

REPORT TO COUNCIL

SUBJECT

Consider Approval of Draft 2020 Housing Strategy and Implementation Schedule (Study Issue)

SUMMARY OF COMMISSION ACTION

The Housing and Human Services Commission (HHSC) considered this item on August 26, 2020. The Housing and Human Services Commission recommended Alternatives 2 and 5: Approve of the 2020 Housing Strategy with modifications and Approve Implementation Schedule with modifications. The vote was 6-0, with no Commissioners dissenting, absent, or abstained. Minutes of the HHSC meeting are in Attachment 6. Staff comments on the HHSC's recommended modifications are as follows.

- Alternative 2 - Approve the Housing Strategy with the following modifications:
 - Include additional background information, clarification, and data on MOUs and Rent Stabilization in California.
 - Staff comment: With project consultant costs fully expended, staff does not recommend additional data incorporated into the report, but rather focus available resources on timely implementation.
- Alternative 5 - Approve the Implementation Schedule with the following modifications:
 - a. Create 1d to add "Facilitate New Ways to Use Homes through Home Sharing" to the Age Friendly Strategies to implement;
 - Staff Comment: Adding a home-sharing type program as a strategy recommendation would not change the ability for an organization to offer these types of services in the community, as they are allowed currently. City Housing Mitigation Funds would not be able to go towards this type of program as there are no affordable housing deed restrictions.
 - b. 4a (mobile home park space rent stabilization) and 4b (MOU between mobile home park owners and the City) shall require the creation of Community Advisory Committee for implementation;
 - Staff comment: Staff would include formal community involvement in implementation of either strategy (rent stabilization or MOU); however, the requirement for a formal advisory committee would add several months to the

schedule.

- c. 4a and 4b shall provide a legal expert that can advise the Community Advisory Committee during implementation;
 - Staff comment: Staff is not recommending a formal advisory committee.
- d. 4a and 4b shall provide ongoing legal support for the residents of mobile home parks after implementation;
 - Staff comment: The City may have an enforcement role to play after implementation of an MOU or Rent Stabilization Ordinance. However, it seems premature to commit to providing legal services to residents and it would be at an unknown ongoing cost.
- e. 4b shall include parameters in the MOU that include residents on long-term space rent leases and residents with existing space rent leases;
 - Staff comment: Staff has included a version of this in the updated recommended strategy (Attachment 3). Prior to August 31, 2020, when Governor Newsom signed AB 2782, *Mobilehome Residency Law* exempted properties with a rental agreement (that is in excess of 12 months' duration) in a mobile home park from local ordinances and initiative measures that establish a maximum amount that a landlord may charge a tenant for rent (i.e. rent stabilization or rent control). However, AB 2782 removes that exemption in the *Mobilehome Residency Law* for long-term rental agreements entered into on February 13, 2020 and later. The bill also sunsets that provision on January 1, 2025.
- f. 4b (MOU) shall mandate that 4a (rent stabilization) be implemented after a 6 month check in with the Council if no significant progress has been made on 4b (MOU negotiations).
 - Staff comment: The staff recommendation includes a check in with City Council at the six-month mark which gives the Council the option of continuing with a MOU or discontinuing so that efficient progress is made, based on data from the legal consultant or mediator. Staff is recommending this check for Council to understand progress made and identify a clear path to finalizing the MOU or begin working on a rent stabilization ordinance. Actions taken by the current City Council cannot bind future Councils to a course of action. The decision to adopt an MOU or rent stabilization ordinance could only be made after all of the provisions have been written and public hearings are conducted.

PUBLIC CONTACT

In addition to the extensive public outreach conducted through this Housing Strategy, public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety. In addition, the agenda and report are available at the Office of the City Clerk and on the City's website.

The Draft Housing Strategy has been available for public review since August 5, 2020. Interested

parties were notified of the schedule and the availability of the public review draft of the Housing Strategy

ALTERNATIVES

Housing Strategy

1. Approve the 2020 Housing Strategy (Attachment 2 to the report).
2. Approve the 2020 Housing Strategy, with modifications proposed by the HHSC, or other modifications made by the City Council.
3. Do not approve the 2020 Housing Strategy.

Implementation Schedule

4. Approve the Updated Implementation Schedule (Attachment 3 to the report).
5. Approve the Updated Implementation Schedule with additional modifications as proposed by the HHSC or other modifications made by the City Council.
6. Do not approve the Updated Implementation Schedule.

STAFF RECOMMENDATION

Alternative 1 and Alternative 4: 1) Approve the 2020 Housing Strategy (Attachment 2 to the report) and 4) Approve the Updated Implementation Schedule. (Attachment 3 to the report).

Staff recommends the Housing Strategy and updated Implementation Schedule as a comprehensive approach to addressing priority housing issues in Sunnyvale. The selected strategies and implementation schedule are based on community and Council feedback and professional judgment on which strategies best suit Sunnyvale and have a good chance at success. Tier 1 items were selected to address high priority (such as mobile home park rents) and relatively simple to implement (such as increasing ownership inclusionary percentage).

Prepared by: Jenny Carloni, Housing Officer

Reviewed by: Trudi Ryan, Director, Community Development

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Report to Housing and Human Services Commission 20-0254, August 26, 2020 (*without attachments*)
2. 2020 Draft Housing Strategy
3. *Updated* Implementation Schedule
4. CDD 17-09 Housing Strategy Study Issue Paper
5. Detailed List of Relevant Housing Policies

Additional Attachments for Report to Council

6. Approved Minutes of the Housing and Human Services Commission Meeting of August 26, 2020.
7. Public Comment Letters received prior to August 26, 2020
8. Public Comment Letters received after August 26, 2020