



Community Development Roundtable

Milpitas Housing Element Update



Meeting Objectives

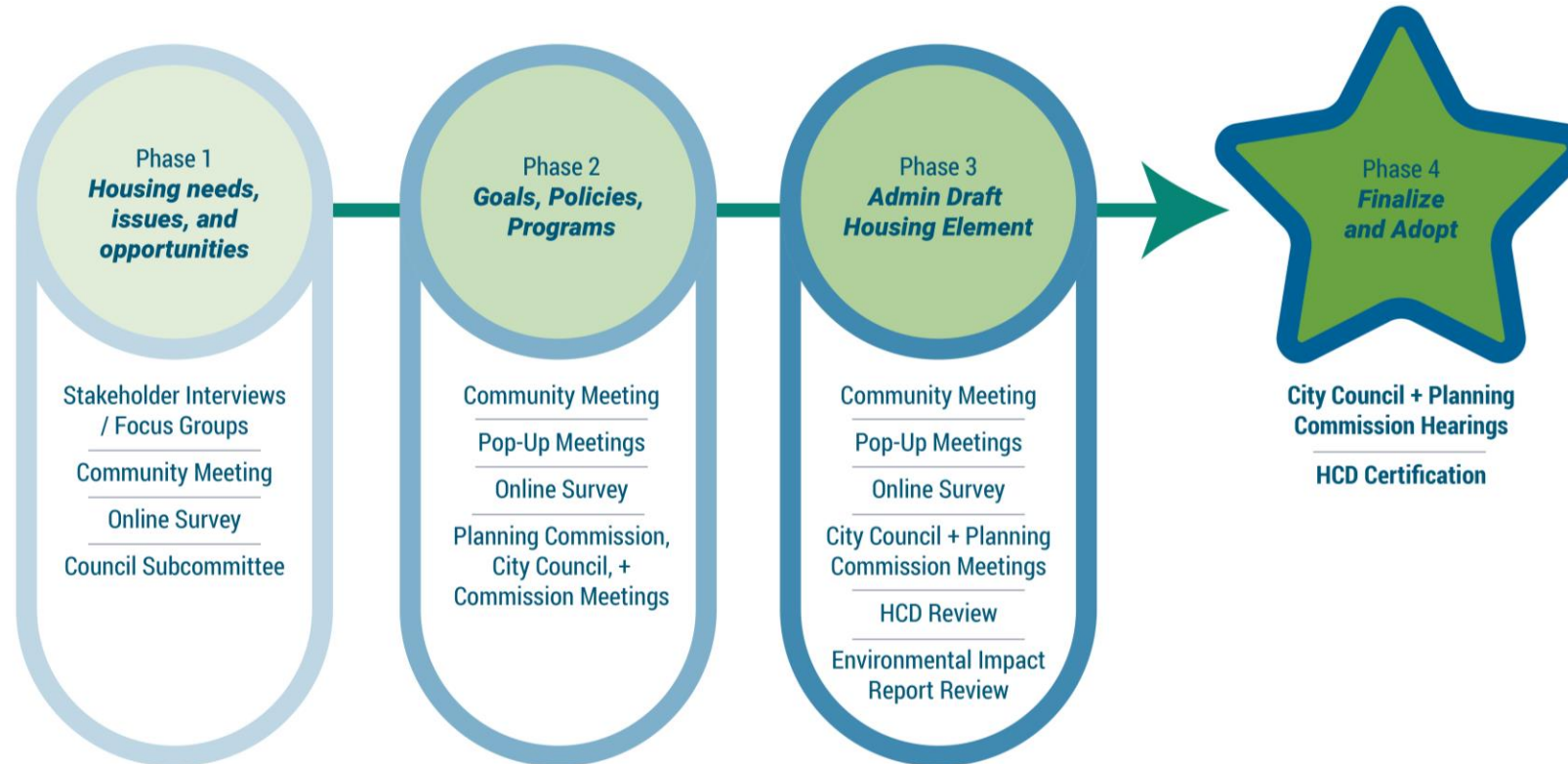
- Provide background on the Housing Element and process
- Share Phase 1 engagement results
- Review initial needs and constraints findings
- Review RHNA requirement and Sites Inventory methodology
- Get initial input on housing sites and programs

Housing Element Requirements

- **Required Element of the General Plan**
- **Must be updated every 8 years and certified by HCD**
- **Currently planning for the 6th cycle (2023-2031)**
- **Statutory deadline is January 31, 2023**
- **Plan for Regional Housing Needs Allocation (RHNA)**



Housing Element Update Process



Phase 1 Engagement

Purpose and Participation

➤ Purpose:

- Website: provide project resources
- Workshop: in-depth engagement and feedback
- Survey: broader outreach and overview
- Stakeholder Interviews: representatives of those who have not been historically included and involved in planning processes

➤ Total participants: 118

- Workshop #1: 25
- Survey #1: 62
- Stakeholder Interviews: 31
- Website: ~200 visitors

Phase 1 Engagement Strengths and Successes

➤ Affordability

- Projects with a high-level of affordability, such as Sango Court and Sunnyhills
- ADUs allow for affordable housing to be built citywide

➤ Rent and Homelessness Assistance

- Rent relief program and other funds are working well and have quick turnarounds
- Extended Stay America Conversion program

➤ New Development

- Transit-oriented
- Main Street densification and mixed-use
- Improved planning and approval

“It’s been encouraging to see more developers move away from feeing out of building affordable units and actually building them. This is good because the fees do not always translate to those units being built later on.”

Phase 1 Engagement

Weaknesses and Challenges

➤ Housing Cost and Cost of Living

- High overall
- Acute impact on low-income people, younger generation, people with fixed income
- Homeownership is out of reach

➤ Lack of Housing for Specific Groups

- Families with children, low-income households, young adults/professionals, persons with disabilities

➤ Low Supply

- Both for renting and for sale

➤ Overdevelopment and Overcrowding

- Balanced approach distributed across the city
- Impact on infrastructure

“My vision for housing in Milpitas is for every person that already lives here in Milpitas to be able to afford to live here. Everyone here wants to stay in this town, but many are feeling they can’t afford it because all the homes to buy are over 1 million. Rent is \$2,500 and up starting for a one-bedroom. Many of the people that live here help the city keep their businesses going but on little wage. Many are living paycheck-to-paycheck that middle income has become unrealistic for most here.”



Housing Needs, Constraints, and Opportunities





Housing Need Considerations

- **Age Composition:** The large increase in the older age groups from 2010 to 2019 indicates a potential need for more smaller units, senior housing, and assisted living facilities in the future
- **Jobs:** Between 2002 and 2018, the number of jobs in Milpitas increased by 29%. Milpitas has more low-wage jobs than low-wage residents and more high-wage jobs than high-wage residents. This indicates that Milpitas needs to add a wide range of housing types to meet the needs of its workforce
- **Household Size:** The household size distribution in Milpitas indicates that a range of unit sizes are needed in the City to meet the needs of different household sizes.

Housing Need Considerations

- **Housing Stock:** Milpitas has a high percentage of single-family homes. The City should continue to encourage and facilitate Accessory Dwelling Units (like the Accessory Dwelling Unit (ADU) Incentive Program and the Safe ADU Legalization Program)
- **Rents :** Fifteen percent of renters pay more than 50 percent of their household income toward rent. High rates of cost burden in Milpitas and Santa Clara County are reflective of a housing shortage and high housing costs, illustrating the need for additional housing units, especially for lower-income households.
- **Ownership:** The largest proportion of homes had a value in the range of \$750k-\$1M in 2019. Home prices increased by 125.4% from 2010 to 2020 emphasizing the need for affordable housing alternatives.



Housing Need Considerations

➤ Special Needs

- Milpitas has 125 unsheltered individuals and no sheltered individuals, lower than other parts of the region.
- In Milpitas, 7.2% of residents have a disability of any kind and may require accessible housing
- 15.1% of Milpitas households are larger households with five or more people, who likely need larger housing units with three bedrooms or more



Housing Constraint and Opportunity Considerations

➤ Land Use Controls

- **General Plan / Zoning:** No significant housing constraints. Town Center (TC) and Neighborhood Commercial Mixed Use (NCMU) designations more likely to evolve as commercial sites with limited housing
- **Parking Requirements:** The parking requirements are high outside the specific plan areas and overlay zones.

➤ Provision for a Variety of Housing Types

- No significant housing constraints, allows for a variety of housing types
- New programs needed to address Supportive Housing, Emergency Shelters, Farmworker/Employee housing, and Residential Care Facilities

Housing Constraint and Opportunity Considerations



➤ Inclusionary Housing

- The City of Milpitas' Affordable Housing Ordinance (AHO) came into effect in July 2018 and requires all new residential projects with ten or more units to develop 15% of the total number of units as affordable units

➤ Development Processes and Procedures

- Review and approval timelines are similar to average times taken by other jurisdictions in Santa Clara County
- Compared to other cities in Santa Clara County, Milpitas has higher fees per unit for single and multi-family developments

Regional Housing Constraint and Opportunity Considerations

- **Cost and Availability of Land:** High land values and limited availability of land. Few property owners willing to sell or redevelop
- **Timing:** Delay in processing of applications or changes occurring during the processing phase of a project
- **Construction Costs:** High costs of construction including labor and materials. Supply chain and labor shortages also make it challenging
- **Mortgage and Financing:** High home prices and high down payments can pose a constraint to home buyers. High interest rate on loans can also deter home buyers and affect the housing market
- **Hazards:** City at risk to geologic and seismic hazards, wildfire, flood, and sea level rise



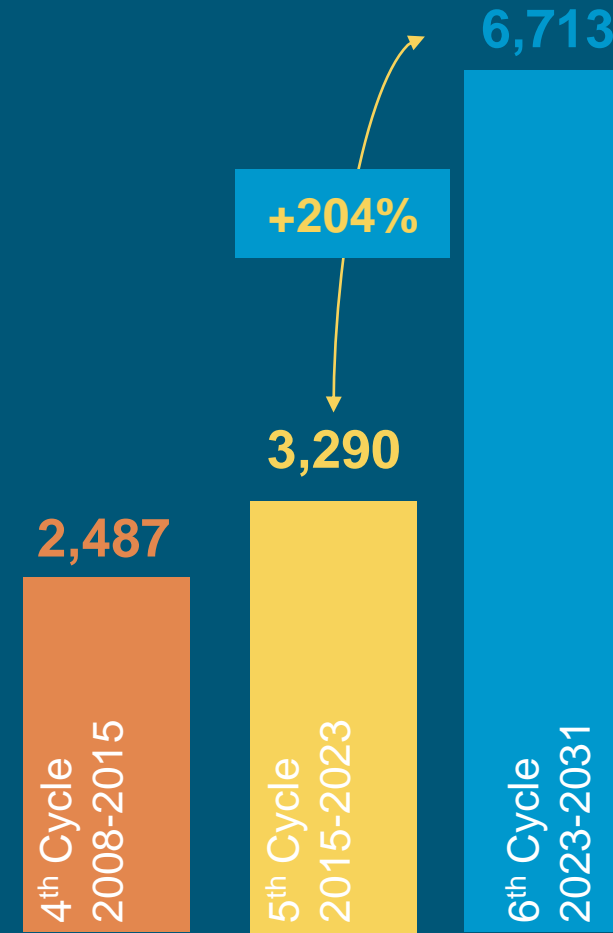
RHNA Requirement and Preliminary Sites Inventory

Regional Housing Needs Allocation

4th, 5th, and 6th cycles

**Projected Future Housing Needs
+ Unmet Existing Housing Needs**

= Higher Allocation



Sites Inventory Methodology

STEP 1. Identify Likely Sites

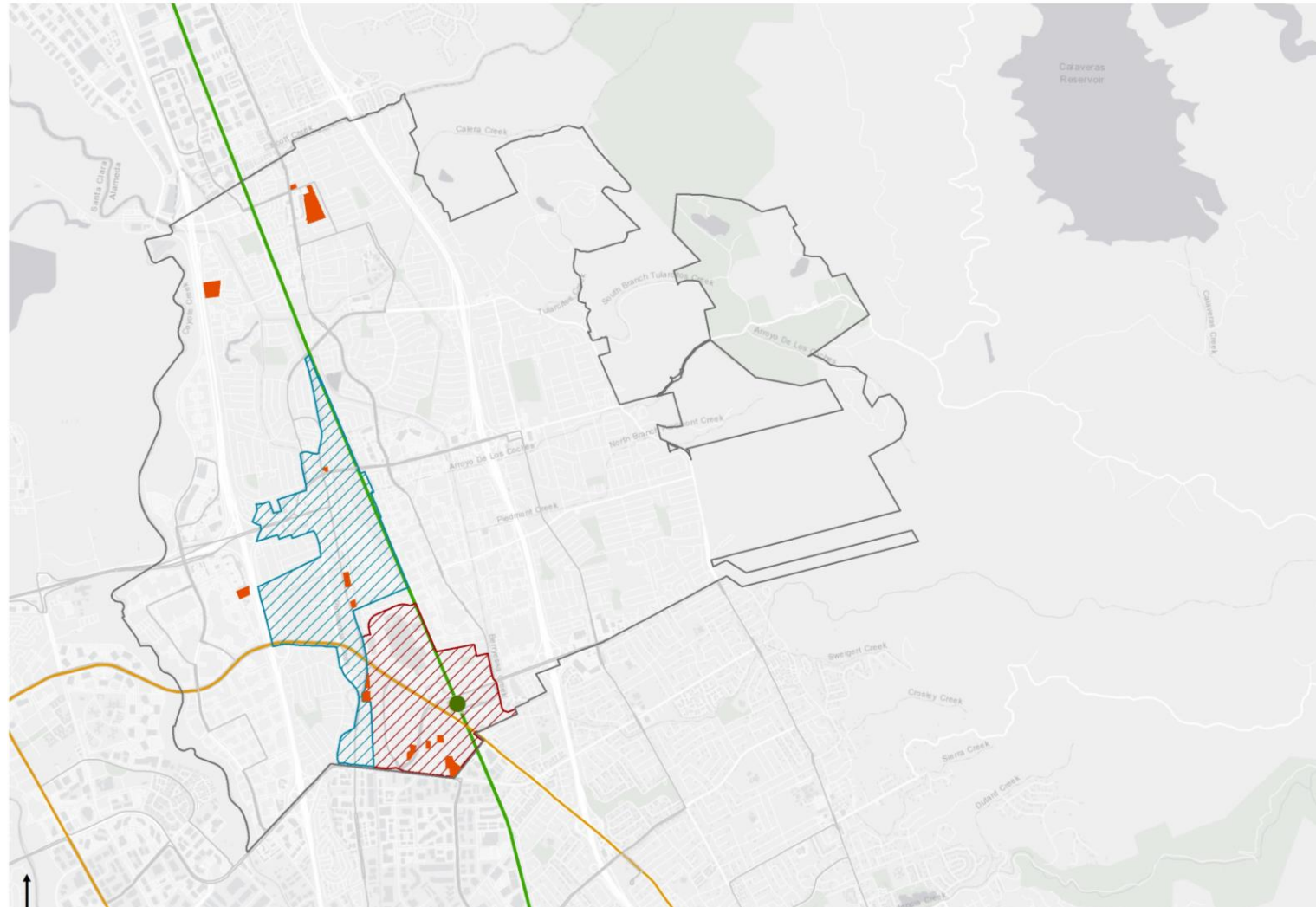
STEP 2. Calculate “Deficit” (Remaining RHNA)

STEP 3. Identify Potential Opportunity Sites

STEP 4. Evaluate and Analyze

STEP 5. Calculate Buildout

1. Identify Likely Sites



- **Accessory Dwelling Unit (ADU):** Annual ave. of 2018-2020 x 8 years (*not shown on map*)
- **Pipeline Projects:** proposed or entitled between 2018 and present

- Pipeline Projects
- ▨ Metro Specific Plan (TASP)
- ▨ Gateway-Main Street Specific Plan

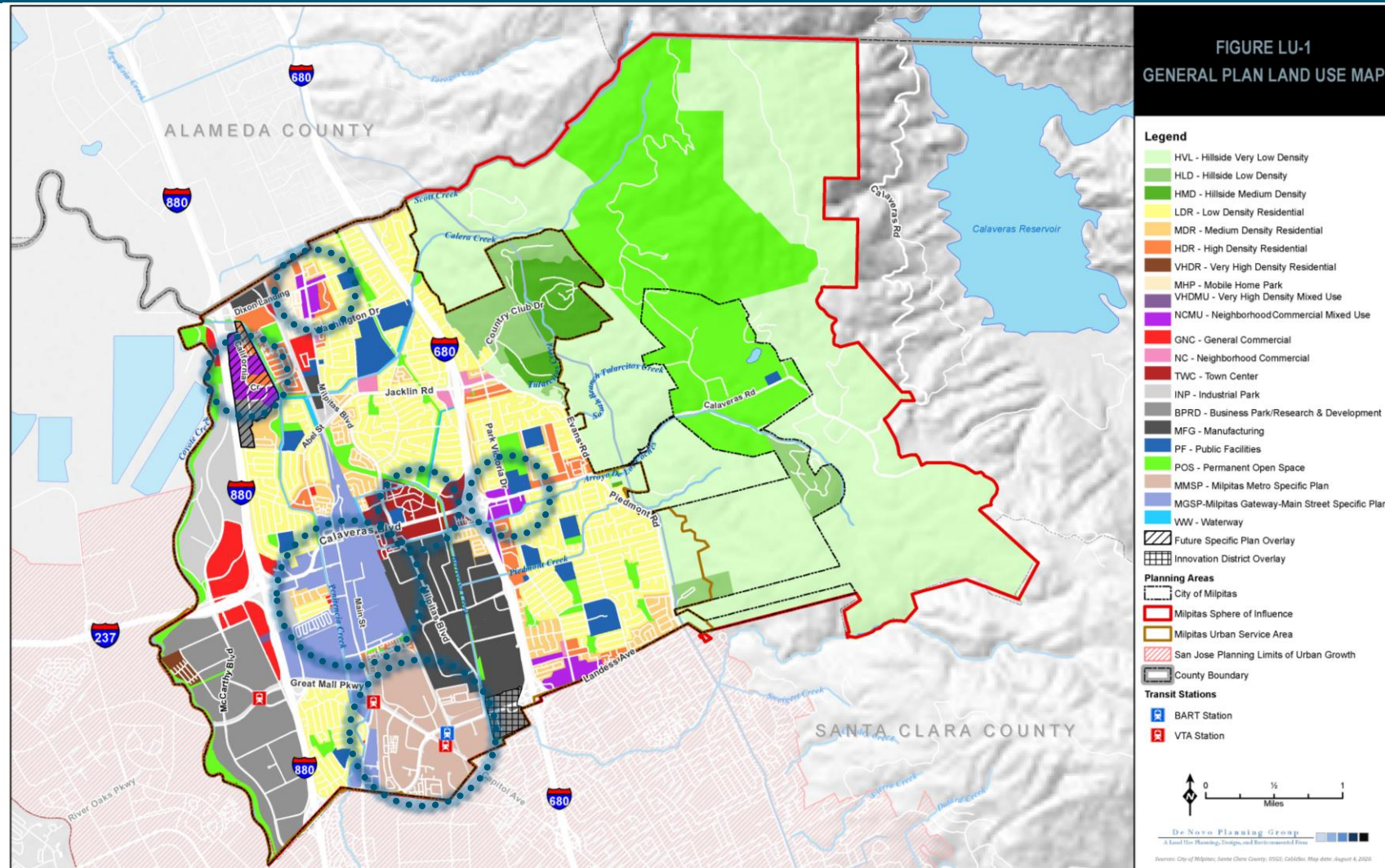


2. Calculate Deficit (Remaining RHNA)

Likely Sites	Very Low <50% AMI	Low 50-80% AMI	Moderate 80-120% AMI	Above Mod >120% AMI	Total
RHNA	1,685	970	1,131	2,927	6,713
ADUs	67	67	67	22	224
Pipeline Projects	123	254	95	943	1,415
Total	190	321	162	965	1,639
Remaining RHNA	1,495	649	969	1,962	5,074

3. Identify Potential Opportunity Sites

General Plan Land Use Map



3. Identify Potential Opportunity Sites

➤ Include

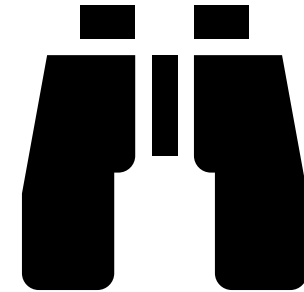
- Vacant
- Large enough for development (ideally greater than 0.5 acres)
- Underutilized (significantly below maximum density)
- Old structures

➤ Exclude

- Condos
- Large apartment buildings
- Historic buildings
- Most supermarkets

4. Evaluate and Analyze

- Review aerial photos and conduct field visits
- Review with City staff
- Public review and discussion about sites
- Remove inappropriate/unlikely sites



Affirmatively Furthering Fair Housing Analysis of Sites:

- Transit Access
- TCAC Opportunity Zones
- Environmental Risk (Flood Risk, Sea-level rise)
- Racially & Ethnically Concentrated Areas of Poverty (R/ECAP)

5. Calculate Buildout



“Heatmap” showing potential opportunity sites with capacity

- Low capacity
- High capacity
- Metro Specific Plan (TASP)
- Gateway-Main Street Specific Plan



5. Calculate Buildout and Buffer

Likely Sites	Very Low <50% AMI	Low 50-80% AMI	Moderate 80-120% AMI	Above Mod >120% AMI	Total
RHNA	1,685	970	1,131	2,927	6,713
ADUs	67	67	67	22	224
Pipeline Projects	123	254	95	943	1,415
Total	190	321	162	965	1,639
Remaining RHNA	1,495	649	969	1,962	5,074
Potential Opportunity Sites	1,280	1,280	1,604	2,312	6,476
Surplus /Deficit	(215)	631	635	350	1,402
Surplus /Deficit of Very-Low and Low		416			
Buffer		19%	66%	18%	28%

Next Steps

- **Launching Phase 2 Engagement in June**
 - Workshop #2 – **June 28th 6pm**
 - Survey #2
 - Pop-up Events at the Great Mall and library
- **Initiating Phase 2 Technical and Policy Work**
 - Finalize Sites Inventory
 - Housing Goals and Actions
 - Affirmatively Furthering Fair Housing Analysis
 - Environmental Impact Report
 - Environmental Justice Policy Integration
- **Preparing the Public Review Draft Housing Element for release in Q3**

COMMUNITY WORKSHOP #2

Housing Sites Inventory and Housing Programs

Tuesday, June 28, 6:00PM

The meeting will be held virtually on zoom.

Please register using this link:

→ <https://bit.ly/MilpitasHousingElementZoom2> ←

You will receive a confirmation email with further details for logging in.

What's this about?

Come join us to learn more about the City's Housing Element! The Housing Element is part of the City's General Plan. Its purpose is to facilitate the production of a variety of housing types, at different income levels, to accommodate all households and family types. Cities are required by state law to update their Housing Element every eight years, and the City of Milpitas is now updating its Housing Element to plan for the City's projected housing needs during the next eight years between 2023 and 2031.

In this workshop, you'll get to learn about and provide your thoughts and ideas on:

- Potential new housing locations
- Existing housing programs
- Proposed new housing programs

For more information, visit:
www.milpitashousingelement.com

For questions, contact:
HousingElement@ci.milpitas.ca.gov



Sign up here!



Discussion Questions

- **Do you have any comments on the preliminary sites inventory?**
- **Are there any specific programmatic ideas you are familiar with that the City should consider for the Housing Element?**
- **Anything else you would like us to know?**



City of Milpitas

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