



# City of Sunnyvale

## Notice and Agenda Housing and Human Services Commission

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Wednesday, January 22, 2020

7:00 PM

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

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### **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    [20-0196](#)    Approve the Housing and Human Services Commission Meeting Minutes of December, 18, 2019

**Recommendation:** Approve the Housing and Human Services Commission Minutes of December 18, 2019 as submitted.

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

- 2        [20-0107](#)        Consider Conditional Funding Awards for \$26 Million in Housing Mitigation Funds, Below Market Rate In-Lieu Funds, and Low Mod Income Housing Asset Funds for Development and/or Rehabilitation of Three Affordable Housing Developments.

**Recommendation:** Alternative 1: Recommend that Council award conditional funding commitments to the projects listed in Attachment 3 to the report.

3      [20-0242](#)      Review and Rank Study Issues

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

[20-0245](#)      Housing and Human Services Commission Proposed Study Issues, Calendar Year: 2021

**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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**20-0196**

**Agenda Date:** 1/22/2020

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**SUBJECT**

Approve the Housing and Human Services Commission Meeting Minutes of December, 18, 2019

**RECOMMENDATION**

Approve the Housing and Human Services Commission Minutes of December 18, 2019 as submitted.



# City of Sunnyvale

## Meeting Minutes - Draft

### Housing and Human Services Commission

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Wednesday, December 18, 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**

Vice Chair Stetson called the meeting to order at 7:07 p.m.

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

Vice Chair Stetson led the salute to the flag.

#### **ROLL CALL**

**Present:** 4 - Vice Chair Elinor Stetson  
Commissioner Diana Gilbert  
Commissioner Linda Sell  
Commissioner Emily White  
**Absent:** 3 - Chair Ken Hiremath  
Commissioner Joshua Grossman  
Commissioner Minjung Kwok

**Council Liaison Larry Klein (absent)**

#### **ORAL COMMUNICATIONS**

None.

#### **CONSENT CALENDAR**

**1.A**     [19-1278](#)     Approve the Housing and Human Services Commission  
Meeting Minutes of November, 20, 2019

Vice Chair Stetson asked for a motion to approve the consent calendar or discussion.

MOTION: Commissioner Gilbert moved and Commissioner White seconded the motion to Approve the Housing and Human Services Commission Minutes of

November 20, 2019 as submitted.

The motion carried by the following vote:

**Yes:** 4 - Vice Chair Stetson  
Commissioner Gilbert  
Commissioner Sell  
Commissioner White

**No:** 0

**Absent:** 3 - Chair Hiremath  
Commissioner Grossman  
Commissioner Kwok

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

**2**      [19-1279](#)      Review Draft Request for Proposals for FY 2020/21  
CDBG/HOME Housing and Capital Projects Funding

Housing Officer Jenny Carloni provided the staff report and answered questions.

Vice Chair Stetson opened and closed the public hearing at 7:24 p.m.

No speakers were present.

After a short discussion, Vice Chair Stetson asked for a motion.

MOTION: Commissioner Gilbert moved and Commissioner White seconded the motion to recommend changes to the points awarded to scoring categories 1 and 5. Raise the maximum points from 15 to 20 for Category 1, Organizational Capacity and Relevant Experience, and lower the maximum points from 20 to 15 for Category 2, Percentage of Matching funds.

The motion carried by the following vote:

**Yes:** 4 - Vice Chair Stetson  
Commissioner Gilbert  
Commissioner Sell  
Commissioner White

**No:** 0

**Absent:** 3 - Chair Hiremath  
Commissioner Grossman  
Commissioner Kwok

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

[19-1283](#) Housing and Human Services Commission Potential Study  
Issues, Calendar Year: 2020

**NON-AGENDA ITEMS & COMMENTS**

**-Commissioner Comments**

Vice Chair Stetson welcomed new commissioner Linda Sell.

**-Staff Comments**

Housing Officer Jenny Carloni also welcomed new commissioner Linda Sell and thanked the rest of the commissioner for their service during 2019.

**ADJOURNMENT**

Vice Chair Stetson adjourned at 7:34 p.m.



# City of Sunnyvale

## Agenda Item

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20-0107

Agenda Date: 1/22/2020

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### REPORT TO HOUSING AND HUMAN SERVICES COMMISSION

#### **SUBJECT**

Consider Conditional Funding Awards for \$26 Million in Housing Mitigation Funds, Below Market Rate In-Lieu Funds, and Low Mod Income Housing Asset Funds for Development and/or Rehabilitation of Three Affordable Housing Developments.

#### **BACKGROUND**

On November 15, 2019, a Notice of Funding Availability ("NOFA") was issued for the construction or rehabilitation of affordable housing developments to be funded with the City's Housing Mitigation Funds ("HMF"), Below Market Rate In-Lieu Funds ("BMR"), and Low Mod Income Housing Asset Funds ("LMI"). A total of \$21 million in HMF, BMR, and LMI funds was made available through the NOFA. The previous NOFA for Housing Mitigation Funds was released in 2015.

Housing Mitigation Funds are the collection of Housing Impact Fees charged to mitigate the demand for affordable housing from the development of new industrial, office, retail, lodging or other commercial development. BMR Housing In-Lieu Fees are also collected into the Housing Mitigation Fund from the development of residential units. Low Mod Income Housing Asset Funds are payments to the Housing Successor Agency, a result of the dissolution of the former Redevelopment Agency; the City Council serves as the Housing Successor Agency. These funds are collected through annual payments into the Redevelopment Housing Fund. Projects funded using City Housing Funds are deed restricted for fifty-five years to ensure quality affordable housing for decades to come.

The NOFA announcement was distributed broadly to housing developers and non-profit agencies throughout the entire Bay Area region. Three complete applications were received by the January 3, 2020 deadline and include funding requests that range from \$14 million to \$18 million, for a total of approximately \$48 million in funding requests.

#### **EXISTING POLICY**

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

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

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

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

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

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

19.75.010. Findings and purpose.

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

### **ENVIRONMENTAL REVIEW**

CEQA review of the project will be conducted by the Planning Division as part of the development review process, when there is sufficient information for meaningful environmental analysis. The creation of a conditional funding mechanism does not constitute a project and does not obligate the City to ultimately approve the project. (CEQA Guidelines Section 15378(b)(4)).

### **DISCUSSION**

Once the applications were received, a NOFA Review Committee ("Committee") was established and made up of five Community Development Department (CDD) and Department of Public Works (DPW) staff members. The Committee ranked each application based on the structured point system outlined in the NOFA, seen in Attachment 2. Based on the points allocated by the Committee, the applications were ranked 1 through 3. Funding was then recommended based on the overall rankings and their amount requested.

### **Application Summaries:**

#### **Proposed Project One - Sonora Court**

The Sonora Court proposal was submitted by MidPen Housing, and consists of a request for \$14,000,000. The requested funds would be utilized to cover acquisition and predevelopment costs of a 1.2-acre parcel at 1178 Sonora Court (within the Lawrence Station Area Plan District) to construct a 7-story (5-story residential over 2-story podium), 147-unit affordable apartment project. The target population, specific to occupancy, is extremely low-income to low-income families, and the proposed unit types range from studios to three-bedrooms. The project would use AB 1763 to achieve their density and height. AB 1763 enables unlimited density for 100% affordable projects located within half a mile of a major transit stop. The subject site is adjacent to the Lawrence Caltrain station.

The total project cost is estimated to be about \$121 million, making the requested \$14 million approximately 12% of the total project cost. MidPen has full site control of the property. Additionally, MidPen submitted a Preliminary Review application in December 2019, and is prepared to continue the entitlement process if conditional funding is awarded. MidPen indicates they would both own and manage the property, however, they are open to considering City ownership of the land.

#### **Proposed Project Two - Block 15**

The Block 15 proposal was submitted by The Related Companies of California (Related), and consists of a request for \$15,860,376 to fill the remaining funding gap of the "Block 15" project (nickname refers to the Downtown Specific Plan zoning designation of the site). Their project is a 90-unit affordable housing development on City owned land. The target population, specific to



occupancy, is extremely low-income to low-income households, and the proposed unit types range from studios to 3-bedrooms. Additionally, 23-units (25% of total units) will be set-aside for households with developmental and intellectual disabilities.

Related is currently in a Disposition and Development Agreement with the City for the development of the City owned site, and at closing the land control will be transferred through a long-term ground lease. The total capital cost of the project is about \$71 million, making the funding request of \$15,860,376 approximately 22% of the total project cost. It is important to note that the City has already awarded \$12.5 million in HMF and LMI Funds to this project, which will be released prior to start of construction. Together the two City funding requests would be about 40% of the total project cost (excluding the land value).

#### Proposed Project Three - Orchard Gardens

The Orchard Gardens proposal was submitted by First Community Housing (FCH), and consists of a request for \$18,000,000. The requested funds would go towards the rehabilitation and expansion of an existing affordable housing development located at 245 W. Weddell Drive. There are two existing apartment complexes on the site totaling 62 units: Parkview and Sunburst Apartments. The proposed plan is to demolish the Sunburst Apartments and rehabilitate the Parkview Apartments. Additionally, the proposal calls for new construction of an 85-unit building (6-stories) facing Weddell Drive. The proposed project will demolish 32 units, rehabilitate 30-existing units, and build 85 new units for a total buildout of 115 units (53 net new units). The project would use AB 1763 to achieve their density and height.

The target population, specific to occupancy, will be mostly extremely low-income to low-income households, but 5-units are classified as unrestricted. Any units that are not deed restricted for affordable housing are not eligible for City funding. The unit type will range from 1-bedroom to 3-bedroom apartments and the proposed project will serve 35-families (households) and individuals with intellectual and developmental disabilities. The City awarded federal HOME funds into this development in 1997.

FCH currently has full site control of the property. The total capital project cost is about \$74 million - making the funding request of \$18 million approximately 24% of the total project cost. In 2016, FCH received an award of \$6,000,000 for a similar (slightly smaller) project, but the funding was never disbursed due to the project not moving forward at that time.

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

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

1. Sonora Court.
  - a. This project was ranked the highest due to a variety of reasons as outlined on the NOFA Scoring Sheet including, but not limited to: most complete application answers, clear budget and understanding of future escalating costs, lowest dollar request per unit, highest volume of units, proximity to public transit and agency expertise in developing and managing similar projects.
2. Orchard Gardens
  - a. This project was ranked second highest due to a variety of reasons as outlined on the NOFA Scoring Sheet including, but not limited to: agency capacity and expertise in developing and managing similar projects, confirmed site control, and the inclusion of

supportive units for certain special needs populations.

3. Block 15

- a. This project was ranked third highest due to a variety of reasons as outlined on the NOFA Scoring Sheet including, but not limited to: agency capacity and expertise in developing and managing similar projects and the inclusion of supportive units for certain special needs populations. However, the application had incomplete or limited answers to a variety of questions.

Due to the high quality and need of all three applications, and the opportunity to add these exceptional new developments to the City's affordable housing inventory, Staff is recommending the City Council award an additional \$5 million in Housing Mitigation, Below Market Rate In-Lieu and Low Moderate Income Funds, for a total of \$26 million to be awarded through this NOFA. The NOFA was written to allow an increase in funds awarded should it be needed.

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

Applicant	Project	Funding Amount Requested	Final Score	Committee Recommendation
MidPen Housing	Sonora Court	\$14,000,000	90.0	\$14,000,000
First Community Housing	Orchard Gardens	\$18,000,000	76.0	\$7,500,000
The Related Companies of California	Block 15	\$15,860,376	73.0	\$4,500,000
<b>Total</b>		<b>\$47,860,376</b>		<b>\$26,000,000</b>

The funding recommendation for the Block 15 project reflects the lower score for this NOFA and the fact that a considerable funding commitment has already been made. Staff found that additional funding was appropriate acknowledging the additional cost of constructing this project in the Downtown Specific Plan area, which essentially requires underground parking.

If any successful applicant fails to meet the funding timelines outlined in the NOFA, the conditional funding award will be withdrawn and the applicant must resubmit during a future NOFA round. Timelines may only be extended by a formal request and subsequent approval by the Community Development Director.

### Next Steps

After the Housing and Human Services makes a recommendation to Council on January 22, 2020, the City Council will consider the item on February 25, 2020. On February 26, 2020, Housing Staff will send official Conditional Commitment Letters to the successful applicants. This timeframe will allow applicants to, if needed, meet the March 2020 Low Income Housing Tax Credit application timeline. Final funding agreements will be completed and signed prior to building permit issuance.

### FISCAL IMPACT

This NOFA has no impact to the General fund. Approving these funding recommendations would conditionally commit \$26 million in Housing Mitigation Funds, Below Market Rate In-Lieu Funds, and

Low Mod Income Housing Successor Funds to these projects; no general fund dollars are included in this NOFA. The purpose of these funds is for development or rehabilitation of affordable housing projects, so the recommended action is consistent with its purpose and various City policies regarding affordable housing. Upon meeting all conditions, a budget appropriation will be recommended for approval for each project, either through the regular budget process or through a budget modification.

### **PUBLIC CONTACT**

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

### **ALTERNATIVES**

Recommend to City Council:

1. Award conditional funding commitments to the projects listed in Attachment 3 to the report.
2. Award conditional funding commitments to the projects listed in Attachment 3 with modifications.
3. Do not recommend any conditional funding commitments.

### **RECOMMENDATION**

Alternative 1: Recommend that Council award conditional funding commitments to the projects listed in Attachment 3 to the report.

Prepared by: Leif Christiansen, Housing Programs Analyst  
Reviewed by: Jenny Carloni, Housing Officer  
Reviewed by: Trudi Ryan, Director, Community Development  
Reviewed by: Teri Silva, Assistant City Manager  
Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Hold for Report to Council
2. Sample NOFA Scoring Sheet
3. Funding Recommendations

Hold for Report to Council

Organization Name: \_\_\_\_\_ Program: \_\_\_\_\_

Requested Amount: \_\_\_\_\_ Staff Rater: \_\_\_\_\_

Category	Maximum Points
<b>1. Organizational Capacity and Relevant Experience</b> Organization's staff, board members and project team are well qualified to complete and operate project, considering years of relevant experience and number of similar projects completed.	15
<b>2. Project Need</b> Project clearly addresses one or more goals or needs identified in Housing Element. Stated need for project and proposed project are supported by letters from community members or organizations other than applicant. Proposed project would provide significant public benefits, such as increased affordability compared to existing conditions at the site, or addressing an urgent housing need in the community. Proposals must address how units reserved for such tenants will be made affordable to those with incomes between 0% to 30% of AMI (i.e., through use of project-based subsidies or other means).	15
<b>3. Project Design and Readiness</b> Project design (physical and operational) is cost-effective, feasible, compatible with the neighborhood, and effective in meeting the stated goals and objectives. Applicant is ready and able to apply for planning permits and other financing upon issuance of conditional funding award, and has or will have site control by that time. Applicants are encouraged to submit an application for Preliminary Review prior to Jan. 3, 2020 to receive initial feedback on their project. For rehabilitation- only projects: all lien-holders, owners, and/or agencies with an ownership or security interest in the property have reviewed and approved this proposal, and are willing to provide any required written approvals of the proposed rehabilitation project within 90 days of funding award.	20
<b>4. Budget and Financial Management</b> Financial management points based on clean financial audits and a strong record of financial and regulatory compliance at other projects owned or managed by applicant. Budget scores based on realistic cost estimates and budget for development and operation of project, and projected competitiveness of project costs in tax credit applications, etc.	15
<b>5. Percentage of Matching Funds (Leverage)</b> Points awarded based on the following formula: 5 points for the minimum required match (25%); 10 points for a 50% match; and 15 points for a match of 75% or more. Proposals with match ratios in between these percentages will be awarded 1 point for every 5% of match up to 15 points maximum. Matching percentage is determined by the percent of project cost to be funded by sources other than the requested City funds, according to applicant's proposed project budget. Matching funds do not include existing City HMF or LMI fund awards.	15
<b>6. Affordability Level</b> Percentage of units in the project that will be reserved for extremely low income (ELI) and very low income (VLI) households. Points will be awarded as follows: Up to 10 points shall be awarded for the percentage of ELI units, and up to 10 points for the percent of VLI units. In each category, 1 point will be awarded for every 5 percent of ELI/VLI units, as applicable, up to a maximum of 10 points for 50% ELI or VLI units, as applicable (e.g., to earn a score of 20 points, the project would need to include 50% ELI and 50% VLI units). Unit affordability is based on restricted rent limits, not current occupants' income levels.	20
<b>Total Points Available</b>	<b>100</b>

**Rating Scale Objective:** to provide general guidance to evaluators by creating a definition for each range of scores, and removing arbitrariness from the process.

Rating Scale (up to 20 points)	
Point Value	Explanation
0	<b>Not addressed:</b> Incomplete sections/inadequate responses
1-11	<b>Fair:</b> Complete sections/lacks detail/low confidence
12-15	<b>Good:</b> Complete sections/sufficient detail/meets expectations
16-18	<b>Very Good:</b> Complete sections/sufficient detail/exceeds expectations
19-20	<b>Excellent:</b> Complete sections/sufficient detail/greatly exceeds expectations

Rating Scale (up to 15 points)	
Point Value	Explanation
0	<b>Not addressed:</b> Incomplete sections/inadequate responses
1-5	<b>Fair:</b> Complete sections/lacks detail/low confidence
6-10	<b>Good:</b> Complete sections/sufficient detail/meets expectations
11-13	<b>Very Good:</b> Complete sections/sufficient detail/exceeds expectations
14-15	<b>Excellent:</b> Complete sections/sufficient detail/greatly exceeds expectations

2019 Housing Mitigation Fund Notice of Funding Availability

Housing Mitigation Fund Applicant	Project	Staff Recommendation	Funding Amount Requested	Average Score
MidPen Housing	Sonora Court Family Housing	\$ 14,000,000	\$ 14,000,000	90.0
First Community Housing	Orchard Gardens	\$ 7,500,000	\$ 18,000,000	76.0
The Related Companies	Block 15	\$ 4,500,000	\$ 15,860,376	73.0

\$ 26,000,000 \$ 47,860,376



# City of Sunnyvale

## Agenda Item

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20-0242

Agenda Date: 1/22/2020

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### **SUBJECT**

Review and Rank Study Issues

#### *Background*

In the 1970's, the City of Sunnyvale developed a process for prioritizing local policy concerns that became known as the "study issues process". A study issue is a topic of concern that may result in a new or revised City policy. The study issues process provides both City Council and City staff with a valuable planning and management tool, by providing a method for identifying, prioritizing and analyzing policy issues in an efficient and effective way. It provides a structured approach for addressing the large number of policy issues that are raised each year.

Council reviews all study issues once a year at the Council Study Issues Workshop. The process allows Council to rank the issues, separating those issues that may have seemed important when they were first raised from the truly critical issues. It also allows the City Manager and department directors to set and schedule the examination of issues so the workload does not interfere with the day to day delivery of City services at levels set by Council.

After a study issue is sponsored by Council, a commission, or staff, staff prepares and submits study issue papers to the city manager for review and approval. The study issue paper describes the topic of concern proposed to be studied, identifies how the issue relates to the General Plan, the origin of the issue, expected public outreach, staff hours, any additional resources required for study, and a staff recommendation regarding whether or not to study the issue. Papers are then routed to the appropriate board and commission for ranking in October/November. Study issue papers not under the purview of a board or commission are routed directly to Council for the annual Study Issues Public Hearing and Council Study Issues Workshop.

#### *Roles in the Process*

The study issues process includes participation by Councilmembers, City staff, board and commission members, and the public. A brief explanation of each of their roles follows:

**Council** - Council's role is to set policy. Regarding the study issues process, policy-related responsibilities include generating (or sponsoring) study issue topics; taking public input; prioritizing or "ranking" issues at the Council Study Issues Workshop in January; and approving target completion dates for each study.

**City staff** - City staff manage the annual study issues administrative process; generate study issue topics; prepare the study issue papers; following Council ranking of issues, determine how many issues available operating resources will support (issues are begun, and studied, in priority order); and propose target completion dates for studies able to be completed.

**Boards and commissions** - In their advisory capacity to Council, boards and commissions generate



study issue papers for Council's consideration, and provide a recommended ranking of the issues relevant to their areas of authority. Boards and commissions also provide a forum for public input and, with majority support, can sponsor issues brought to them by members of the public.

Members of the Public - Members of the public may suggest study issue topics to staff, boards and commissions, or directly to Council. In order for a study issue topic to get to the Council Study Issues Workshop it must be "sponsored" by staff, Council or a board or commission. Members of the public also provide input to Council on the relative importance or priorities of individual studies at the annual Study Issues Public Hearing, which is held a week or two prior to Council's Study Issues Workshop.

#### *Discussion*

Attached for your review is the description of the Board/Commission process for ranking study issues. The approved study issues referred to the Housing and Human Services commissions for ranking are also attached. These study issues must be ranked by the commission at this meeting in order to meet the deadline for inclusion in the Council Study Issues Workshop materials.

Staff will provide assistance with tallying the votes as needed.

#### *Recommended Actions:*

Following any technical questions for staff, hold a public hearing, open the floor for discussion and/or questions by commissioners, and then begin the ranking process consistent with the instructions in Attachment 1. Once the ranking process has been completed, staff will forward the results to Council.

### **ATTACHMENTS**

1. Board/Commission Process for Ranking Study Issues
2. CDD 19-11: Promote Workforce Housing Opportunities for City Employees and Sunnyvale School Teachers
3. CDD 20-03: Consideration of a Local Hire Ordinance for Development Projects on City Owned Land

# Board/Commission Process for Ranking Study Issues

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The Study Issues process is designed to assist City Council with setting policy study priorities for the coming calendar year. Board and commission members have two roles in this process:

- To advise Council regarding the identification of policy issues to study (i.e., the generation of study issue ideas for Council's consideration); and
- To advise Council on those issues Council has decided to study.

All procedures must comply with Council Policies [7.2.19 Boards and Commissions](#), [7.3.26 Study Issues Process](#), and Administrative Policy [Chapter 1, Article 15 Boards and Commissions](#). All board and commission members shall adhere to those operational practices and procedures as contained in the *Board and Commission Handbook* prepared by the Office of the City Clerk.

*To ensure consistency in approach and practice, all boards/commissions shall use the same ranking process as Council for all proposed Study Issues (described below and captured in Council Policy [7.3.26 Study Issues Process](#)).*

## Ranking Process

### Step 1: Review issues

Staff provides a brief summary of each proposed Study Issue. Any Study Issue ranked by a Board/Commission, must be signed/approved by the City Manager prior to ranking. Boards and commissions shall review and take action on only those issues under their purview, as determined by the City Manager. Items not under the specific purview of a board or commission may be presented to them for "information only".

### Step 2: Questions of Staff

Staff will address questions Commissioners may have regarding each study issue.

### Step 3: Public Hearing

Chairperson opens Public Hearing for public input on any of the issues under consideration. (Note: the Commission may not take action on, or rank any new issue raised by the public for which there is not already a study issue paper developed. Those seeking to raise new issues at this point in the process should be informed that their options are to seek Council sponsorship of their issue or submit it to the Board/Commission for the following year's process.) Chairperson will close the Public Hearing.

### Step 4: Determine which issues, if any, will be dropped

Commissioners may make motions to drop issues from consideration. After the motion is seconded, discussion on each item may ensue. If the motion passes by a simple majority of those present, the Board/Commission will drop the issue. Such action suggests that there is no need to study the issue.

If the Board/Commission votes to drop an issue that was initiated by the Commission that same year, the issue will not be forwarded to City Council for the Council's consideration. If, however, the Commission votes to drop an issue that was not initiated by the Commission - meaning that it was initiated by staff, Council or another Commission - or that had been deferred or fell below the line in the previous year, the issue would be forwarded to Council with a notation that the Commission recommended it be dropped from consideration.

### Step 5: Determine which issues, if any, will be deferred

Commissioners may make motions to defer issues from consideration to a later year. After the motion is seconded, discussion on each item may ensue. If the motion passes by a simple majority of those present, the Commission will not rank the issue. Such action suggests only that the issue is not currently a priority and/or it is not the appropriate time to study the issue.

If the Commission votes to defer an issue that was initiated by the Commission that year, the issue will not be forwarded to City Council for the Council's consideration. If the Commission votes to defer an issue that was not initiated by the Commission - meaning that it was initiated by staff, Council or another Commission - or that had been deferred or fell below the line in the previous year, the issue would be forwarded to Council with a notation that the Commission recommended it be deferred from consideration.

### Step 6: Commission discussion on issues to be ranked

Commissioners have the opportunity to speak to the remaining issues to be ranked and to discuss merits and priorities before ranking the remaining issues. No motion is required.

### Step 7: Commissioners rank issues individually

Depending on the number of issues left to rank, the Board/Commission shall utilize one of the following ranking methods:

**Simple Majority/Borda Count** (for ranking ten or fewer issues) – Commissioners individually and simultaneously rank each of the remaining issues. Rankings are from 1 to the total number of issues, with "1" representing the issue with the highest priority for study. Each number can be used only once (no ties) and each issue must receive a ranking.

**Choice Ranking** (for ranking eleven or more issues) – the number of items to be ranked is divided by three and each Commissioner is given that many votes. Each Commissioner allocates his or her votes, one each, to different issues. Some issues will receive votes, others may not, depending on the total number of issues and the number targeted for selection. A tally is made for each issue selected. Two-way ties between issues are resolved by quick votes of the group. Multiple ties are resolved in the same manner as before: dividing by three (if four items are tied, for example, each member gets one vote to assign to one of those issues). The issues that receive the most votes are thereby prioritized. If necessary and desired, the process is repeated for the remaining issues (the ones that didn't get votes the first time).

Regardless of ranking method, all individual Commissioner ranking votes and final Board/Commission rank recommendations will become a part of the official record and shall be made available to the public.

### Step 8: Combined ranking determined

A combined Commission ranking is determined when staff totals the individual ranking from all Commissioners for each issue.

**Simple Majority/Borda Count** The issue with the lowest total becomes the Commission's Priority 1 issue; the next lowest total is Priority 2, etc.

**Choice Ranking** The issues that receive the most votes becomes the Commission's Priority 1 issue; the next lowest total is Priority 2, etc.

### Step 9: Tie Breaks

**Two-way ties** should be resolved by quick hand votes of the Board/Commission.

**Three-way (or more) ties** should be resolved using a tie break ranking sheet. The sheet lists all tied issues and the Board/Commission ranks in order, first to last choice. The issues receiving the most votes get the higher priority. This step is repeated if there are multiple ties.

### Step 10: Acceptance of rankings

A motion is then made to accept, reject or modify the overall Commission rankings for issues. After the motion is seconded, discussion may ensue. Simple majority is required for passage.

### *After the Commission Ranking*

B/C liaisons are responsible for inputting the commission's rankings in the B/C Ranking Spreadsheet provided by OCM. The completed sheet is due to OCM in early December.

Council will hold a Public Hearing on Study Issues in early January. The Chair or his/her appointee is encouraged to speak before Council and share the Board/Commission's recommended rankings.

### *Issues Sponsored AFTER Commission Ranking*

If a study issue is sponsored after the Commission has held its ranking meeting, the issue will identify the paper as "too late to rank" for the B/C. In this instance, Commissioners are able to attend the January Public Hearing, identify themselves as Commissioners, and testify on how they would have voted (as an individual) had this item gone before the Commission (I would have voted to [drop, defer, rank] this item).

**Note:** There is no proxy ranking: Commissioners must be present to rank study issues.



# City of Sunnyvale

## Agenda Item

20-0135

Agenda Date: 2/27/2020

### 2020 COUNCIL STUDY ISSUE

#### **NUMBER**

CDD 19-11

**TITLE** Promote Workforce Housing Opportunities for City Employees and Sunnyvale School Teachers

#### **BACKGROUND**

**Lead Department:** Community Development Department

**Support Departments:** Office of the City Manager

Office of the City Attorney

**Sponsor(s):** Planning Commission

**History:** 1 year ago: Deferred by Planning Commission and Housing and Human Services Commission

2 years ago: N/A

#### **SCOPE OF THE STUDY**

##### **What precipitated this Study?**

The cost of housing has increased significantly over the past decade, making the option of homeownership and rental in Sunnyvale, and in much of Santa Clara County, challenging to many members of the general workforce. Employees who are not able to afford housing near their place of employment are then faced with long commutes and other financial stressors.

The City currently offers homeownership options to those who qualify for Below Market Rate (BMR) housing, making less than 120% of the Area Median Income (AMI). In 2019, 120% of AMI is \$110,400 per year for a one-person household and \$157,700 per year for a four-person household. The City operates a successful BMR Home Ownership Program and Down Payment Assistance Program for income qualified, first time homebuyers to purchase homes in Sunnyvale. Within the program, applicants are categorized as a "Priority Buyer" if they live or work in Sunnyvale at time of application. City employees and Sunnyvale school teachers are currently included in the "priority buyer" category as they work within Sunnyvale; however, this category also applies to anyone else who lives or works in the City. The program only helps City employees and Sunnyvale school teachers who are eligible for BMR housing units. Residents making less than 80% of AMI qualify for the BMR rental program. Applicants making over 120% of AMI do not qualify for either program. The Planning Commission is seeking a study of potential programs to assist City employees and school teachers, including those making over 120% AMI.

##### **What are the key elements of the Study?**

This Study would examine opportunities, methods, or processes for City employees and Sunnyvale school teachers to obtain housing within the City. Outreach to employees and school teachers would be needed to best understand the resources employees are looking for when it comes to purchasing

20-0135

Agenda Date: 2/27/2020

a home, and understand how the City would play a role in providing those resources.

**Estimated years to complete Study:** 1 year

### **FISCAL IMPACT**

#### **Cost to Conduct Study**

Level of staff effort required (opportunity cost):	Moderate
Funding Required for Non-Budgeted Costs:	\$60,000
Funding Source:	Will seek budget supplement.

Costs would be based upon hiring a consultant to conduct outreach to City employees and Sunnyvale school teachers via workshops and surveys with the goal to understand what types of housing resources they are seeking. Based on the data collected, the consultant would work with City staff to develop housing program options.

#### **Cost to Implement Study Results**

Unknown. Study would include assessment of potential costs.

### **EXPECTED CITY COUNCIL, BOARD OR COMMISSION PARTICIPATION**

Council-Approved Work Plan: No

Council Study Session: No

Reviewed by Boards/Commissions: Housing and Human Services Commission; Planning Commission if there are any modifications to SMC Title 19 Zoning.

### **STAFF RECOMMENDATION**

Drop. This policy issue does not merit discussion at a future Study Issues Workshop.

Staff recognizes the importance and need for housing affordable to all income categories in the City. The Housing Strategy is currently underway and the consultants will identify a range of options that surface from the Housing Strategy's outreach and may include recommendations for programs that can assist the "missing middle" of those households earning more than 120% of the Area Median Income. In 2020, staff time will need to be focused on implementation of the Housing Strategy. The Housing Strategy may also look towards ways to improve the down payment assistance program to better serve Sunnyvale residents.

The City's BMR Program serves households making 120% or less than the Area Median Income. The City used to assign priority points for each applicant based on a range of household circumstances. With the old system, City employees and Sunnyvale school teachers received a priority point for working within the Sunnyvale city limits and additional priority points based on their specific household circumstances. With that point system, there was concern that giving more of a priority to City employees or Sunnyvale school teachers over others in the community could be perceived as an unfair advantage over those who also work within the Sunnyvale city limits and need housing. Additionally, it was a concern that this practice could result in potential fair housing issues. To address this concern, the City modified the BMR Program to simplify the priority process by creating two priority categories. Priority 1 status was given to anyone who lived or worked in Sunnyvale, regardless of their employer. Priority 2 status was given to anyone who lived or worked in Santa Clara County. This new system created fairness in the process; there are no plans to return to a

**20-0135****Agenda Date: 2/27/2020**

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points-based system.

The existing Sunnyvale Housing Division First-Time Homebuyer Loan Program can also be used to provide home ownership opportunities to qualified home buyers including City employees and Sunnyvale school teachers. The low interest, deferred payment loans can be used to purchase a BMR or market rate home in Sunnyvale. Currently, the program structure sets income limits to 120% of Area Median Income (AMI), limits the purchase price of the home and has a maximum loan amount of \$50,000. There are also various housing programs being created through the recent Santa Clara County Affordable Housing Bond, such as the down payment assistance program "Empower Homebuyers."

Prepared by: Jenny Carloni, Housing Officer

Reviewed by: Trudi Ryan, Director, Community Development Department

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager



# City of Sunnyvale

## Agenda Item

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**20-0186**
**Agenda Date: 2/27/2020**


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### 2020 COUNCIL STUDY ISSUE

#### **NUMBER**

CDD 20-03

**TITLE** Consideration of a Local Hire Ordinance for Development Projects on City Owned Land

#### **BACKGROUND**

**Lead Department:** Office of the City Manager  
**Support Departments:** Office of the City Attorney  
**Sponsor(s):** Housing and Human Services Commission  
**History:** 1 year ago: N/A  
 2 years ago: N/A

#### **SCOPE OF THE STUDY**

##### **What precipitated this Study?**

Various cities across California have adopted local hiring or first source hiring recommendations or policies to increase employment opportunities for their residents. Rising construction costs and record level demand for construction related trades in the Bay Area region have triggered the use of construction trades from outside the region and state to attempt to keep up with demand. With Sunnyvale having limited construction based trades headquartered in the city, the importance to provide these companies with Sunnyvale based opportunities is critical.

##### **What are the key elements of the Study?**

This Study will provide analysis into the creation of an ordinance or policy with a goal to improve the employment opportunities for local residents including trades people residing in Sunnyvale. This goal could be achieved through a requirement that construction projects, which reach a specified size in Sunnyvale and are undertaken on City owned land will require a certain number of local hires and/or enrollment in an apprenticeship program.

This Study will include analysis of Sunnyvale's construction industry labor market and propose policy options based on the Study's results. This Study Issue is meant to generate an actual policy or ordinance requiring local hire and/or apprenticeship, which does not violate state or federal law as opposed to the previous study issue in 2014 which did not result in an ordinance but instead resulted in policy which "encourages" developers to hire locally (RTC No. 15-0595).

**Estimated years to complete study:** 1 year

#### **FISCAL IMPACT**

##### **Cost to Conduct Study**

Level of staff effort required (opportunity cost): Moderate



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20-0186Agenda Date: 2/27/2020

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Funding Required for Non-Budgeted Costs: \$75,000  
Funding Source: Will seek budget supplement

Estimated funding needs are for consultant led efforts, including outside legal services to analyze and/or prepare a draft ordinance.

**Cost to Implement Study Results**

Unknown. Study would include an assessment of potential costs, including capital and operating, as well as revenue/savings. Implementation costs are unknown and variable pending on the likely need to modify the City's charter. If a general election is required, costs and time will increase significantly. Outreach to construction trades would be critical component of implementation as well.

**EXPECTED CITY COUNCIL, BOARD OR COMMISSION PARTICIPATION**

Council-Approved Work Plan: No

Council Study Session: No

Reviewed by Boards/Commissions: No

**STAFF RECOMMENDATION**

Drop. This policy issue does not merit discussion at a Study Issues Workshop.

In 2014, Study Issue 14-01 "Examine Ways to Increase Local Hiring in Major Developments" was prepared. Study Issue 14-01 directed staff to review various programs and aspects to local hiring requirements and evaluate new approaches to requiring this. Study Issue 14-01 was addressed by NOVA, Economic Development, and the Office of the City Attorney. The result of Study Issue 14-01 was Council Policy 5.1.5, which encourages local workforce in development projects. Economic Development is currently undertaking the "Responsible Construction Study Issue," which is slated to be complete at the end of 2020. A wage theft policy was added in 2018 (Council Policy 5.1.6). Initial review of this topic proves to have a variety of legal constraints and could require modification to the City Charter.

Prepared by: Jenny Carloni, Housing Officer

Reviewed by: Trudi Ryan, Community Development Director

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager



# City of Sunnyvale

## Agenda Item

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20-0245

Agenda Date: 1/22/2020

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Housing and Human Services Commission Proposed Study Issues, Calendar Year: 2021

### Proposed Study Issues\*

Date	Working Title	Summary of Scope	Staff Comments

\*The study issues have been proposed for future sponsorship

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