



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Options to Affect Sunnyvale Jobs to Housing Ratio (Information Only)

BACKGROUND

The City of Sunnyvale has been mindful about the relationship of jobs and housing since at least 1979, recognizing the link between the two; noting that housing close to jobs benefits air quality, and that the jobs housing ratio is a regional issue. Over time, Sunnyvale has amended the General Plan and zoning to decrease the potential number of jobs and increase the potential for housing units. Changes in the types of industries and household size have also affected the number of jobs and overall population in Sunnyvale. City staff and City Councilmembers have participated in regional and state organizations that support providing more housing near jobs.

Over the past five to ten years there are a growing number of community members asking the City to plan for and allow more housing and to include more programs to assist members of the community that struggle with the high cost of rents and home sale prices. Numerous governmental and non-governmental agencies are promoting additional housing and affordability programs. At the same time, there are also community members who have stated that the level of development in Sunnyvale (both residential and non-residential) is too much.

On April 11, 2017, the City Council adopted an update to the Land Use and Transportation Element (LUTE) of the General Plan. The update process, nicknamed Horizon 2035, was strongly influenced by a City Council appointed advisory committee composed of a cross section of community members. The Horizon 2035 Committee made recommendations on policies and land use map designations that resulted in additional housing development opportunities in Sunnyvale (including the mixed-use villages at shopping center sites). Upon adoption of the LUTE in April 2017 the Council requested that staff return with additional information on how to affect the Jobs Housing Ratio.

Prior to the adoption of the LUTE, on September 20, 2016, the City Council adopted the Peery Park Specific Plan (PPSP) that added the potential for 215 residential units. At the same hearing, the City Council authorized the study of two additional sites in the PPSP area for residential uses; that study could consider about 500 additional housing units on two sites in the PPSP area. On December 6, 2016, the City Council approved the Lawrence Station Area Plan (LSAP) which included the potential for approximately 2,000 additional housing units over the zoning in place at the time; the City Council also directed the study of additional housing in the LSAP area (that study is underway and is anticipated that it will be presented to Council in fall 2018). In August 2017, the City Council considered the "preferred land use scenario" for the update to the Precise Plan for El Camino Real

(ECR-Plan) and adopted a “residential plus” scenario, which could increase the allowable housing on El Camino Real over the amount in the 2017 adopted LUTE. If all the residential units in the preferred scenario are adopted, the updated ECR-Plan would accommodate up to 2,700 additional housing units (above the number of units in the LUTE). These three efforts could increase the allowable housing by over 5,000 dwelling units.

An application to initiate a Specific Plan Amendment (SPI) for the Moffett Park Specific Plan (MPSP) was recently submitted; it includes a request to consider residential uses in the MPSP area. This initiation request (which would allow a formal application to be filed and a study to be conducted) is scheduled for Planning Commission recommendation on January 22, 2018 and City Council consideration on February 6, 2018. If the SPI is approved, staff would return to the City Council for direction on the types of land uses and on the development levels to be studied.

A study issue assigned to CDD is the 2017 Housing Strategy. The focus of the strategy study is less on general land use provisions and will address four key areas: rent stabilization for mobile home parks; age-friendliness of housing; supply-side housing efforts; and, demand-side programs. If sufficient funding is available, the study will also look at: development review; funding; accessory dwelling units (ADUs); and Housing Element objectives. The City Council adopted the Work Plan on December 12, 2017 and staff is currently requesting proposals from qualified consultants.

EXISTING POLICY

GENERAL PLAN - Land Use and Transportation Element (Adopted 2017)

GOAL LT-1A Coordinated Regional and Local Planning

Policy LT-1.3: Contribute to a healthy jobs-to-housing ratio in the region by considering jobs, housing, transportation, and quality of life as inseparable when making planning decisions that affect any of these components.

GOAL LT-7 Diverse Housing Opportunities

Policy LT-7.2: Determine the appropriate residential density for a site by evaluating the site planning opportunities and proximity of services (such as transportation, open space, jobs, and supporting commercial and public uses).

GOAL LT-11 Supportive Economic Development Environment

Policy LT-11.4: Participate in regional efforts to respond to transportation and housing problems caused by economic growth in order to improve the quality of life and create a better environment for businesses to flourish.

Action 1: Support land use policies to achieve a healthy relationship between the creation of new jobs and housing.

GOAL LT-14 Special and Unique Land Uses to Create a Diverse and Complete Community

FUTURE PLANS

Policy LT-14.3: Use special area plans to guide land use and development in areas that support alternative travel modes, Village Centers, economic development, and a better

jobs/housing ratio.

COMMUNITY BENEFITS

Policy LT-14.8 Ensure that development projects provide appropriate improvements or resources to meet the city's future infrastructure and facility needs, and provide development incentives that result in community benefits and enhance the quality of life for residents and workers.

COUNCIL POLICY MANUAL

Policy 1.1.5 Jobs/Housing Imbalance (Adopted 1979)

This policy is designed to define the jobs/housing imbalance problem and to serve as an acknowledgement by the City Council that the jobs/housing imbalance and related problems are endemic to all cities in the County of Santa Clara (see Attachment 1 for complete policy statement).

DISCUSSION

The jobs to housing ratio was discussed in the April 11, 2017 Report to Council for the LUTE, an excerpt of that section of the report is provided in Attachment 2. The excerpt also includes options for addressing the jobs to housing ratio. Three main ideas were presented; two of the options were implemented/pursued by the City Council. The status of each follows:

- *Increase Housing: Three Key Areas.* These studies are in process and include the Lawrence Station Area Plan, Peery Park Specific Plan and El Camino Real Plan.
- *Decrease Jobs: Eliminate an Employment Village.* This option was not pursued by City Council. It represents a net of about 625 additional potential jobs near a light rail station.
- *Both: Revert a portion of the Futures 5 area to housing.* The City Council modified the land use map to allow 40 percent of Futures 5 (Northrop Grumman area) to maintain a future Residential General Plan status (subject to environmental clearance).

History of Jobs and Housing in Sunnyvale Planning

Since the first general plan prepared for Sunnyvale in 1955, Sunnyvale has changed planned land use to address issues of concerns. For instance, Sunnyvale imagined itself as a primarily single-family home community with about 48,000 housing units; the requests for denser and smaller housing units (for smaller households and households with less income) increased. Businesses also noted a need for a variety of household types to support a variety of employees. The adoption of the 1972 General Plan planned for 53,000 households and projected 99,000 jobs by 1990. In the 1980s and early 1990s, after the jobs housing balance policy was adopted, the City pursued an aggressive housing program that resulted in changing general plan and zoning from industrial and commercial to residential; these actions increased the allowable number of housing units and decreased the potential number of jobs. Between 1980 and 1993 the City initiated and approved changes to the General Plan that enabled an additional 10,000 housing units. Between 1993 and 2013 privately requested General Plan amendments resulted in allowing another 6,000 units. The 2017 LUTE adoption netted another 4,000 units. In summary, the General Plan changed from 48,000 housing units in 1955 to 72,500 units in 2017; job projections changed from 120,000 in 1955 (went up a few times in the intervening years) and now (2017) the projection is for 123,000 jobs. The high mark for

actual jobs was reported by ABAG as 120,000 jobs in 1990. Throughout this same time frame the nature of industry and jobs has also changed many times from canneries and manufacturing to aerospace and defense to high-tech and medical. Shift work was more common in the past; carpooling was more popular in the early 1960s than the 1970s; employer provided transportation and shifted schedules are more common today.

A companion concern to the number of housing units is also the affordability of housing. Some of the prior City actions to increase the number and variety of housing units provide options for lower rents or purchase prices. The City programs to require the provision of affordable units in new development, payment of housing mitigation fees, City management of outside funding for affordable housing have complemented the land use efforts that enable housing to be built.

Jobs and Housing Comparison Metrics

The concept of a jobs/housing balance is not new. The general theory, in this region, is that jobs and housing should be located near enough to each other to reduce long travel distances and travel times. Travel by primarily single-occupant automobiles, a subset of the jobs to housing ratio conversation, has the potential for more air pollution;

whereas, shared transportation can reduce the miles per employee and not have a big an impact on air quality. Low and no emission vehicles also reduce air pollution, but add to the traffic that delays other vehicles. There is also a general opinion that shorter travel times result in better quality of life for individuals, which in turn benefits society. Before modern transportation options enabled people to live further from their jobs, the interest was often more focused on having a job than being close to the job. In parts of the United States, the emphasis on the jobs to housing ratio is to assure that every resident who wants or needs a job has one.

The discussion about jobs and housing ratios heightened in Santa Clara County and the San Francisco Bay Area in the 1970s and has come in and out of the public's consciousness for over 40 years. There are several different ways to describe the relationship of jobs and housing, and whether any metric relates to an individual city, county or region. Not all cities are suitable for high numbers of jobs and housing units (e.g., topography or geology may play a role, as does proximity to transportation).

There is no nationally or regionally agreed optimal jobs to housing ratio (or for any other related metric). The Association of Bay Area Governments (ABAG) has noted the relationship between jobs and housing and used information on job growth when projecting Regional Housing Needs Allocations (RHNA) for the cities and counties in the ABAG nine-county region. ABAG has not adopted a preferred ratio or goal ratio for cities, or even for the region. Metropolitan Transportation Commission (MTC, now a partner agency with ABAG) has recently noted the growth in jobs since 2008 vs. the growth in housing, commenting on an imbalance. These numbers only address growth and are measured from a period when there was a precipitous recession with loss of many jobs- some of the growth can be attributed to "economic recovery" of "lost" jobs.

To illustrate the metrics an island city is used. If this island city had 10,000 housing units, 15,000 jobs, and 15,000 employed persons, there could be:

- Jobs to Housing (expressed as a ratio, 1.5:1)
- Housing to Jobs (expressed as a ratio, 1:1.5)
- Jobs per employed residents (expressed as a number, 1)

However, most cities and regions are not islands, and employees of businesses may live in another city or region. If the goal is to reduce travel time, it may not be as important as to what city someone lives in, but how far they need to travel (vehicle miles traveled). Travelling within San Jose could be as many as 20 miles, or travelling from Sunnyvale to Menlo Park could mean travelling in or through 5 cities and into another county and travelling fewer miles (15 miles). While it is helpful to see what the ratios are for an individual city, Sunnyvale may also want to look at other nearby or similar size cities, Santa Clara County (or only part of the county such as North County), Silicon Valley (all or parts of four counties), or all nine Bay Area Counties. It is challenging to know where to draw the line for a given metric.

Cities can best control the rate and number of housing units and rate and square foot of non-residential development through their police powers (e.g.; zoning, growth management tools). Population and jobs are less in the control of the cities (cities have limited influence on household size or amount of square feet per employee). A less common metric is the amount of commercial/industrial development to the number of housing units. For Sunnyvale's currently adopted LUTE (of the General Plan) that number would be 817:1.

Options to address Jobs to Housing ratio

As discussed in the report to Council that accompanied the LUTE, in April 2017, there are two basic strategies for affecting the jobs to housing ratio in Sunnyvale: increase housing units and decrease jobs. There is also an advocacy role the City can expand to support efforts of other communities. Several concepts are outlined below.

Increase Housing Units

- Plan for additional housing in area plans (some of these efforts have already been initiated)
- Modify Development standards, such as:
 - Allow more accessory dwelling units
 - Relax development standards
 - increase allowable densities

- reduce minimum lot sizes for residential zoning districts
 - Increase density bonus options
- Eliminate or streamline the General Plan Amendment Initiation process for developer selected new housing sites. The action to amend the General Plan would still be subject to City Council approval; however, the “gatekeeper” role or process could be modified.
- Increase incentives (similar to the Lawrence Station Area Plan, or create new types of incentives)
- Increase the minimum development described in the Housing Element (currently 75% of zoning maximum)

Decrease Jobs

- City initiated site selection
 - Rezone industrially and commercially zoned sites to residential zoning
- Limit non-residential development
 - Lower maximum intensity (floor area ratio)
 - Modify the options for higher density
 - Moratorium

Strengthen Regional Focus

- Revise to Balanced Growth Profile to provide dashboard information about Sunnyvale change and include regional comparisons
- Continue to advocate for each city to do its fair share of housing

Environmental and Infrastructure Review

Any study of changes to the general plan or zoning regulations would require an examination of potential environmental impacts and a review of infrastructure capacity. Availability of water and capacity for sewer treatment are two types of infrastructure capacity that would require analysis. Sunnyvale is currently rebuilding the water pollution control plant to support the recently adopted LUTE buildout. There may be flexibility to modify land uses and have sufficient capacity, but there is a limit to how much change can be considered.

Conclusion

This report is for information only. The ideas in the report may provide City Councilmembers with a broader context for thinking about the jobs to housing ratio in Sunnyvale and in the region. All of the

options listed above would require policy considerations; those not already in progress would need to be considered as a study issue as staff resources and possibly additional funding for environmental, infrastructure and fiscal impact analysis.

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.

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ATTACHMENTS

1. Policy 1.1.5 Jobs/Housing Imbalance
2. Excerpts from Report to Council on LUTE re: Jobs Housing