



SUNNYVALE HOUSING STRATEGY CITY COUNCIL STUDY SESSION

February 4, 2020

INTRODUCTION

- 2017 Study Issue – Housing Strategy
 - Addresses key issues prioritized by the City Council
- Consultants
 - BAE Urban Economics, PlaceWorks, Goldfarb & Lipman, Novin Development
- Today: Council feedback on preliminary housing strategies and prioritization

HOUSING STRATEGY OVERVIEW

- Housing Strategy Components
 - Existing: population, households, housing stock
 - Housing Strategy Development
 - Supply-side approaches
 - Demand-side approaches
 - Mobile home parks
 - Age-friendly housing
 - Rental Inclusionary
 - Adopted November 2019

COMMUNITY INPUT OPPORTUNITIES

- Community Outreach Meetings
 - February 12, 2019 – General Community
 - Feb. 28, 2019 – Developer
 - Feb. 28, 2019 – Mobile home Park (MHP) Owners
 - June 3, 2019 – MHP Residents
 - June 6, 2019 – General Community
 - August 15, 2019 – Age Friendly Housing
 - October 24, 2019 – General Community (Options)
 - November 16, 2019 – Farmers Market Pop-Up
 - November 21, 2019 – General Community (Priorities)
- Online Survey and MHP Surveys

BACKGROUND INFORMATION

Sunnyvale Conditions and
Trends

SUNNYVALE'S HOUSING STOCK & TENURE

- Housing Stock
 - 49% single-family
 - 44% multifamily and townhomes*
 - 7% mobile home parks and other
- Housing Tenure
 - 54% renters*
 - 46% owners

**higher than 2-county sub-region*

HOUSING MARKET METRICS

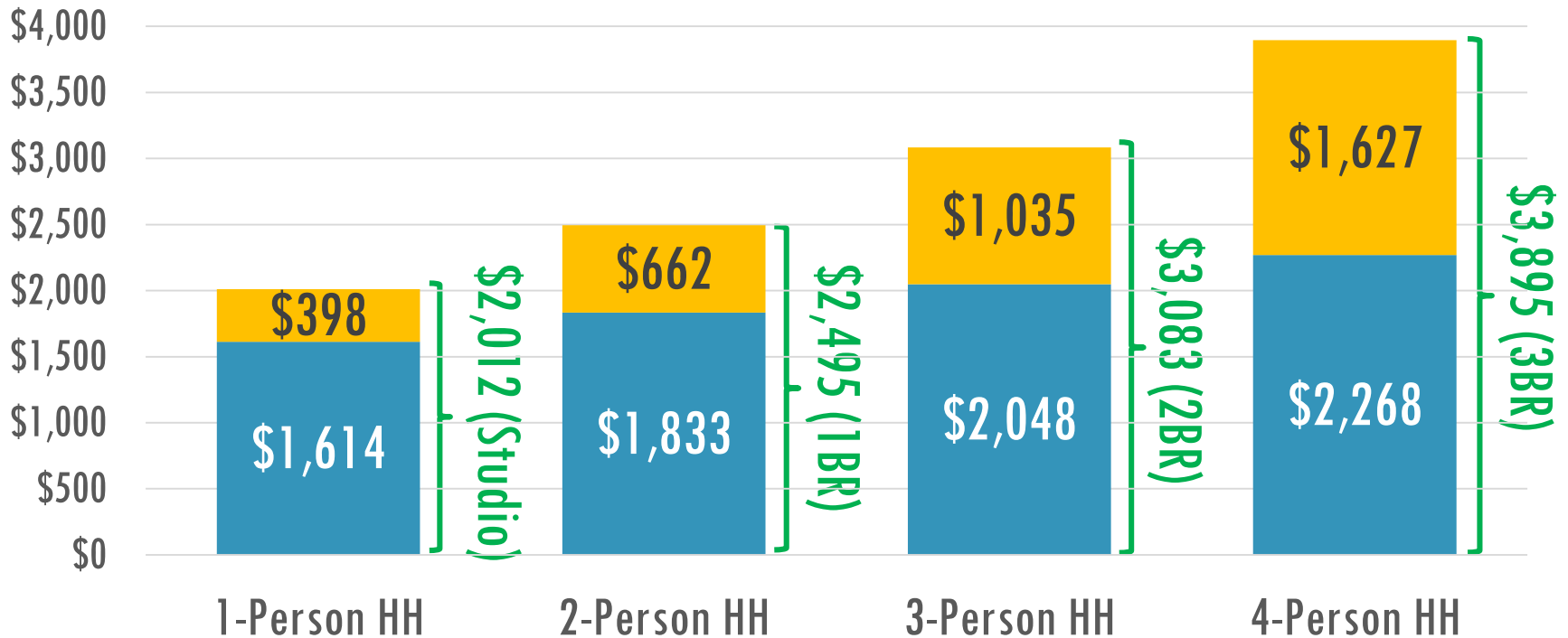
- Rents increased ~78% from 2009-2018
- Sale prices increased ~150% from 2009-2018
 - Median single-family home price of \$1.8 million
 - ~17% higher than County
 - Median condo price \$1.25 million
- Housing vacancy rates remain low (~4%)

HOUSING COST BURDENS

- High Housing Cost Burden (30%+)
 - 28% of all households
 - 64% of low-income
- Excessive Housing Cost Burden (50%+)
 - 13% of all households
 - 40% of low-income
- Moderate-income households less likely to be cost burdened

SUNNYVALE RENTAL AFFORDABILITY

LOW INCOME HH

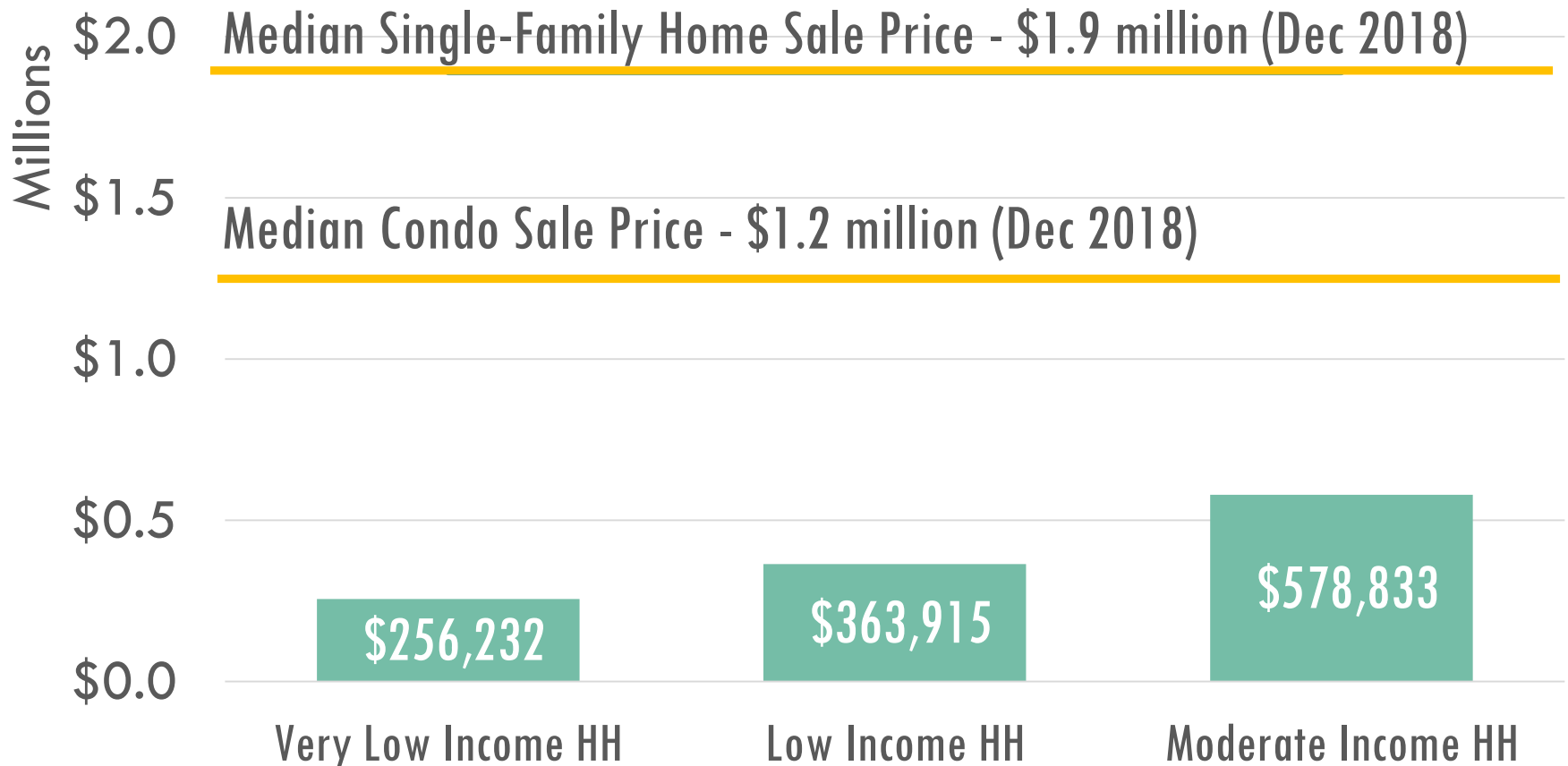


■ Gap between Affordable Monthly Rent & Market-Rate Rent for an Appropriately-Sized Unit

■ Monthly Rent Affordable to a Low-Income Household

Market-Rate Rent

SUNNYVALE FOR-SALE AFFORDABILITY



Affordable Single-Family Sale Price for a 4-Person Household
(Affordable Condo Sale Prices are Slightly Lower to Allow for HOA Payment)

SUNNYVALE'S HOMELESS AND EVICTIONS

- Estimate 624 homeless in Sunnyvale in 2019
 - Up 31% from 2017 Point in Time Count
 - Living arrangements:
 - 34% outdoors
 - 22% emergency, transitional, and other shelters
 - 18% cars, RVs, or other vehicles
 - 13% structures not meant for habitation
 - 13% other
- Estimated 276 court-enforced evictions/year

CURRENT AFFORDABILITY REQUIREMENTS

- 12.5% Inclusionary Requirement for For-Sale Projects
 - Last Updated 2012
 - Units affordable to Moderate-Income Households
- 15% Inclusionary Requirement for Rental Projects
 - Adopted November 2019
 - Low & Very Low Income
- In Lieu Fee Options for Alternative Compliance
 - Council Discretion

SUNNYVALE RESIDENTIAL ZONING DISTRICTS

Broad range of residential zoning districts

Up to 68 dwelling units/acre

Studies under way to increase densities in some areas

State affordable housing density bonus up to 35% density available

New law provides greater bonus for 100% affordable projects

SUNNYVALE SENIOR DEMO- GRAPHICS

17,707 residents (11.8%) are 65+

Over 1/3 of elderly residents
have a disability

70% of senior households are
lower-income (excludes assets)

41% of senior households headed
by a person 65+ live alone

Senior population to almost double
between 2019-2040 countywide

Percent of Respondents Who Felt Issue Was **Very Important** or **Extremely Important**:

Living indepenently in own home as they age	92.0%
Need for trustworthy, quality, affordable contractors	91.2%
Home repair services for lower-income and older adults	80.3%
Affordable housing options with different features for different income levels	81.7%
Homes with accessibility features	70.5%
Safe, well-maintained, low-income housing	73.9%
Affordable quality assisted living facilities	87.8%

Substantial portions of respondents anticipated the need for assistance with various home modifications to age in place.

AGE-FRIENDLY SURVEY HIGHLIGHTS

LIBRARY AND COMMUNITY SERVICES
AUG. 2018; 388 RESPONSES

EXISTING SENIOR HOUSING POLICIES/PROGRAMS

- LCS leading Age-Friendly Initiative
- Reduced parking requirements for senior housing
- Housing Element Policies
 - Policy E.3 - Continue to address housing needs of seniors through affordable housing and housing-related services.
 - 5 programs that support age-friendly housing
- 644 affordable rental units for seniors
- 35 residential care facilities (800+ beds)
- 346 Sunnyvale seniors with Section 8

MOBILE HOME PARK *OWNER* SURVEY HIGHLIGHTS

Surveys completed for 6 parks
(2,053 mobile home spaces)

Almost all units are owner-occupied

All offer leases/renewals of 5+
years (options of shorter lease)

67% of tenants lived in the park 5+
years

Avg. rent for leases >12 months
ranges from \$1,035 - \$1,264

Owners preferred no new mobile
home park regulations. Rent
stabilization viewed least favorably.

MOBILE HOME PARK *RESIDENT* SURVEY HIGHLIGHTS

3,505 surveys; 1,151+ returned

98% homeowners

Average space rent \$1,239

82% have housing cost burden $\geq 30\%$

23% have a lease of 1 year or less

47% are retired or unemployed

Household incomes evenly split

91% prefer rent control/stabilization

POLICY AND PROGRAM OPTIONS

MOBILE HOME PARK STRATEGIES

Rent Stabilization



MOU/Accord

could include safety net



Rent Mediation

Low-Income Safety
Net Program

AGE- FRIENDLY HOUSING STRATEGIES

Maintain Existing
Housing



Promote New Age-
Friendly Housing



Adapt Homes to Age
In Place



Facilitate New Ways to
Use Homes

SUPPLY- SIDE STRATEGIES

Increase Ownership
Inclusionary Percentage 

Promote ADUs 

Modify Programs and/or
Policies to Encourage
Missing Middle Housing 

Up-zone Land to Facilitate
Increased Residential
Development 

SUPPLY- SIDE STRATEGIES

Add Developer Incentives for Units
Production into Rental Inclusionary Program

Density Bonus Program Requests > 35%

Add Affordable Housing Payment Options

Modify Fee Programs to Add Further
Gradations of Unit Sizes

De-emphasize Dwelling Units per Acre as
Development Standard

Utilize Surplus/Underutilized City or Other
Public Property for Housing Development

DEMAND- SIDE STRATEGIES

Adopt a Right to Lease
Ordinance



Adopt a Relocation
Assistance Requirement



Establish a Safe RV
Parking Program



Increase City Down
Payment Loan Amount

Increase Loan Amounts for
Home Improvement Program

TIERED PRIORITY RECOMMENDATIONS

Tier 1: Currently Underway or Priority in 2020-2021

Tier 2: Priority in 2021-2022

Tier 3: Timeframe to be assessed based on funding availability, outcome of existing studies, etc.

Considerations for prioritization – community support, readiness, staff/resource availability, funding, etc.

IMPLEMENTATION REQUIREMENTS & TIERS

	Staff's Tier Recommendation	Notes
1. Age-Friendly Housing Policy Options		
a. Protect At-Risk Affordable Senior Housing Projects and/or Preserve MHPs	3	Could combine portions with 4a.
b. Promote New Age-Friendly Housing	2	
c. Adapt Homes to Age in Place	3	
2. Supply-Side Housing Policy Options		
a. Increase Ownership Inclusionary Percentage	1	
b. Promote ADUs	1	Underway
c. Modify Programs and/or Policies to Encourage Missing Middle Housing	3	
d. Up-Zone Land to Facilitate Increase Res Development	1	Underway
3. Demand-Side Housing Policy Options		
a. Adopt a Right to Lease Ordinance	2	Could combine with 3b
b. Adopt a Tenant Protection/Relocation Assistance Requirement	1	Could combine with 3a
c. Establish a Safe RV Parking Program	3	
4. Mobile Home Park Policy Options		
a. Mobile Home Space Rent Stabilization	1*	Choose one option*
b. Memorandum of Understanding/Accord	1*	

New Funding Needs:

Low - limited one-time and ongoing costs
 Medium - high one-time costs or significant ongoing costs
 High - significant ongoing costs

New Staff Resources:

Low - limited up-front and ongoing staffing increases
 Medium - high up-front or significant ongoing staff increases
 High - significant ongoing staff increases

Tiered Implementation:

1 = Currently underway or priority in 2020-21
 2 = Priority in 2021-2022
 3 = Timeframe to be Assessed

NEXT STEPS

COMPLETION OF HOUSING STRATEGY

- Council Input on Strategies and Prioritization
- Consultants complete Administrative Draft Report
- Draft Report for Public Review mid-March
- Housing and Human Services Commission: **March 25**
- Present Draft Report to City Council: **April 7**
- Finalize Housing Strategy and begin implementation!

QUESTIONS FOR COUNCIL DISCUSSION

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- Is there anything we missed?
- Do any recommendations cause concern?
- Should we incorporate any non-recommended policies into the draft report?
- Should we consider both Mobile Home Park Options in the Draft Housing Strategy?