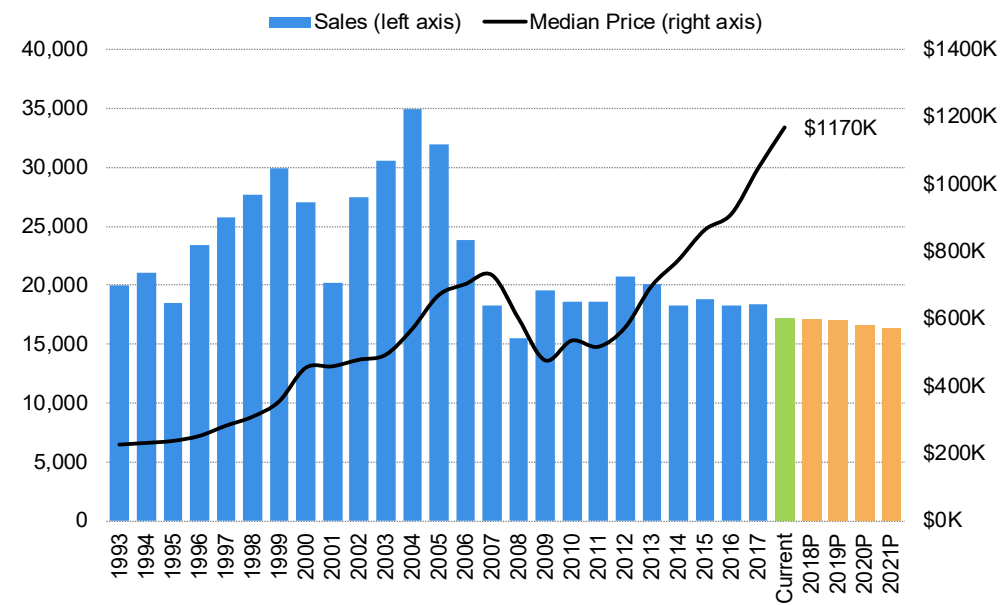
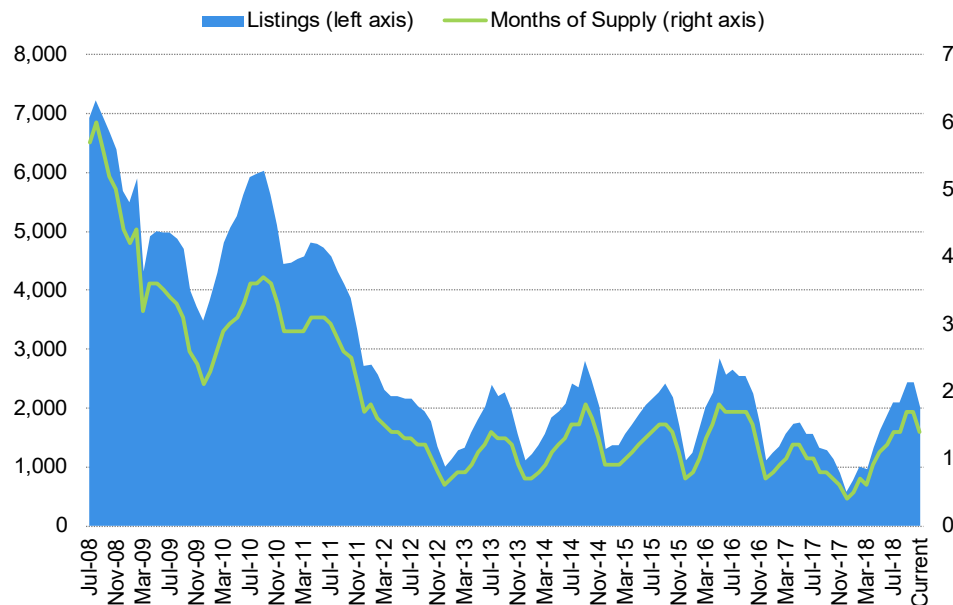
## Resale Listings

## Months of Supply

Current	Year-Ago	Current	Year-Ago
2,005	899	1.4	0.6

## Resale Volume & Price

2018P	2019P	2020P	2021P
17,100	17,000	16,550	16,400
-7.2%	-0.6%	-2.6%	-0.9%



Sources: CoreLogic, Texas Real Estate Center, M.O.R.E., RB Intel, NAR, Various MLS's; John Burns Real Estate Consulting, LLC (Data as of October 2018, projections as of December 2018)



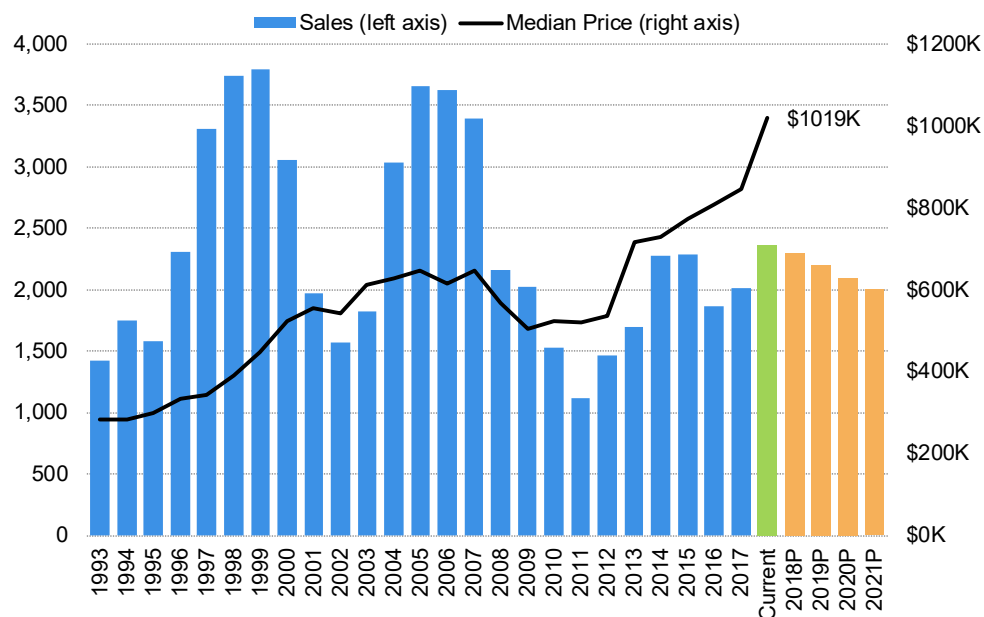
# New Home Market

New home sales troughed in 2011, though have increased gradually since with a slight downturn in 2016. We project 2,250 annual sales from 2018 to 2021.

The new home median price appreciated swiftly from 2012 – 2017 and is currently just over \$1M. Note, the current figure represents year-over-year growth and can fluctuate considerably due to new home supply..

## New Home Volume and Price

2018P	2019P	2020P	2021P
2,300	2,200	2,100	2,000
14.5%	-4.3%	-4.5%	-4.8%

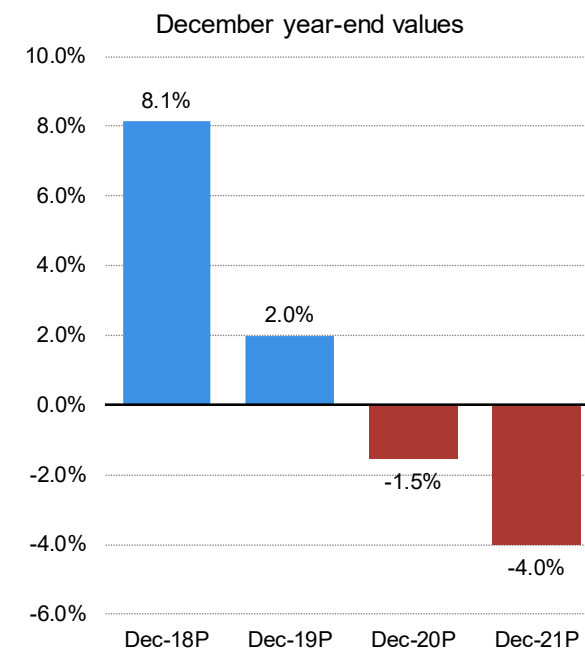


## New Home Prices

### Historical Prices

Year	Med. Price	YOY%
1998	\$391,700	13.8%
1999	\$448,600	14.5%
2000	\$523,400	16.7%
2001	\$556,600	6.3%
2002	\$543,000	-2.4%
2003	\$610,600	12.4%
2004	\$628,900	3.0%
2005	\$646,400	2.8%
2006	\$616,600	-4.6%
2007	\$645,400	4.7%
2008	\$568,900	-11.9%
2009	\$503,100	-11.6%
2010	\$523,800	4.1%
2011	\$521,900	-0.4%
2012	\$536,800	2.9%
2013	\$716,700	33.5%
2014	\$728,400	1.6%
2015	\$773,100	6.1%
2016	\$807,700	4.5%
2017	\$846,000	4.7%

### Forecasted Appreciation<sup>1</sup>



Sources: CoreLogic, Texas Real Estate Center, M.O.R.E, RB Intel, NAR, Various MLS's; John Burns Real Estate Consulting, LLC (Data as of October 2018, projections as of December 2018)



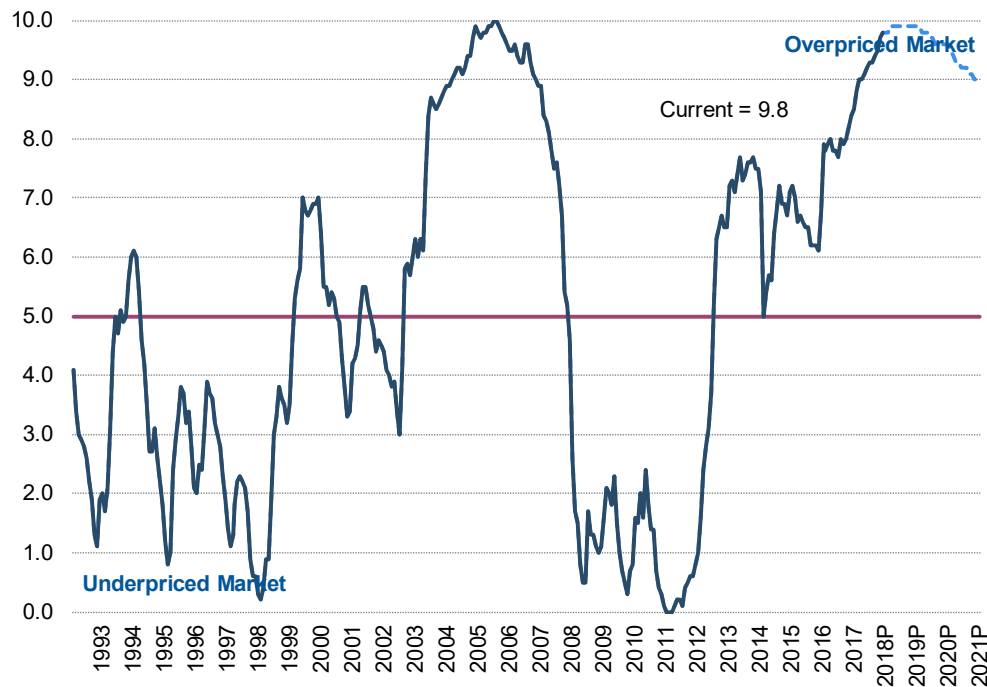
# Affordability and Value

The Burns Affordability Index™ grades on a scale of 0–10 using the annual housing cost to income ratio as its basis. A value of 0–1 represents the 10% most affordable months in a market's history; 9–10 represents the 10% most expensive months; 5 is the median.

[BAI Methodology](#)

## Burns Affordability Index™

2018P	2019P	2020P	2021P
9.8	9.9	9.6	9.0

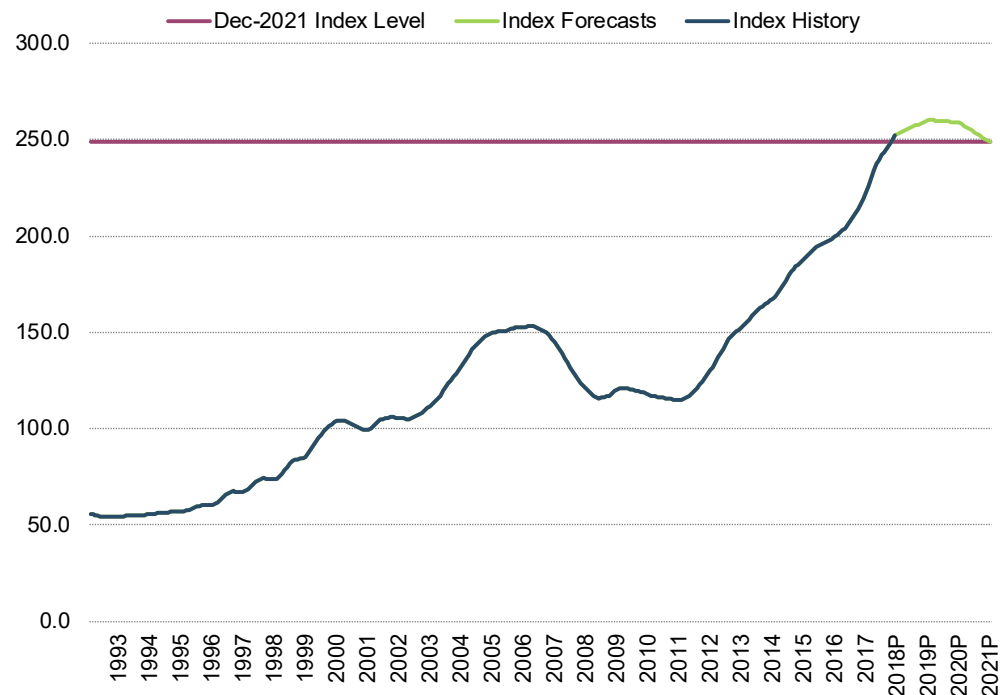


The Burns Home Value Index™ (BHVI) provides our view of home value trends in existing single-family homes. Each month's BHVI is based on an "electronic appraisal" of every home in the market, rather than just actual transactions, removing the influence of shifts in mix of home sales.

[BHVI Methodology](#)

## Burns Home Value Index™

2018P	2019P	2020P	2021P
13.6%	2.8%	-0.5%	-4.0%



Sources: John Burns Real Estate Consulting, LLC (Data as of November 2018, projections as of December 2018)

John Burns Real Estate Consulting

San Jose

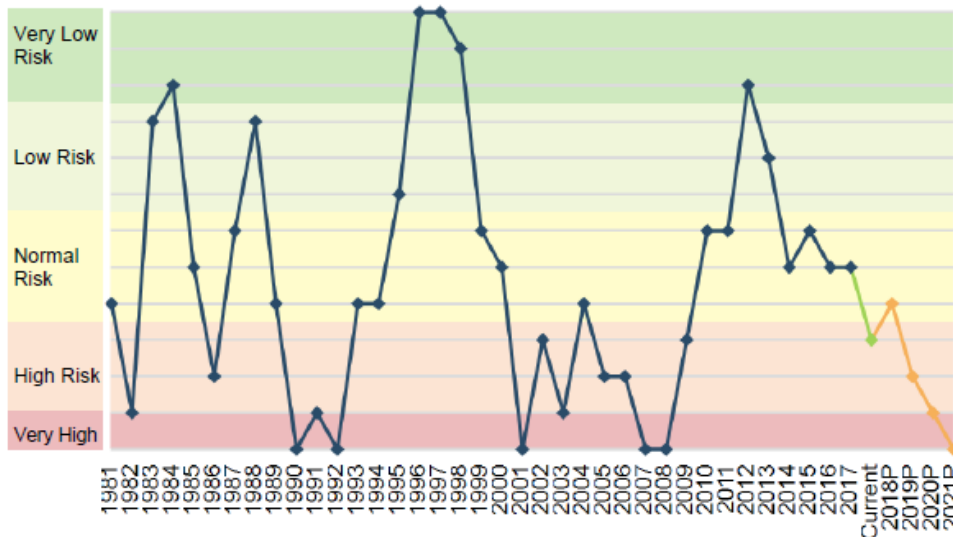
# Housing Cycle Risk Index™ San Jose MSA



Our Housing Cycle Risk Index™ score for this market is currently **High Risk**. We forecast that the risk level will trend to **Very High Risk** by 2021.

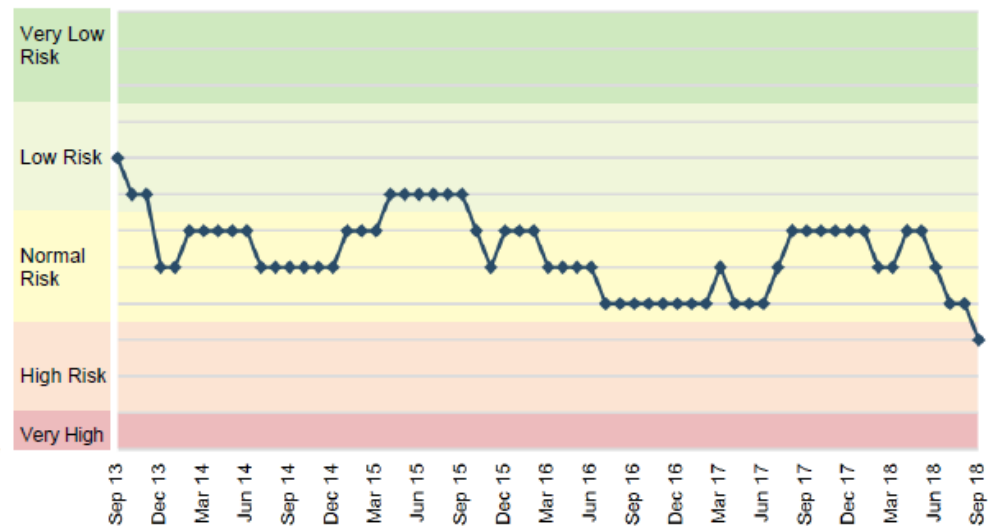
## Annual

Housing Cycle Risk Index™

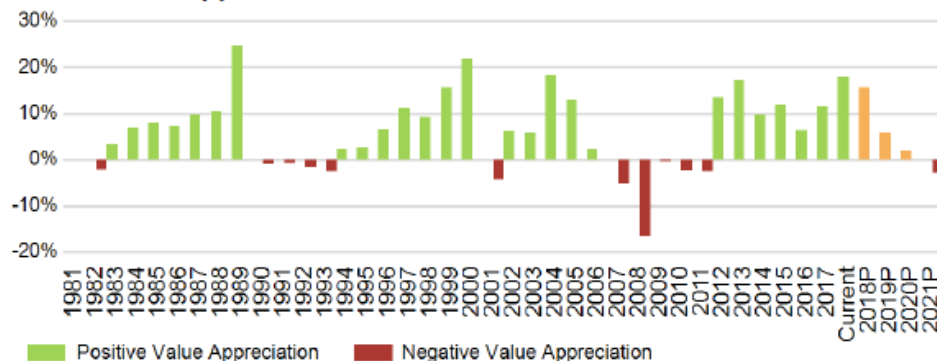


## Monthly

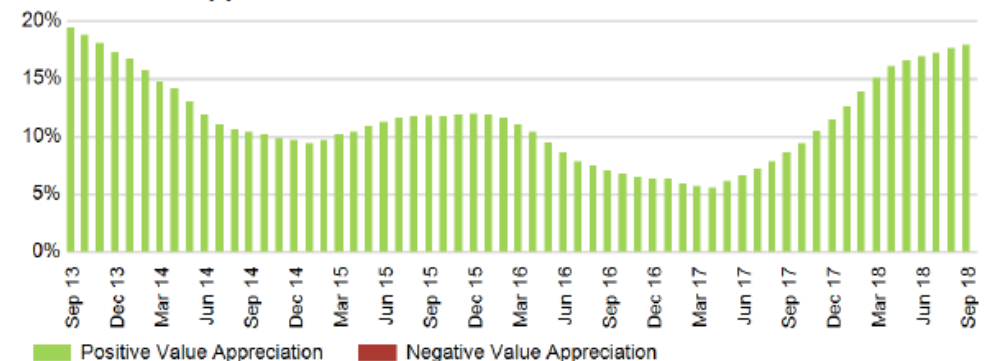
Housing Cycle Risk Index™



Home Value Appreciation YOY



Home Value Appreciation YOY



Housing is a cyclical business. Low-risk conditions occur when demand is strong and rising, supply is low and falling, and mortgage payments are lower than usual in relation to incomes. High-risk times happen when the opposite trends are occurring. Our Housing Cycle Risk Index (HCRI) evaluates, demand, supply, and affordability in each market to determine whether market risks are high or low compared to the market's history, providing a fuller perspective for our clients.

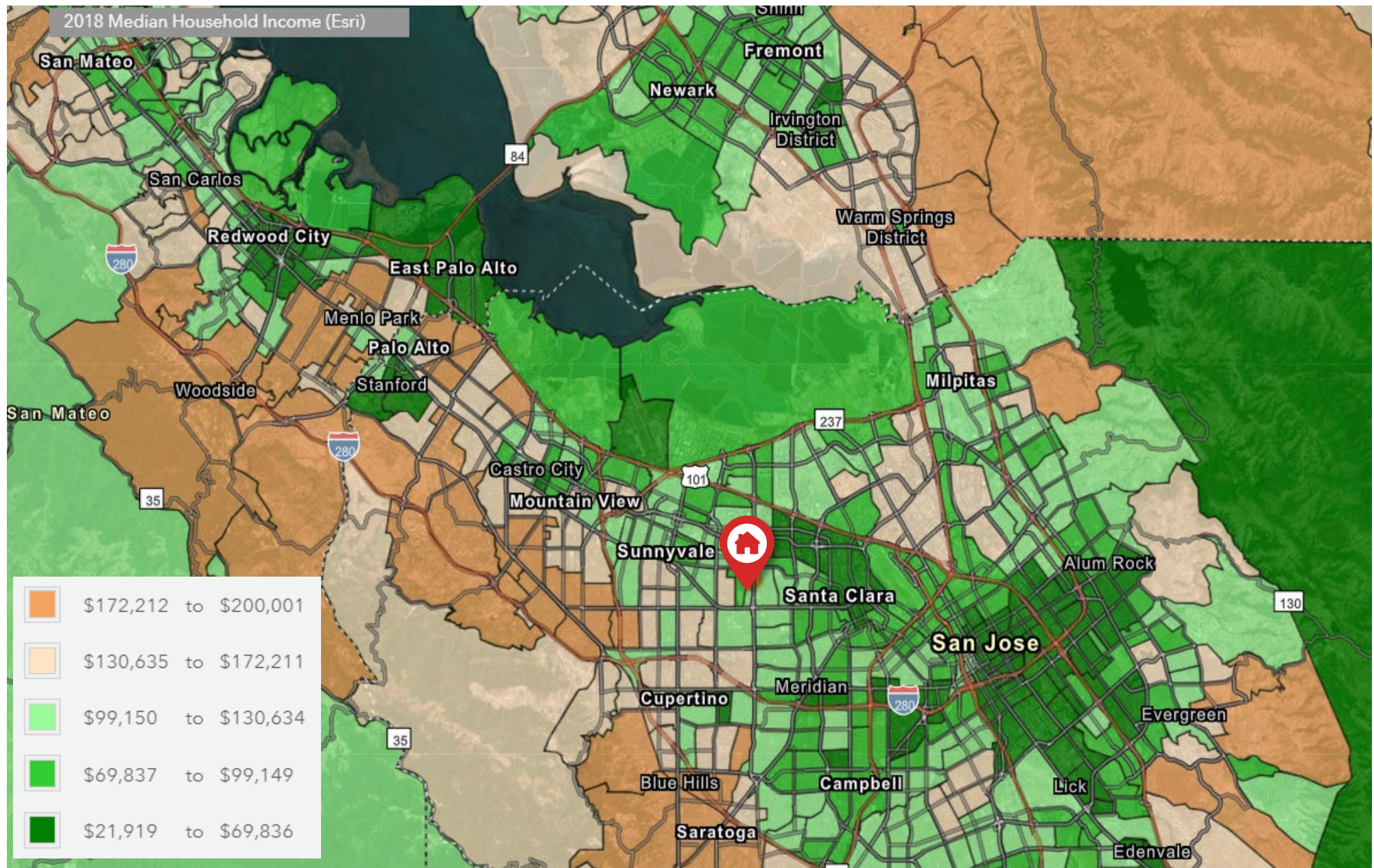
## DEMOGRAPHIC TRENDS







# Median Household Income

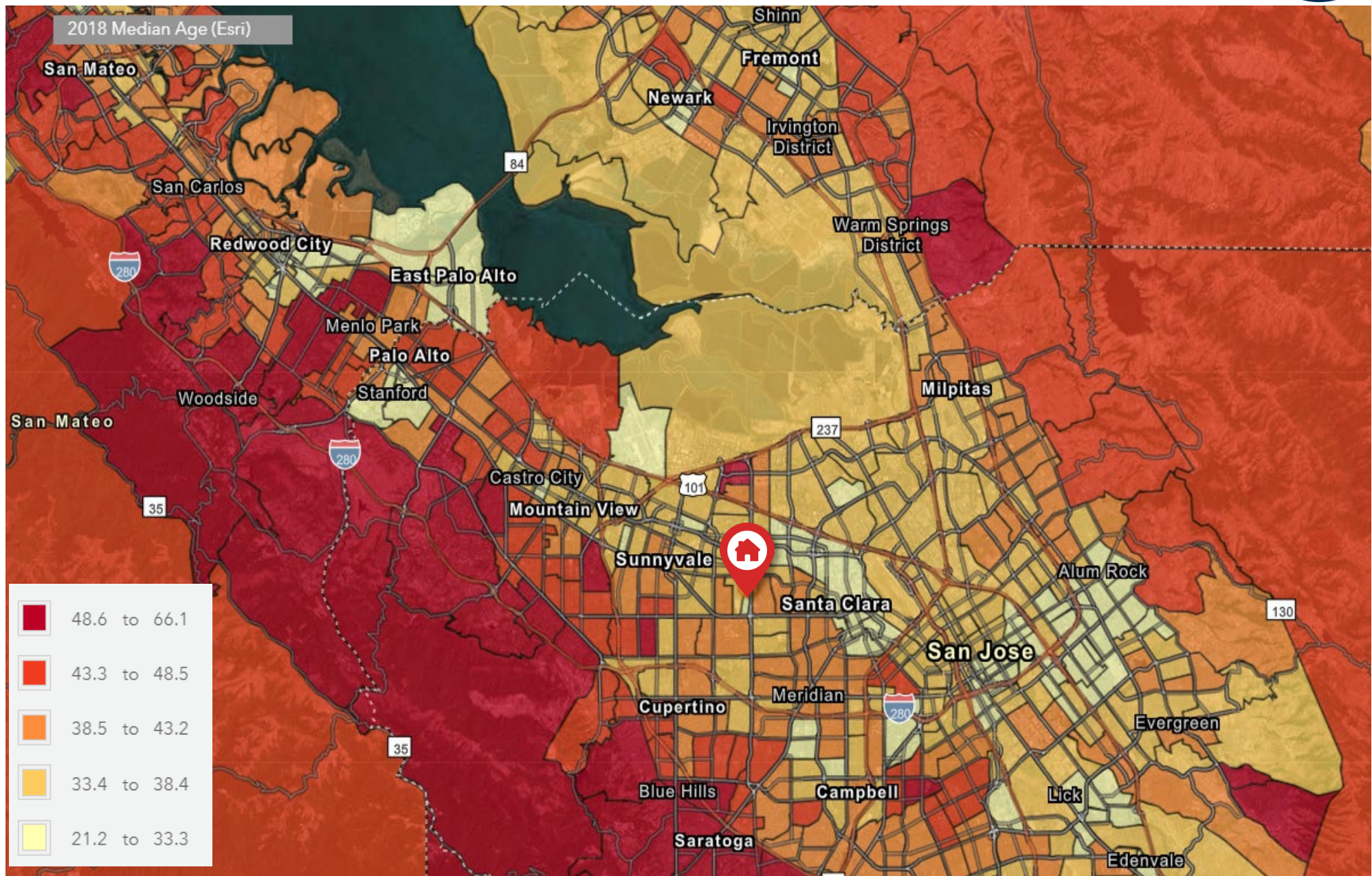


Source: ESRI

John Burns Real Estate Consulting



# Median Age



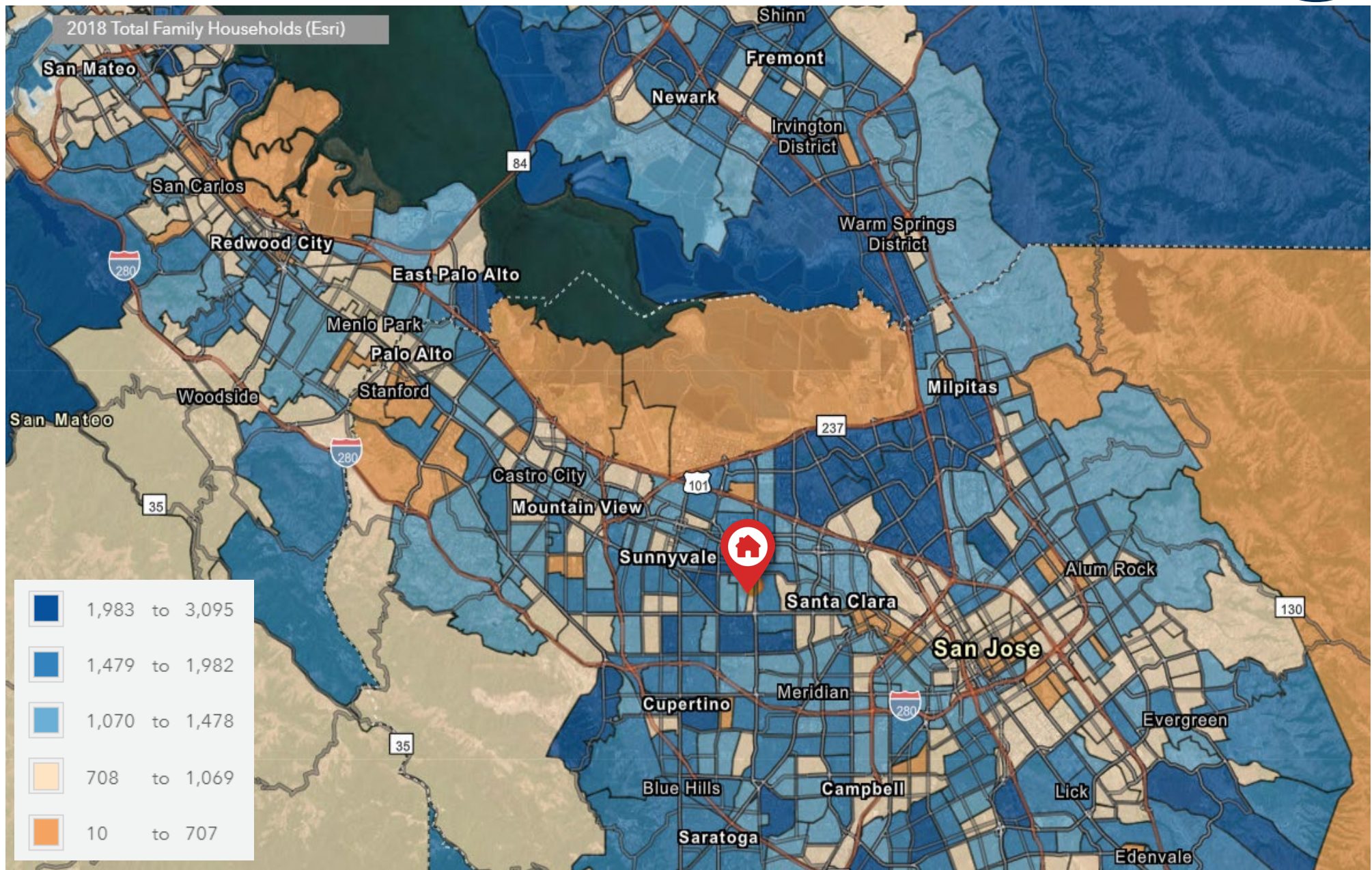
Source: ESRI

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# Concentration of Family Households



Source: ESRI

John Burns Real Estate Consulting

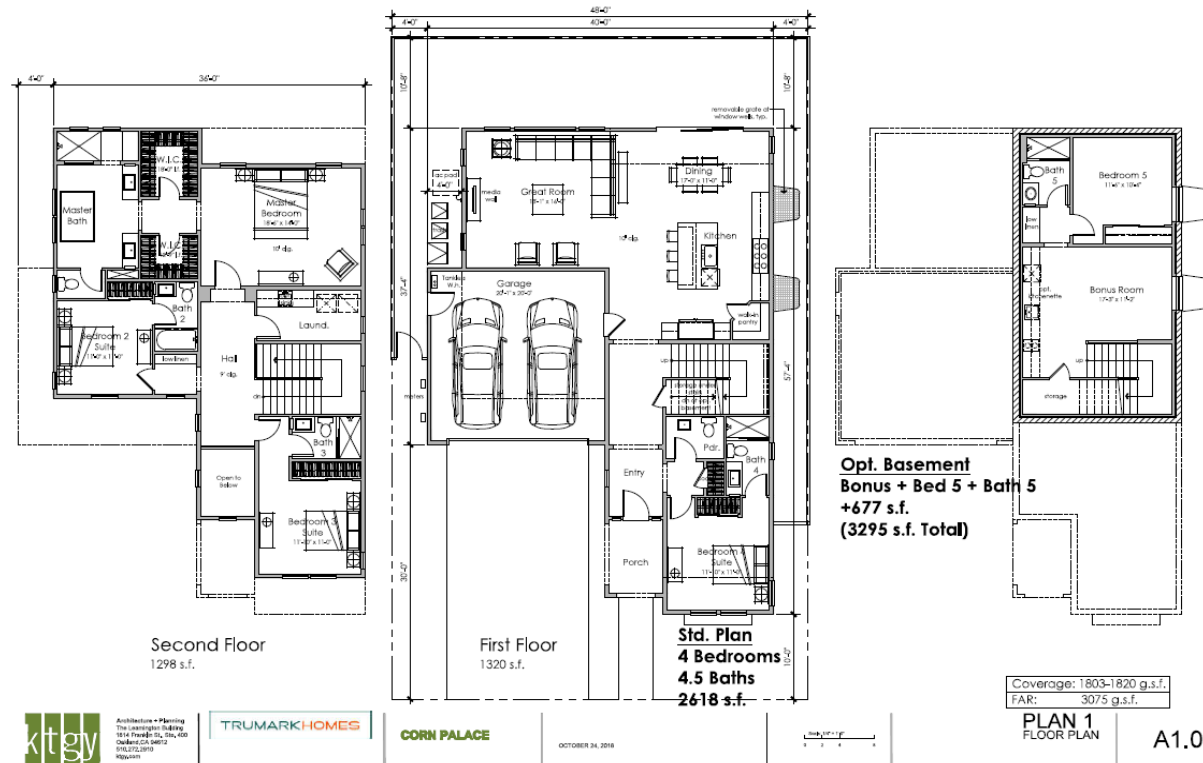
# APPENDIX



## Floor Plans and Elevations



# Subject Floor Plans – Plan 1 (2,618 sf)



**Front Elevation-1-Agrarian A**

- Agrarian A Material Legend:
- 1 Flat Concrete tile roofing / All Presidential Series Composition Shingle
  - 2 Stone Veneer
  - 3 Cementitious board and batten siding
  - 4 Decorative Kicker / Corbel
  - 5 2x Cementitious Trim / All 2x Wood Trim
  - 6 Enhanced Sills



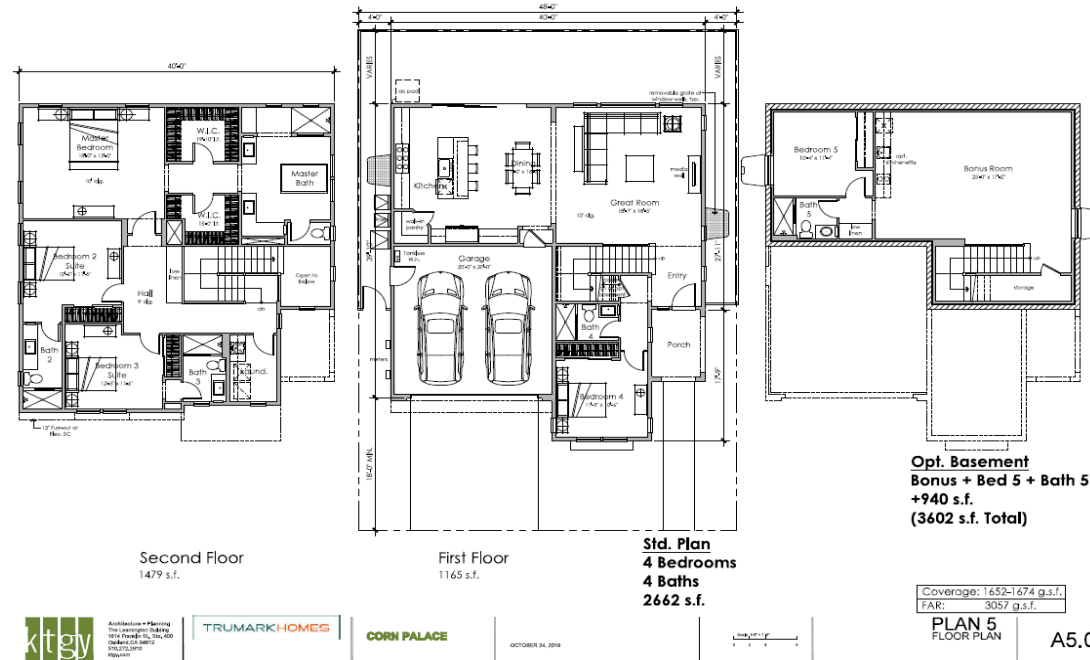
**Front Elevation-1-Agrarian B**

- Agrarian B Material Legend:
- 1 Flat Concrete tile roofing / All Presidential Series Composition Shingle
  - 2 Stone Veneer
  - 3 Cementitious Siding
  - 4 Accent Metal Roofing
  - 5 Decorative Kicker / Corbel
  - 6 2x Cementitious Trim / All 2x Wood Trim
  - 7 Enhanced Sills

Source: Client

John Burns Real Estate Consulting

# Subject Floor Plans – Plan 2 (2,662 sf)



Front Elevation - 5 - Agrarian A

Agrarian A - Material Legend

1. Flat Conc. Tile Roofing / Alt. Presidential Series Composition Shingle
2. Stone Veneer
3. Cementitious Board and Batten Siding
4. Decorative Kicker / Corbel
5. 2x Cementitious Trim / Alt 2x Wood Trim
6. Enhanced Sills
7. Wood Trellis



Front Elevation - 5 - Agrarian B

Agrarian B - Material Legend

1. Flat Conc. Tile Roofing / Alt. Presidential Series Composition Shingle
2. Stone Veneer
3. Cementitious Siding
4. Accent Metal Roofing
5. Decorative Kicker / Corbel
6. 2x Cementitious Trim / Alt 2x Wood Trim
7. Enhanced Sills

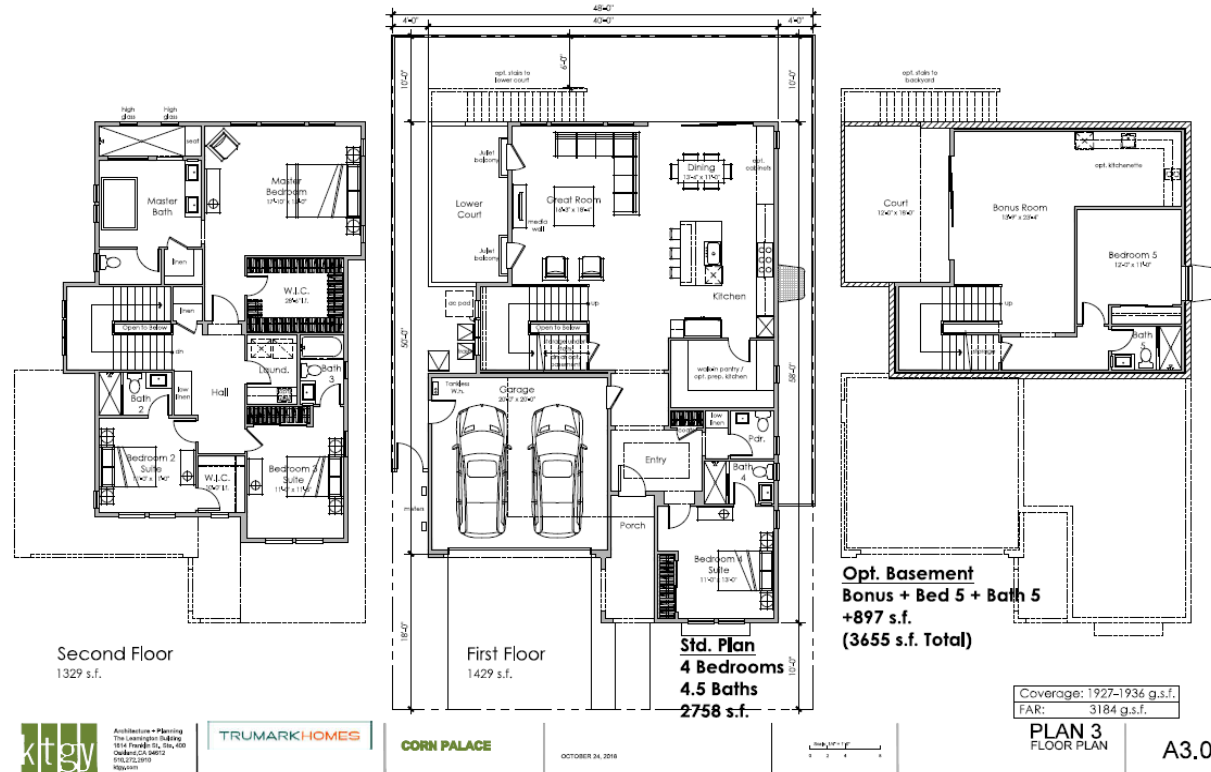


Front Elevation - 5 - Agrarian C

Agrarian C - Material Legend

1. Flat Conc. Tile Roofing / Alt. Presidential Series Composition Shingle
2. Stone Veneer
3. Cementitious Board and Batten Siding
4. Decorative Awning Shutter
5. 2x Cementitious Trim / Alt 2x Wood Trim
6. Enhanced Sills

# Subject Floor Plans – Plan 3 (2,758 sf)



**Front Elevation-3-Agrarian A**

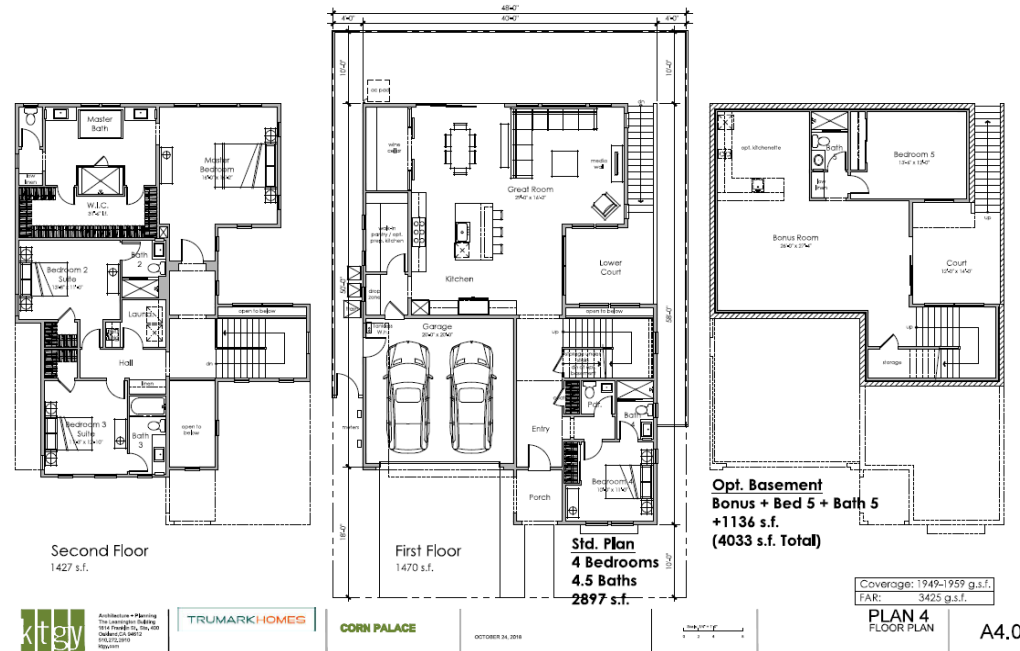
- Agrarian A**  
**Material Legend:**
1. Flat Concrete Tile Roofing / All Presidential Series Composition Shingle
  2. Stone Veneer
  3. Cementitious Board and Batton Siding
  4. Decorative Kicker / Corbel
  5. 2x Cementitious Trim / All 2x Wood Trim
  6. Enhanced Sills
  7. Wood Posts
  8. Wood Trellis



**Front Elevation-3-Agrarian B**

- Agrarian B**  
**Material Legend:**
1. Flat Concrete Tile Roofing / All Presidential Series Composition Shingle
  2. Stone Veneer
  3. Cementitious Siding
  4. Acrylic Metal Roofing
  5. Decorative Kicker / Corbel
  6. 2x Cementitious Trim / All 2x Wood Trim
  7. Enhanced Sills

# Subject Floor Plans – Plan 4 (2,897 sf)



**Front Elevation - 4 - Agrarian A**  
Agrarian A - Material Legend  
1. Flat Conc. Tile Roofing / Alt.  
Presidential Series Composition Shingle  
2. Stone Veneer  
3. Cementitious Board and Batten Siding  
4. Decorative Kicker / Corbel  
5. 2x Cementitious Trim / Alt 2x Wood Trim  
6. Enhanced Sills



**Front Elevation - 4 - Agrarian B**  
Agrarian B - Material Legend  
1. Flat Conc. Tile Roofing / Alt.  
Presidential Series Composition Shingle  
2. Stone Veneer  
3. Cementitious Siding  
4. Accent Metal Roofing  
5. Decorative Kicker / Corbel  
6. 2x Cementitious Trim / Alt 2x Wood Trim  
7. Enhanced Sills  
8. Wood Posts and Corbels



**Front Elevation - 4 - Agrarian C**

**Agrarian C - Material Legend**  
1. Flat Conc. Tile Roofing / Alt.  
Presidential Series Composition Shingle  
2. Stone Veneer  
3. Cementitious Board and Batten Siding  
4. Decorative Awning Shutter  
5. 2x Cementitious Trim / Alt 2x Wood Trim  
6. Enhanced Sills



# Limiting Conditions

This report's conclusions and recommendations are based on our analysis of the information available to us from our research and from the client as of the date of this report. We assume that the information is correct and reliable and that we have been informed about any issues that would affect project marketability or success potential.

Our conclusions and recommendations are based on current and expected performance of the national, and/or local economy and real estate market. Given that economic conditions can change and real estate markets are cyclical, it is critical to monitor the economy and real-estate market continuously and to revisit key project assumptions periodically to ensure that they are still justified.

Due to changes in market conditions, as well as changes in consumer psychology, projected and actual results will likely differ. Events and circumstances frequently do not occur as expected, and the differences may be material. We do not express any form of assurance on the achievability of any pricing or absorption estimates or reasonableness of the underlying assumptions.

In general, for projects out in the future, we are assuming "normal" real estate market conditions and not a condition of either prolonged "boom" or "bust" market conditions. We do assume that economic, employment, and household growth will occur more or less in accordance with current expectations. We are not taking into account major shifts in the level of consumer confidence; in the ability of developers to secure needed project entitlements; in the cost of development or construction; in tax laws that favor or disfavor real estate markets; or in the availability and/or cost of capital and mortgage financing for real estate developers, owners and buyers. Should there be such major shifts affecting real estate markets, this analysis should be updated, with the conclusions and recommendations summarized herein reviewed and reevaluated under a potential range of build-out scenarios reflecting changed market conditions.

We have no responsibility to update our analysis for events and circumstances occurring after the date of our report.





# John Burns Real Estate Consulting

*JBREC is a national consulting and research firm designed to help real estate professionals make informed investment decisions.*

## JBREC SERVICES

### Consulting

- Project & Product Positioning
- Market / Portfolio Analysis
- Consumer Research & Focus Groups
- Demand Analysis
- SFR / Build-to-Rent Feasibility
- Financial Modeling
- Home Builder Operations Assessment
- Economic Analysis & Forecasting
- Strategic Direction & Planning
- Litigation Support & Expert Witness

### DesignLens

- Model Homes
- Master-planned Communities
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- Town/Commercial Centers

### Research

- Exclusive Access to our Research & Consulting Executives
- Metro Analysis & Forecast
- Regional Analysis & Forecast
- Home Builder Analysis & Forecast
- Apartment Analysis & Forecast
- Exclusive Client Events
- Public-Builder Call Summaries
- Weekly Insight
- Presentations & Webinars
- Consumer Research
- Proprietary Surveys

### Consumer & Product Insights

- Consumer & Product Insights National Report
- Product Segmentation
- Mapping Studies
- Consumer Segmentation
- Site & Product Validation
- Custom Survey Analysis
- Focus Groups





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*Senior Vice President*

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dean@jbrec.com



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*Manager*

(858) 281-7215  
kmatthews@realestateconsulting.com

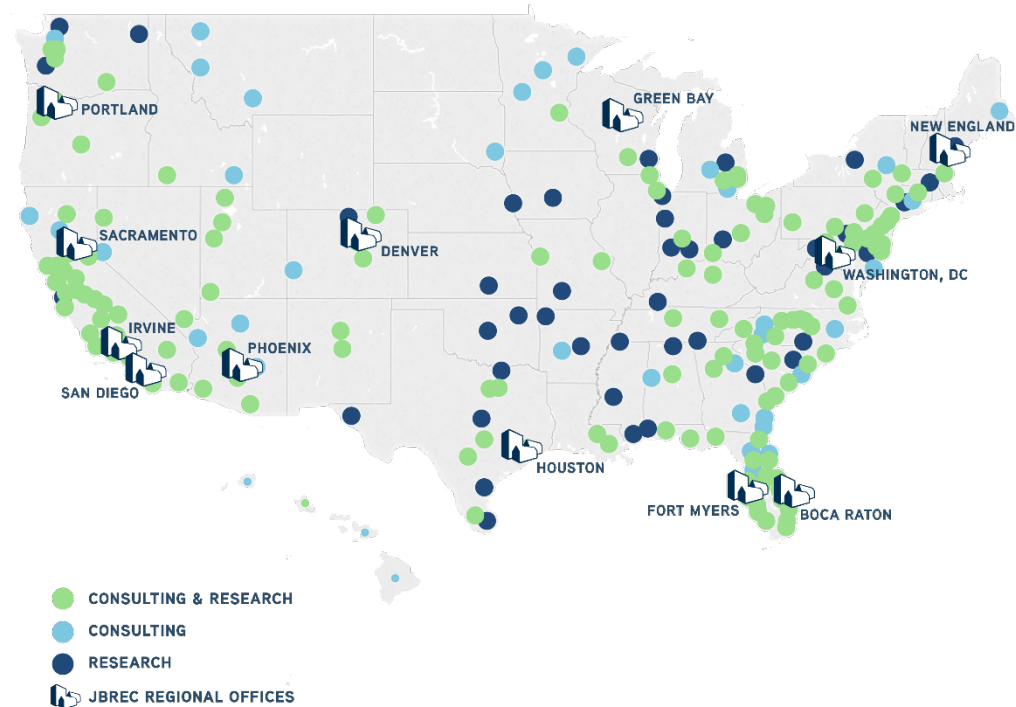


**Michael Gladwill**  
*Consultant*

(949-870-1239  
mgladwill@realestateconsulting.com

## PEER REVIEW

**Dana Kuhn**  
*Director of Quality Control*  
(858) 281-7208  
dkuhn@realestateconsulting.com



## Our Experts

### BOCA RATON

1900 Glades Road  
Suite 240  
Boca Raton, FL 33431  
(561) 998-5814

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8831 Business Park Drive  
Suite 301  
Fort Meyers, FL 33912  
(239) 300-5057

### IRVINE

9140 Irvine Center Drive  
Suite 200  
Irvine, CA 92618  
(949) 870-1200

### SACRAMENTO

111 Woodmere Road  
Suite 250  
Folsom, CA 95630  
(949) 870-1227

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11710 Plaza America Drive  
Suite 2000  
Reston, VA, 20190  
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1630-A 30th Street  
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Boulder, CO 80301  
(720) 328-1530

### HOUSTON

5909 West Loop South  
Suite 590  
Bellaire, TX 77401  
(713) 906-3829

### NEW ENGLAND

155 Fleet Street  
Suite 11  
Portsmouth, NH 03801  
(603) 235-5760

### SAN DIEGO

4250 Executive Square  
Suite 540  
La Jolla, CA 92037  
(858) 281-7200

### WISCONSIN

2300 Riverside Drive  
Suite 124  
Green Bay, WI 54301  
(920) 373-6727

Exhibit B



**CITY OF SUNNYVALE - HOUSING DIVISION**  
 456 West Olive Avenue, Sunnyvale, CA 94086  
 Office: (408) 730-7250  
 Fax: (408) 737-4909  
 TDD: (408)-730-7501

**Below Market Rate (BMR) Compliance Plan**  
**Pursuant to Sunnyvale Municipal Code Chapter 19.67**

Developer Information	
Developer Company Name: Trumark Homes	
Representative (Name): Heide Antonescu	Daytime Phone Number: (925) 999-3967
Representative Email: hantonescu@trumarkco.com	
Mailing Address: 3001 Bishop Drive, Suite 100, San Ramon, CA 94583	
Property Owner (if different from Developer): Gabriel Francia	
Project Information	
Project Name: Corn Palace	Project APN(s): 213-12-001
Project Situs Address: 1142 Dahlia Court, Sunnyvale, CA 94086	
Planning Application # (if applicable): 2017-7451	Building Permit # (if applicable):
Type of Housing (SF, Condo, Townhouse): S.F. Detached	
Total Number of Housing Units: 58	
Number of BMR Units Required (Total Number of Housing Units multiplied by 12.5%): 7	

\* If project has 7 or fewer units, it is exempt from Chapter 19.67 – Do Not Complete this Form

Select Your Proposed Method(s) of Complying with the City's Inclusionary Housing Policy
Standard Compliance:
<input type="radio"/> Will Provide the Required Number of BMR Units for Sale Within the Project
Alternative Compliance Options*:
<input checked="" type="radio"/> Payment of In-lieu Fees
<input type="radio"/> Transfer of Credits
<input type="radio"/> Will utilize the Unit Conversion Program

\* All of the alternative options require recordation of an additional legal agreement with the City.

**If you mark any of the last two options above, please attach a separate signed letter further describing, in detail, your proposed alternative for compliance with Chapter 19.67.**

If Calculation Results in a Fractional Unit, Select an Option Below
<input type="radio"/> Elect to Pay an In-lieu Fee for the Fractional Amount Prior to the Issuance of the First Building Permit for the Project.
<input type="radio"/> Elect to Provide an Additional Affordable Unit Instead of Paying the Fraction Fee.

Details regarding payment of a fractional in-lieu fee can be obtained by calling the City at (408) 730-7250.

Signatures	
Developer's Signature: <i>Heide Antonescu</i>	Date: 10/24/18
City's Approval of Plan: <i>Trumark</i>	Date: 10/25/18