



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 18-0101, Version: 1

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### REPORT TO COUNCIL

#### **SUBJECT**

Approve the 2017 Annual Progress Report on Implementation of the General Plan Housing Element

#### **BACKGROUND**

California Government Code Section 65400 ("Section 65400") requires cities and counties to submit an Annual Progress Report (APR) to the State by April 1 of each year. APRs must be submitted to two State agencies: the Governor's Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD). The APRs describe each jurisdiction's progress in implementing the housing elements of their General Plans. Until 2018, charter cities such as Sunnyvale were not required to comply with the APR reporting requirements. However, Sunnyvale submitted APRs voluntarily in prior years to qualify for State grants, such as the Housing Related Parks (HRP) program. The City received two HRP grants in recent years, amounting to a total of more than \$2 million in grant funds. These grants were used to make capital improvements to Fair Oaks Park.

Two new laws which took effect on January 1, 2018 (SB 35 and AB 879) now require all jurisdictions, including charter cities, to submit an APR every year, beginning with the 2017 APRs, due by April 1, 2018. These laws also expanded the types of data that must be reported in the APRs. However, HCD will not have new reporting forms available in time for the 2017 APR deadline. HCD has instructed jurisdictions to use the current reporting form for 2017, and plans to update the reporting forms in time for the 2018 APR deadline of April 1, 2019.

The draft 2017 APR (Attachment 1) provides an update on the City's progress in implementing the 2015-2023 Housing Element. The APR describes the City's accomplishments through the end of calendar year 2017 that contribute toward meeting its Regional Housing Needs Allocation (RHNA), as described further in the Discussion section below. Appendix A of the APR is the City of Sunnyvale Housing Successor Agency Annual Report on the Low-Moderate Income Housing Asset Report (LMIHAF) for fiscal year 2016/17, as required by Health and Safety Code Section 34176.1 (f).

#### **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 a tool for tracking and monitoring the City's progress in meeting local housing needs and compliance with State housing element law. There are three components to the APR:

- 1) a quantitative report on housing unit permitting;
- 2) a narrative update on implementation of housing objectives (Table C); and
- 3) the annual Housing Successor Agency Report on Low and Moderate Income Housing Funds.

These components are described further below and provided in Attachment 1.

Part 1 of the APR shows the number of housing units for which the City issued building permits in calendar year 2017, in total and by State-defined affordability levels. These affordability levels range from extremely low through above-moderate income. Most of the tables reflect permits issued for new dwelling units, while Table A2 provides the number of affordable housing units rehabilitated, acquired and/or preserved, only if such projects were included as objectives in the Housing Element.

Part 2 of the APR (Table C) provides an update on the City's progress toward achieving the housing objectives listed in the Implementation Plan of the Housing Element. A summary of those objectives is provided in Table 48 of the Housing Element (pages 123-128), available on the City's website.

Part 3 of the report (Appendix A) is required by California Health and Safety Code Section 34176.1 for a city that has assumed the housing function of a former redevelopment agency ("housing successor agency") and responsible for the administering housing set-aside funds, now known as Low-Moderate Income Housing Funds or LMIHAF. The City is the housing successor agency for the former Redevelopment Agency of the City of Sunnyvale. Appendix A provides data on the Sunnyvale Housing Successor Agency's activities and finances in fiscal year 2016/17.

## **FISCAL IMPACT**

Approval and submittal of the APR is required by State law, and may assist the City in qualifying for future State grant opportunities. Otherwise, as the report is primarily for informational purposes, this action does not have any fiscal impact.

## **PUBLIC CONTACT**

Section 65400 requires Council to consider the APR "at an annual public meeting before the legislative body where members of the public shall be allowed to provide oral testimony and written comments" (on the City's reported progress in implementing its Housing Element). In addition, email notifications were sent to interested parties and housing advocacy organizations.

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 2017 Annual Progress Report (Attachment 1) on implementation of the Housing

- Element and direct staff to submit it to the Governor's Office of Planning and Research and the California Department of Housing and Community Development.
2. Approve the 2017 Annual Progress Report on implementation of the Housing Element with modifications, and direct staff to submit it to the Governor's Office of Planning and Research and the California Department of Housing and Community Development.

### **STAFF RECOMMENDATION**

Alternative 1: Approve the 2017 Annual Progress Report (Attachment 1 of the report) on implementation of the Housing Element and direct staff to submit it to the Governor's Office of Planning and Research and the California Department of Housing and Community Development.

Staff recommends Alternative 1 in order to maintain the City's compliance with State law (i.e., Health and Safety Code section 34176.1 and Government Code section 65400). All local jurisdictions, including charter cities, are now required to submit the APR to the Governor's Office of Planning and Research and the California Department of Housing and Community Development by April 1 of each year.

Prepared by: Shila Behzadiaria, Assistant Planner  
Reviewed by: Suzanne Isé, Housing Officer  
Reviewed by: Trudi Ryan, Director, Community Development  
Reviewed by: Teri Silva, Assistant City Manager  
Approved by: Kent Steffens, City Manager

### **ATTACHMENT**

1. Draft 2017 Annual Progress Report