

- 4**            **14-0562**            Make Recommendation to Council on the Draft 2015-2023 Housing Element  
   **Environmental Review:** Negative Declaration

Suzanne Ise, Housing Officer, presented the draft Housing Element update.

Vice Chair Olevson and Ms. Ise discussed the policies that have been added to the draft Housing Element, and discussed the proposal for a relocation assistance program.

Comm. Klein confirmed with Ms. Ise that City Council decided not to increase the Below Market Rate (BMR) of 12.5% in 2012, and that lowering the threshold for the number of units triggering the BMR program could be an added recommendation to Council.

Comm. Durham confirmed with Ms. Ise that requests by applicants to only pay the in-lieu fee rather than build the BMR units would need to be heard by Council, and discussed a future program to develop the BMR units that would otherwise have been built with the in-lieu fees collected from different projects.

Comm. Harrison discussed with Ms. Ise current housing studies which include the adjustment of the linkage fee assessed on commercial properties and the rental housing impact fee.

Chair Melton confirmed with Ms. Ise that several recessions slowed housing growth between the years of 2000 and 2010. Trudi Ryan, Planning Officer, noted that during the 2008 recession, Planning permits were extended in preparation for construction when the economy improved. Chair Melton commented on the gap between the needed number of very low income housing units determined by the Regional Housing Needs Assessment (RHNA) and those that City staff have determined will be built between 2015 and 2023, and discussed with Ms. Ise that money, land and a zoning code that allows density and height are needed to close this gap.

Vice Chair Olevson discussed with Ms. Ise the source of funding to build 72 BMR units over the next 20 years, and confirmed which agencies determine regional housing needs. Vice Chair Olevson commented on the North Bay appearing exempt from these housing requirements.

Comm. Harrison discussed with Ms. Ise the BMR ownership program and confirmed that there is no waiting list for these units. Comm. Harrison and Ms. Ise also discussed how a BMR property is subsidized.

Melissa Morris, with the Law Foundation of Silicon Valley, discussed her support of adopting the draft Housing Element and said that her organization believes it is important to have a rent stabilization program.

Julie Quinn, with the Housing Trust Silicon Valley, discussed her support of adopting the draft Housing Element and said that her organization believes funding programs should be included in the Housing Element.

Marie Bernard, Executive Director at Sunnyvale Community Services, discussed her support of adopting the Housing Element, the importance of having a rent stabilization program and of finding other sources of funding.

Wendee Crofoot, with the Silicon Valley Leadership Group and Friends of Caltrain, discussed her support of adopting the draft Housing Element and the need for housing to be built near transit.

Chair Melton closed the public hearing.

Comm. Harrison confirmed with Ms. Ise that there is no division of the BMR in-lieu fund for ownership versus rental properties, and confirmed that the housing mitigation fund supported the armory.

Vice Chair Olevson confirmed with Ms. Ise that staff is not recommending the adoption of the Association of Bay Area Governments (ABAG) job connection strategy, and that the ABAG recommendations were added to the draft Housing Element as a reference.

Comm. Harrison moved Alternative 2 to recommend that Council authorize staff to submit the draft Housing Element with modifications to HCD for review:

- 1) That all housing built for ownership be subject to the BMR requirement, regardless of the number of units.

Vice Chair Olevson seconded.

Comm. Harrison said that while she understands that rental housing in California is exempt from BMR requirements, she is aware of a program in Montgomery County, Maryland in which all ownership housing is subject to BMR requirements on a sliding scale so that there are no games played with an artificial limit. She said she thinks it could provide more money and not unduly affect people building single units and would provide a continuous stream without politics.

Vice Chair Olevson said that there are so many requirements from Federal funding requirements to the State RHNA requirements, that the only means of survival seems to be spreading the pain around to everyone. He said he is generally not in favor of requiring a builder to support someone else, which looks to him like wealth transfer, but that at this point this is the only equitable way of doing this.

Comm. Klein offered a friendly amendment to consider increasing the BMR requirement from 12.5% to 15% of all units in the project.

Comm. Harrison and Vice Chair Olevson accepted.

Comm. Klein said he will be supporting the motion and that decreasing the number of units required before allocating funds to the BMR program makes sense, and that while he has a question about single-family versus more than one, he thinks staff will look more closely to determine what is fair. He said 12.5% has been the status quo for a long time and that ten years ago the issue was brought up to raise that percentage, and seeing that it remains as 12.5%, he thinks now raising it to 15% seems a more fair and easy calculation. He said it makes sense within this state of the housing environment in Sunnyvale, and he applauds the upgrades staff has made to the Housing Element, and thinks taking it a few steps further will improve the plan overall.

Comm. Durham said he will be supporting the motion, and in looking at the gap between those who can buy and those who cannot in the City and while trying to reduce travel and transit to work, he thinks we have to try to keep a balance for people working in the area and that this may be best way to do it. He said we cannot afford economically or environmentally to ship our housing out to the other side of the peninsula or to the Central Valley.

Chair Melton said he will be supporting the motion and that he implores staff and everybody in the City to continue to explore creative solutions to the problem. He said this is a real issue of great impact to the wellbeing of the city, to all its citizens and to the future of the City to continue exploring what we can do in Sunnyvale and on a regional basis. He said he gives a tip of the cap to City staff for a job well done in the creation of the Housing Element as there are a lot of moving parts and State requirements, and that there is a lot of subject matter and expertise that we are fortunate to have in City staff. He said he is looking forward to seeing City Council and the Housing and Human Services Commission take a shot at this.

MOTION: Comm. Harrison moved Alternative 2 to recommend that Council

authorize staff to submit the draft Housing Element to HCD for review with modifications:

- 1) To add a program to consider expanding the Below Market Rate Ownership Housing Requirement to all ownership housing projects (i.e. those of fewer than eight new units); and
- 2) To consider increasing the BMR requirement to 15% of all units in the project.

Vice Chair Olevson seconded. The motion carried by the following vote:

**Yes:** 6 - Chair Melton  
Vice Chair Olevson  
Commissioner Durham  
Commissioner Harrison  
Commissioner Klein  
Commissioner Rheaume

**No:** 0

**Absent:** 1 - Commissioner Simons