



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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SUBJECT

Approve the 2016 Annual Progress Report on Implementation of the General Plan Housing Element

BACKGROUND

California Government Code Section 65400 requires general law cities and counties to submit an Annual Progress Report (APR) to the California Department of Housing and Community Development (HCD) describing the progress they have made in implementing the housing elements of their respective general plans. Government Code Section 65700 exempts charter cities such as Sunnyvale from this requirement. However, certain state grant programs, such as the Housing-Related Parks (HRP) grant program, require all applicant jurisdictions to comply with this requirement, including charter cities. In recent HRP grant funding cycles, the City has applied for and has been awarded a total of \$1,994,325 in two HRP grants. The grant amounts are based on the number of new affordable units permitted (or affordable units rehabilitated) during the calendar years specified in the grant application materials, and other factors, such as the number of grant applications received and the amount of funding available. The HRP grants awarded to the City so far have been for affordable units provided in calendar years 2010 through 2014. The HRP grant funds received to date were allocated to two capital improvement projects at Fair Oaks Park, one of which has been completed and the other will be completed by June 2017.

The draft APR (Attachment 1) quantifies and describes the progress made by the City in calendar year 2016 toward its Regional Housing Need Allocation (RHNA) objectives and Housing Element goals. Gathering such data in these annual reports can help streamline the process of updating the City's Housing Element in the future. California Government Code Section 65400 also requires that the APR be considered at an annual public hearing before Council, where members of the public may provide oral and/or written comments on the City's reported progress in implementing its Housing Element.

California Health and Safety Code Section 34176.1 requires the City to attach an additional report to the APR when submitting it to HCD. This report provides data on the Sunnyvale Housing Successor Agency's activities and finances. The report for fiscal year 2015/16 is provided as Appendix A to the APR.

EXISTING POLICY

Sunnyvale General Plan

Community Vision, Policy CV-1.2: Provide accurate and thorough information in a timely manner to ensure that community members have an opportunity to respond effectively.

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

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(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

DISCUSSION

The APR is an important tool for tracking and monitoring the City’s progress in addressing its housing needs and goals as well as the City’s progress toward achieving the housing objectives listed in the Implementation Plan of the Housing Element. HCD encourages all cities to submit the report to show their progress in meeting the State requirement and to periodically review and update housing elements.

The 2016 APR (Attachment 1) provides the number of housing units for which the City issued building permits both in the aggregate and by affordability levels, according to State-defined income levels (extremely low through above-moderate income) during calendar year 2016. The State requires the City to hold a public hearing on the draft APR before it is submitted to HCD. The APR must be submitted to HCD by April 1, 2017.

Staff has analyzed the recently released HRP notice of funding availability (NOFA) and City building permit data for 2016, and has determined that the City did not meet the eligibility threshold to apply for an HRP grant this year. However, in the past the HRP program has allowed jurisdictions to combine permitting credits from multiple years in order to meet the threshold. Based on the current pipeline of affordable units, staff anticipates qualifying for the program in subsequent years, if HRP funding remains available. It is important to submit the APR on time this year in order to maintain the City’s eligibility for future NOFAs for HRP funds.

FISCAL IMPACT

The recommended action will allow the City to qualify for and likely receive future HRP grants.

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

1. Approve the Annual Progress Report on implementation of the Housing Element.
2. Approve the Annual Progress Report on implementation of the Housing Element with modifications.

STAFF RECOMMENDATION

Alternative 1: Approve the Annual Progress Report on implementation of the Housing Element.

As noted above, it is important to submit the APR on time each year to maintain the City’s eligibility for future funding opportunities through the HRP grant program. In the past several years, the City has obtained nearly \$2 million to improve local parks through the HRP program, which was created

by the State to reward local jurisdictions that make significant progress toward their RHNA objectives.

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ATTACHMENT

1. 2016 Annual Progress Report