

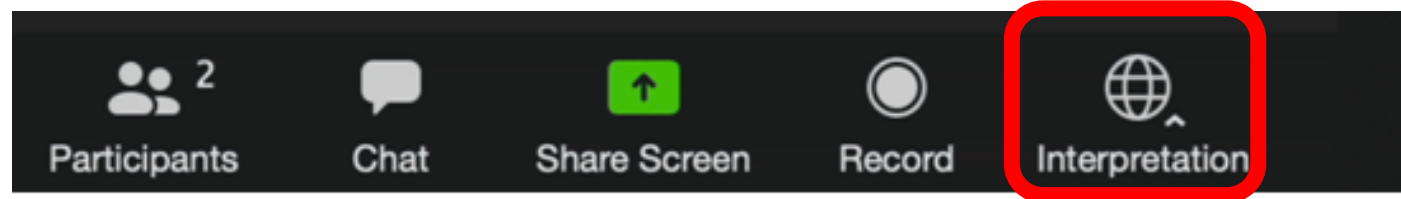


# Community Workshop #2

## Milpitas Housing Element

June 28, 2022

# Interpretación Phiên dịch 传译



➤ **La interpretación en simultáneo para esta reunión se dará en los siguientes idiomas:**

- Español – bajo la opción Español
- Por favor presione el icono INTERPRETATION en tu barra de herramientas para acceder al idioma deseado

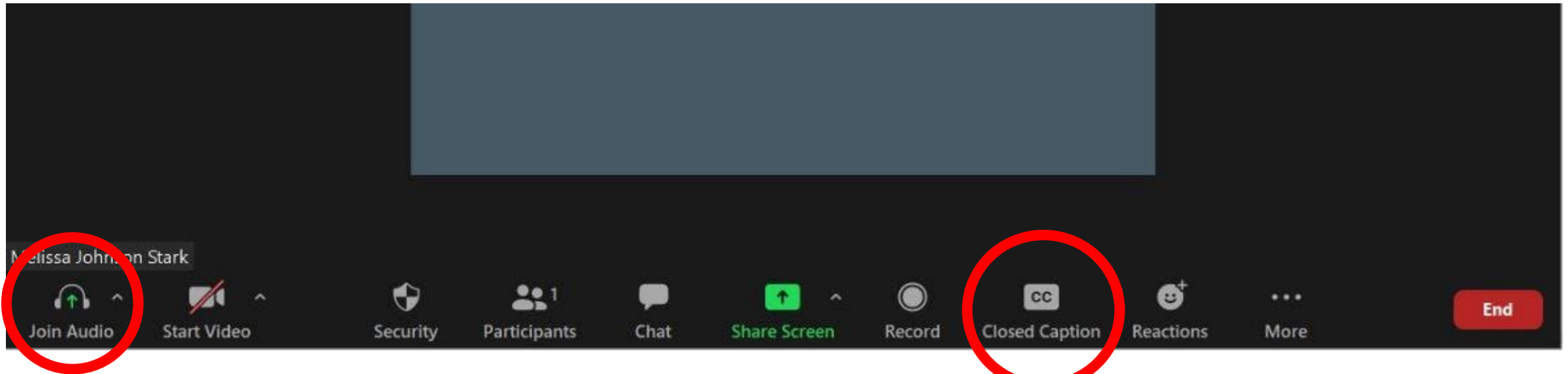
➤ **Dịch song song cho cuộc họp này sẽ được cung cấp bằng các ngôn ngữ sau:**

- Tiếng Tây Ban Nha – tùy chọn tiếng Tây Ban Nha
- Tiếng Quan Thoại – tùy chọn tiếng Quan Thoại
- Tiếng Việt – tùy chọn tiếng Việt
- Vui lòng nhấp vào biểu tượng PHIÊN DỊCH (INTERPRETATION) trên thanh công cụ của bạn để truy cập ngôn ngữ mong muốn

➤ **本次会议将提供以下语言的同声传译:**

- 西班牙语 – 选择 Spanish 选项
- 普通话 – 选择 Mandarin 选项
- 越南语 – 选择 Vietnamese 选项
- 请点击工具栏中的 INTERPRETATION 图标

# Zoom Instructions



## ➤ Join Audio

- Use your device's audio
- Call in using a cell phone

## ➤ Closed Caption is available



# Meeting Objectives

- Provide background on the Housing Element and process
- Share our community engagement strategy
- Review initial needs and constraints findings
- Review RHNA requirement and Sites Inventory methodology
- Ideas about housing programs to address needs and constraints



# Tonight's Roadmap

- **Opening Presentation (30 mins)**
  - Housing Element Background
  - Phase 1 Community Engagement
  - Housing Needs and Constraints in Milpitas
  - Preliminary Sites Inventory
- **Breakout Room Discussion (50 mins)**
- **Report Back and Next Steps (10 mins)**



# The City's 8-year plan for meeting the housing needs of everyone in the community

Provide a variety of housing types of all income groups

Assist in the development of lower and moderate-income housing

Remove constraints to housing

Conserve and improve existing housing

Promote fair housing

# 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)**



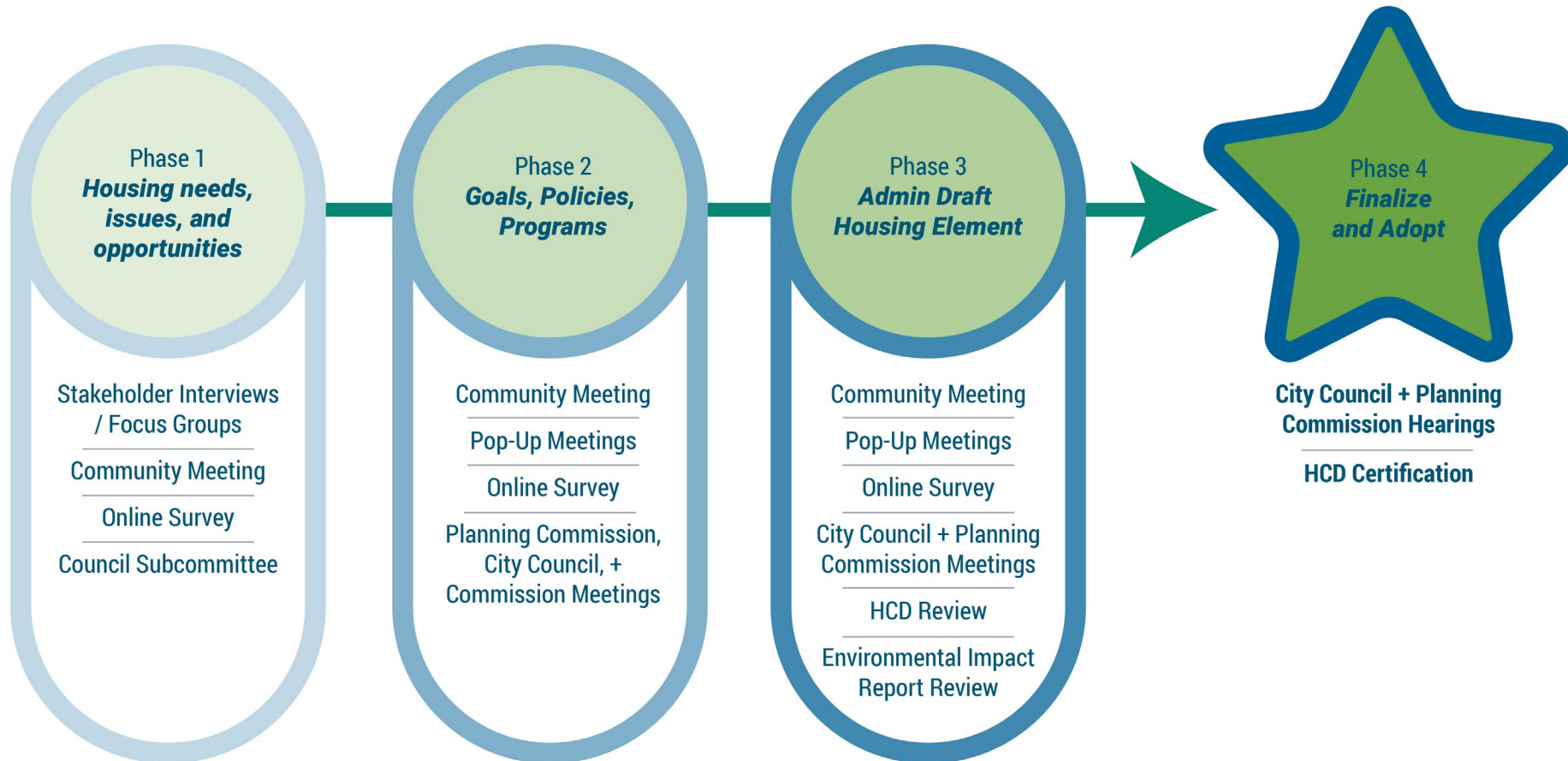
# Building on Other Efforts

- General Plan
- Affordable Housing Ordinance
- Metro Specific Plan
- Gateway-Main Street Specific Plan
- Assessment of Fair Housing
- Homelessness Task Force
- Santa Clara County Collaborative
- Council Goals and Priorities





# 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
- City Council study session: review Phase 1 work and engagement

### ➤ Total participants: 118

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



# Phase 1 Engagement

## Outreach Methods

- **City's social media channels:** NextDoor, Facebook, Twitter
- **City newsletters:** Milpitas Matters, Connected
- **Email listservs:** Milpitas Chamber of Commerce, Economic Development
- **Direct contact:** Key stakeholders and organizations, City Commissioners
- **Events:** Earth Day, Community Development Roundtable, ADU workshops, Great Mall
- **Flyers:** Library, Senior and Community Centers, 171 units at Sunnyhills Apartments, City Hall Permit Center

# 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

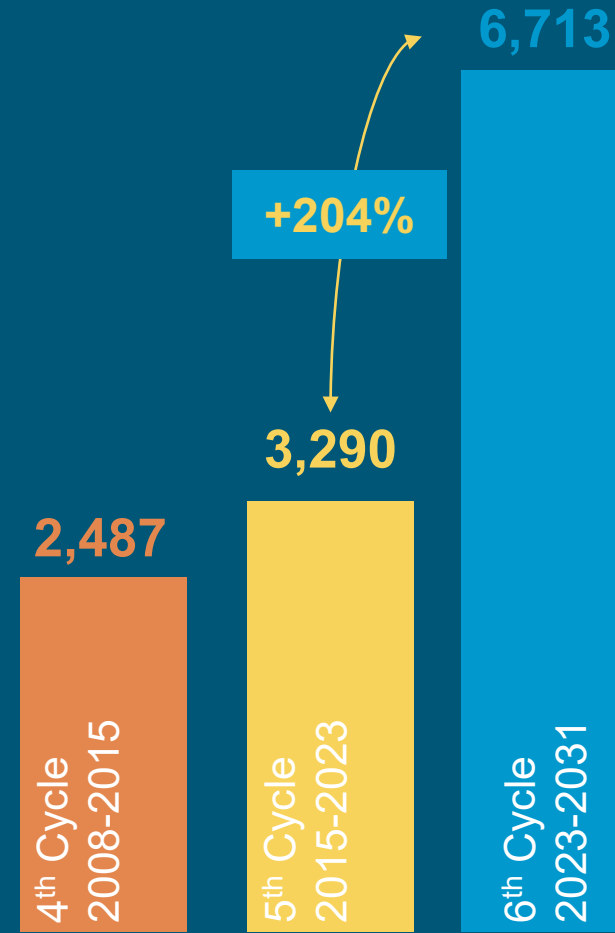
# Regional Housing Needs Allocation

4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> cycles

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

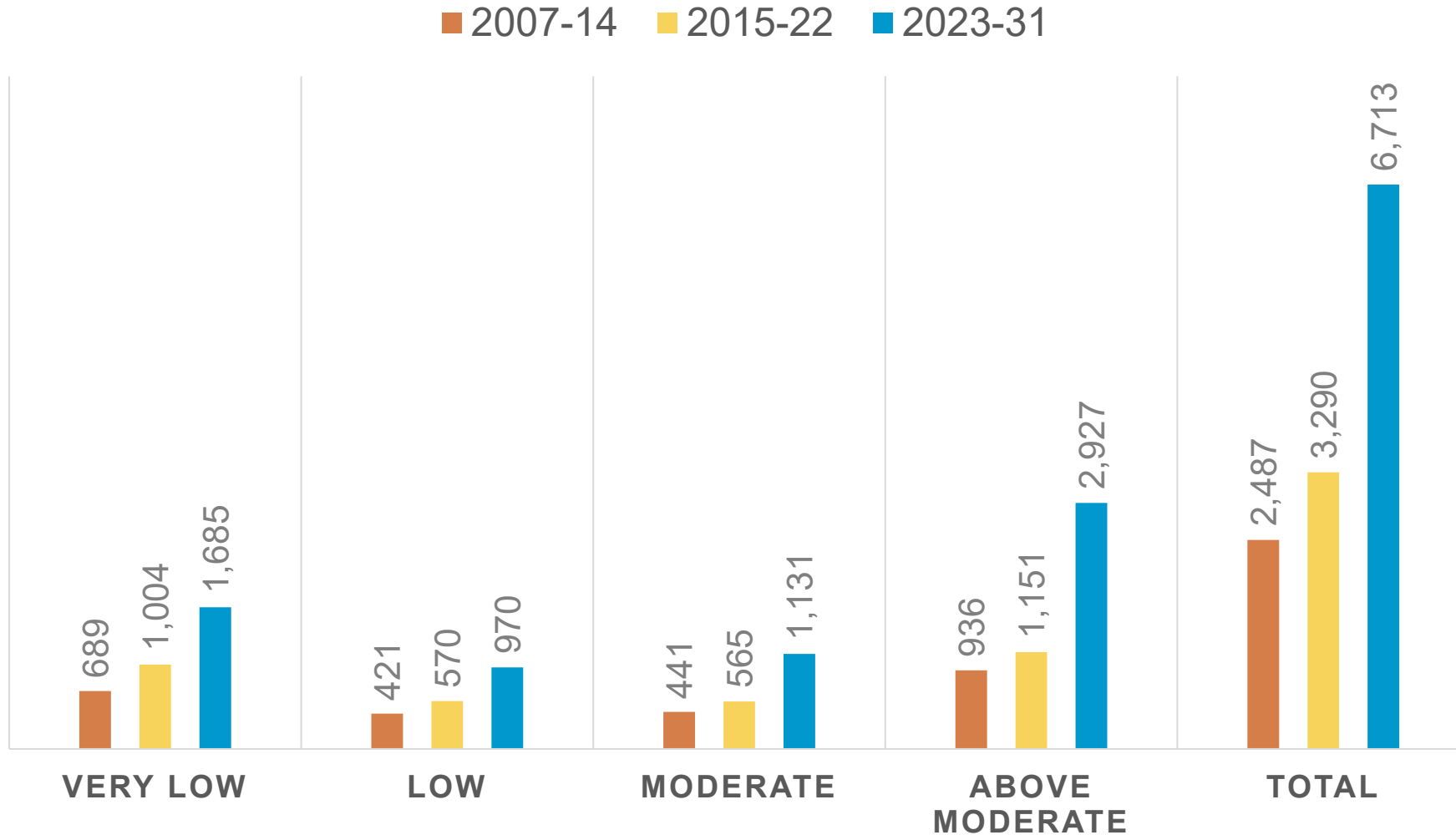
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**= Higher Allocation**



# Regional Housing Needs Allocation

4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> cycles



# Sites Inventory for RHNA

The purpose of the Housing Element sites inventory is to identify adequate sites to accommodate the RHNA



- City is not required to *build* or *finance* the housing, but must *plan for and accommodate* it
- Does not automatically authorize the construction of residential developments
- Private Property - No obligation by property owner or tenant to take action
- Reliant on the development industry (market rate & affordable) to construct housing units



# Sites Inventory Methodology

STEP 1. Identify Likely Sites

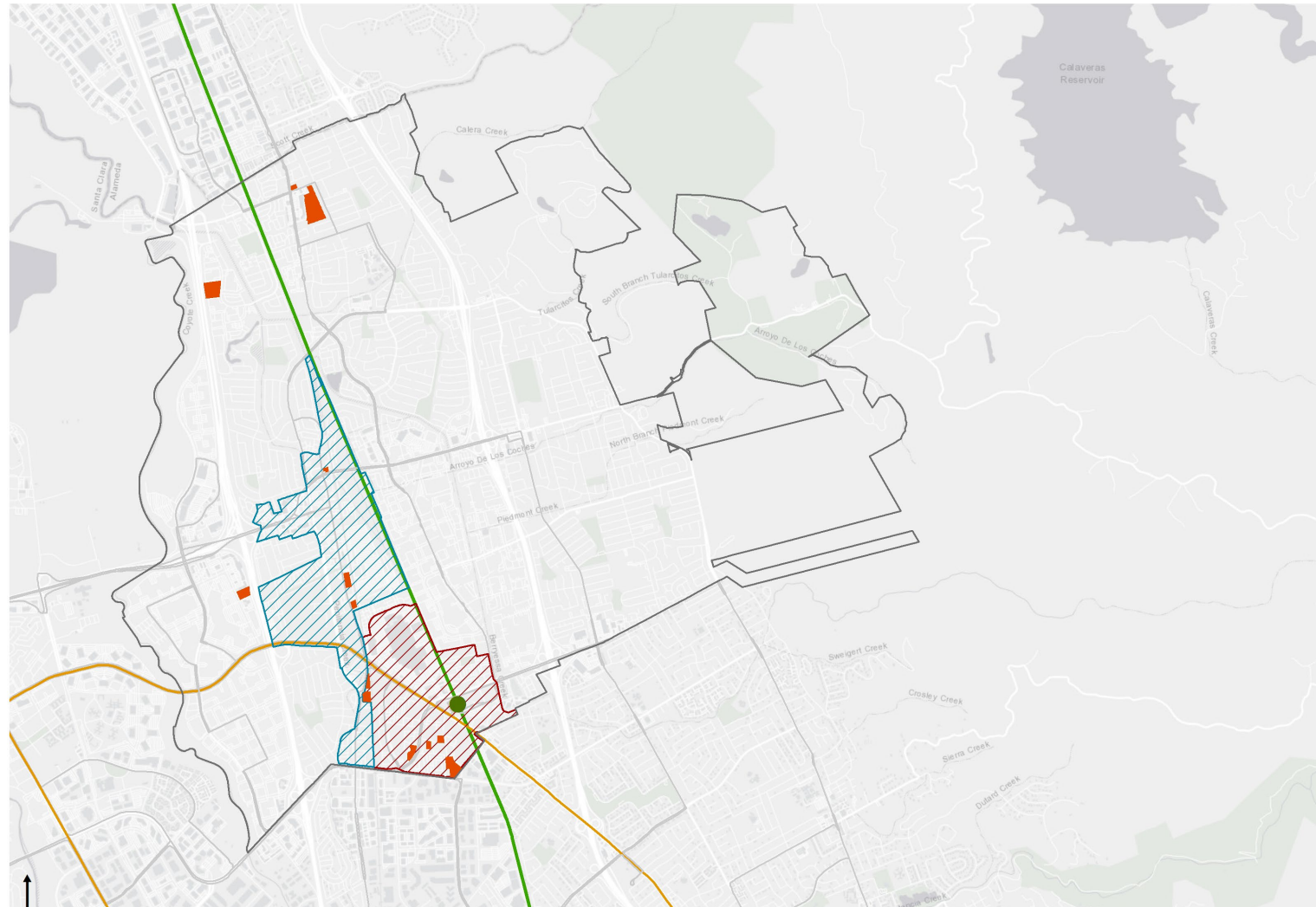
STEP 2. Calculate “Deficit” (Remaining RHNA)

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

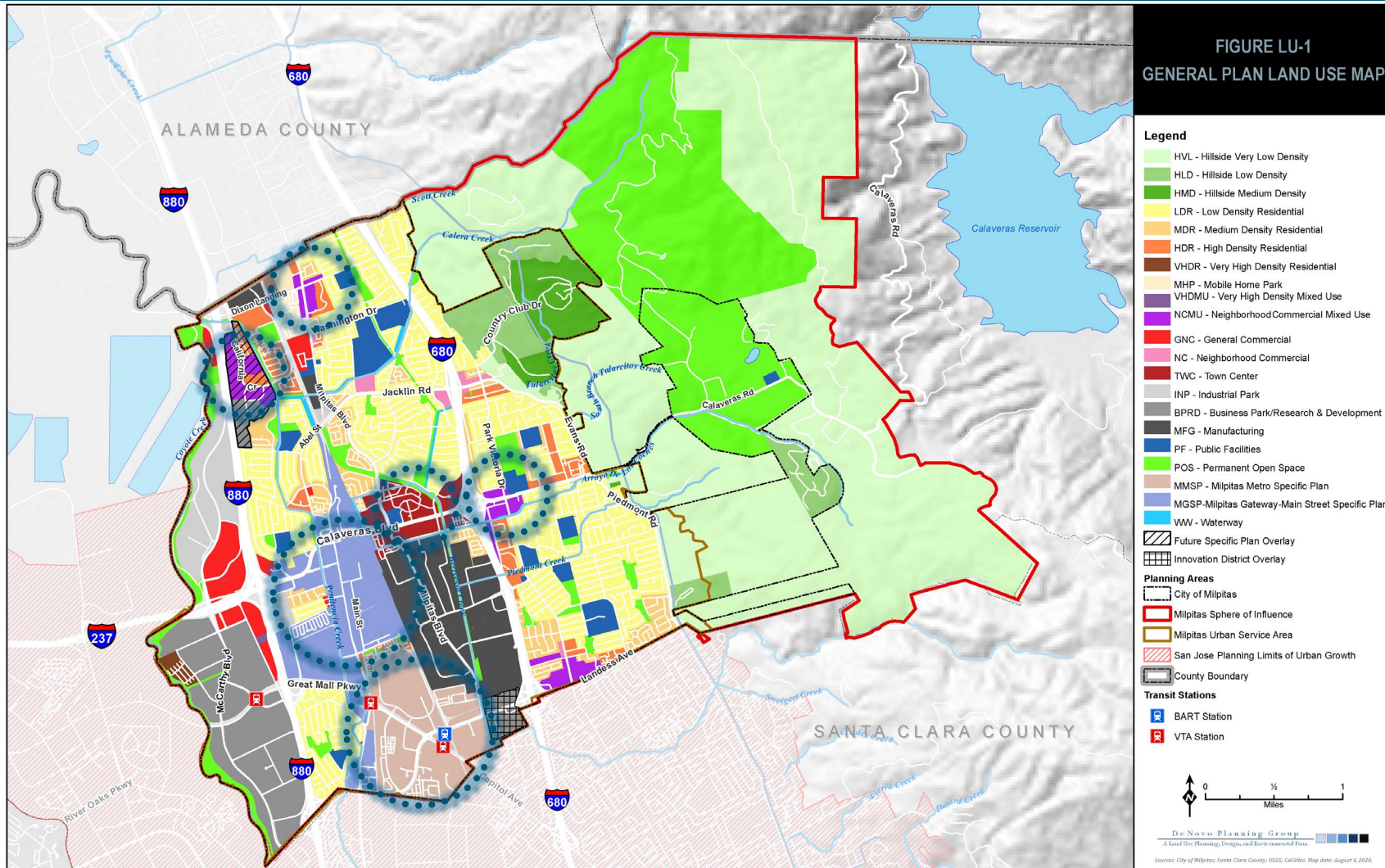


## 2. Calculate Deficit (Remaining RHNA)

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
<b>Remaining RHNA</b>	<b>1,495</b>	<b>649</b>	<b>969</b>	<b>1,962</b>	<b>5,074</b>

# 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

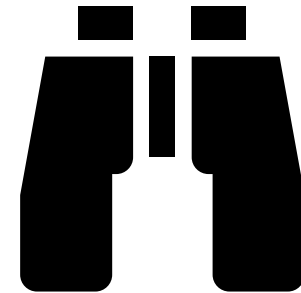
## ➤ Exclude

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



## 4. Evaluate and Analyze

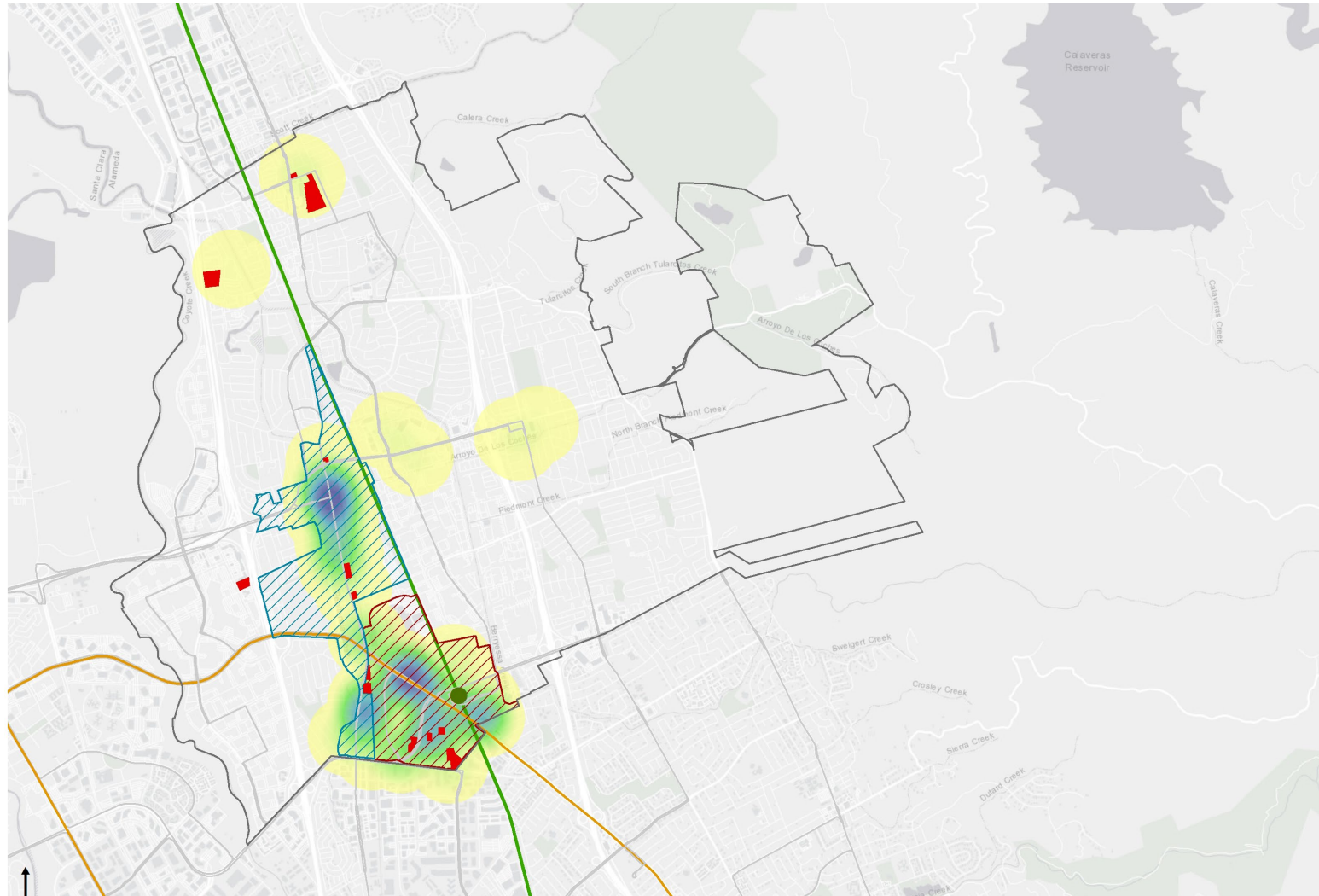
- Review aerial photos and conduct field visits
- Review with City staff
- Public review and discussion about sites
- Remove inappropriate/unlikely sites



### 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



**ADU Trends:** annual avg. of 2018-2020 x 8 years  
*(not shown on map)*



**Pipeline Projects:** proposed or entitled between 2018 and present



**Potential Opportunity Sites**

- Low capacity
- High capacity
- Pipeline Projects
- 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
<b>RHNA</b>	1,685	970	1,131	2,927	6,713
ADUs	67	67	67	22	224
Pipeline Projects	123	254	95	943	1,415
<b>Total</b>	190	321	162	965	1,639
<b>Remaining RHNA</b>	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			
<b>Buffer</b>		19%	66%	18%	28%





# City's Housing Programs

- Diverse Housing Production
- Housing Affordability
- Housing and Neighborhood Improvement
- Special Needs
- Fair Housing
- Housing Preservation



# HE Update Process



# To Learn More and Stay Involved

- Visit the Milpitas Housing Element website at <https://milpitashousingelement.com/>
- Take the online survey at <https://bit.ly/MilpitasHESurvey2>
- Milpitas Housing Element team at [housingelement@ci.milpitas.ca.gov](mailto:housingelement@ci.milpitas.ca.gov)



# Live Polling

- Open a web browser on second device or in another window
- Go to: <https://www.menti.com/>
  - Enter code 5292 0190
- Or: directly type in the full link <https://www.menti.com/46eorzm6cn>





# Breakout Rooms

# Breakout Rooms Process

- Zoom Host will randomly distribute participants
- Facilitator will manage time & participation
- Participants can share comments verbally and/or in the Zoom Chat
- Notetaker will take notes on screen
- Recorded for backup
- 50 minutes

# Discussion Questions

## ➤ Part 1 – Sites Inventory & Housing Location

- Do the potential housing locations in the sites inventory map look about right to you?
- Where else should housing sites be located?

## ➤ Part 2 – Housing Programs & Policies

- What types of programs and policies should the city implement to address its needs and achieve its housing goals?
- Which of these programs should be short-term priorities for the City?

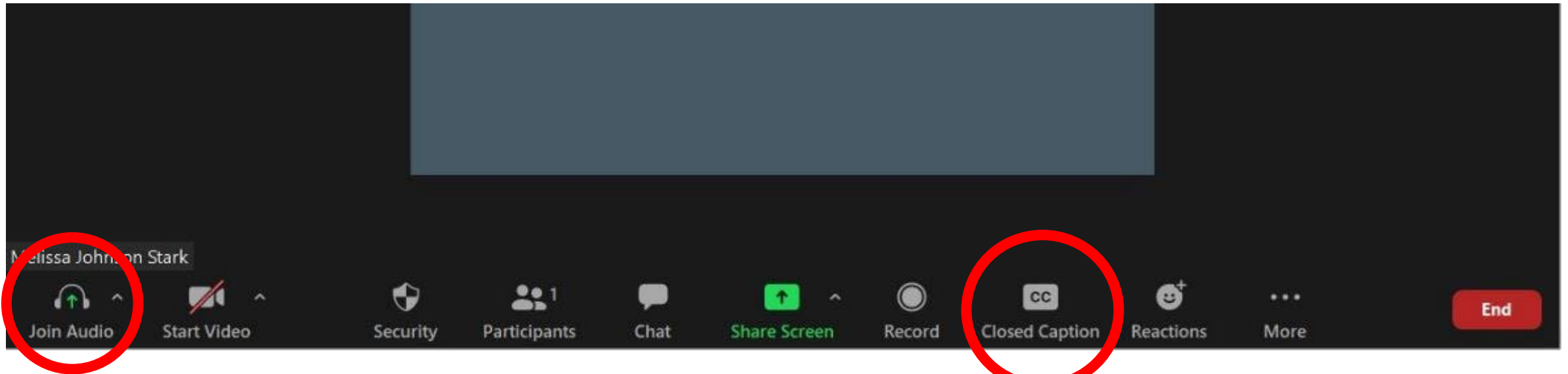
# Rules of Engagement

- Be a good listener
- Welcome all viewpoints and value diversity
- Show common courtesy and respect
- Share the air
- Avoid editorials
- Honor time





# Zoom Instructions

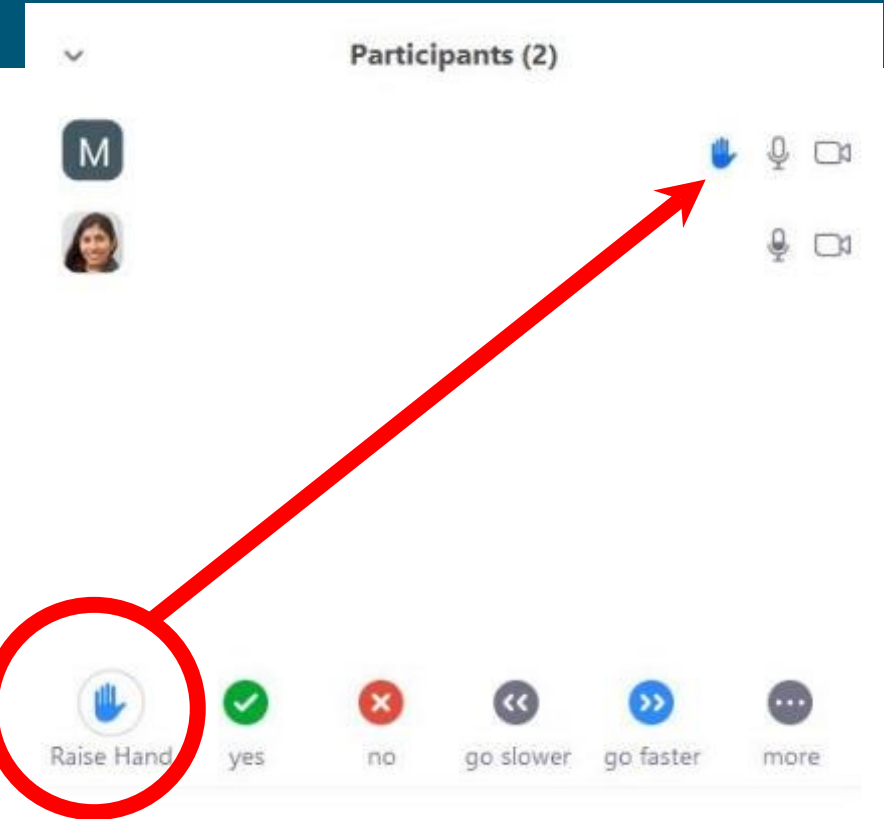
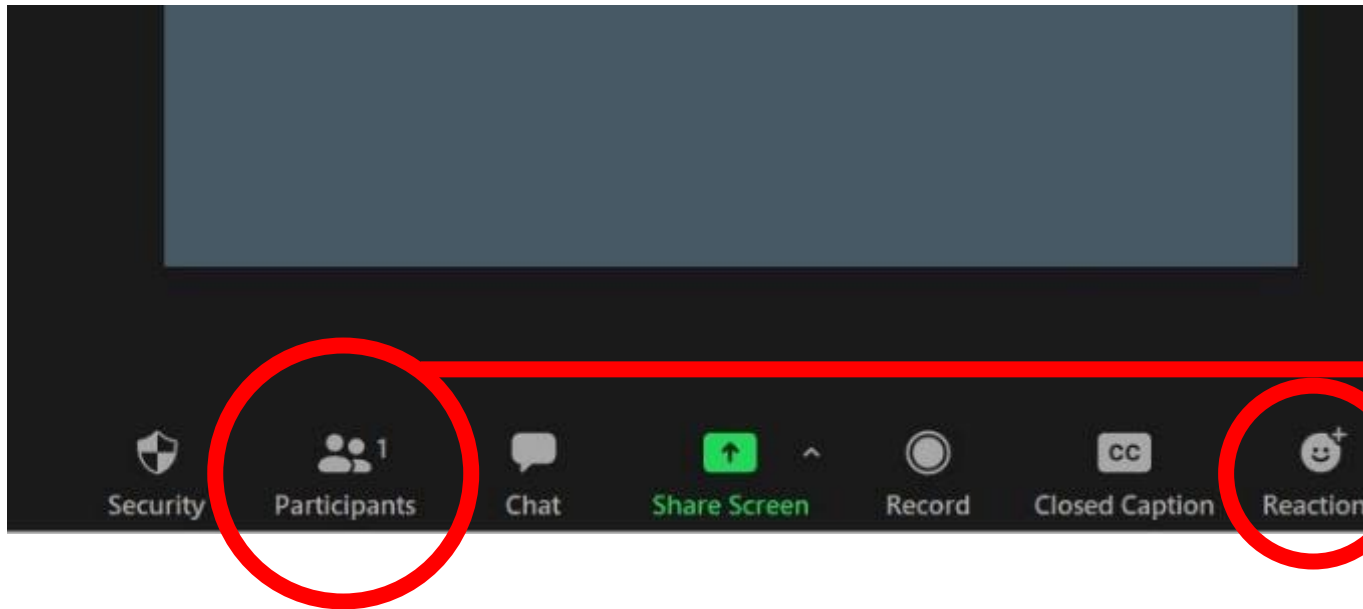


## ➤ Join Audio

- Use your device's audio
- Call in using a cell phone

## ➤ Closed Caption is available

# Zoom Instructions



## Raise your “Hand” to Speak

- Please use the “Raise Hand” feature if you want to speak. On a phone, press \*9.
- Please remain muted until called on.

- You can also use the CHAT function to ask questions and share input during the meeting and small group exercise.



# What's Happening Next!



# To Learn More and Stay Involved

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## City of Milpitas

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