



# Milpitas Housing Element

## Housing Sub-Committee

May 25, 2022



# Meeting Objectives

- Provide background on the Housing Element and process
- Share our community engagement strategy
- Review RHNA requirement and Sites Inventory methodology
- Get initial input on housing needs, constraints, and programs



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





# Examples of Housing Related Policies and Actions in Other Elements

## Land Use

- Coordinated land use and mobility planning to reduce emissions
- Future residential location and type
- Minimum and maximum densities
- Policy for existing and new residential areas

## Circulation

- Transit-oriented development
- Transportation Demand Management and parking

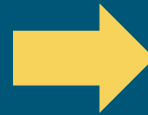
## Conservation and Sustainability

- Energy conservation and energy efficiency programs
- Green building

# Housing Element Components + Process

## ➤ Housing needs assessment, including for

- Existing and at-risk units
- Special needs
- Projected needs



## ➤ Housing Plan: programs and implementation

- Goals, objectives, and policies
- Quantified objectives
- Constraints removal
- Housing production (income level, special needs)
- Providing adequate sites
- Improve existing housing and preserve at risk units

## ➤ Sites inventory and analysis

## ➤ Constraints and opportunities analysis

- Governmental and non-governmental constraints
- Residential development, funding, and partnership opportunities

# Building on Other Efforts

- City's Affordable Housing Ordinance
- Metro Specific Plan
- Midtown / Gateway Specific Plan
- Assessment of Fair Housing
- Homelessness Task Force
- Santa Clara County Collaborative





# Council Goals and Priorities

## ➤ Affordable Housing Production/Development and Preservation

- Evaluate potential programs to increase moderate income housing; assess risks, benefits, short-term and long-term financial impact to the City
- For 2021-2022, focus on 1380 South Main Street and new project proposals
- For 2021-2023 for the Sunnyhills Apartments, coordinate with Santa Clara County Housing Authority on timeline and process

## ➤ Housing Element Cycle 6 Plan (2023-2031) and Assessment of Fair Housing

- Align with planning efforts including the General Plan, Metro Specific Plan, and Gateway Specific Plan
- Write a HE plan for new housing growth that responds to the City's unique context and to maintain compliance with State Housing Element laws





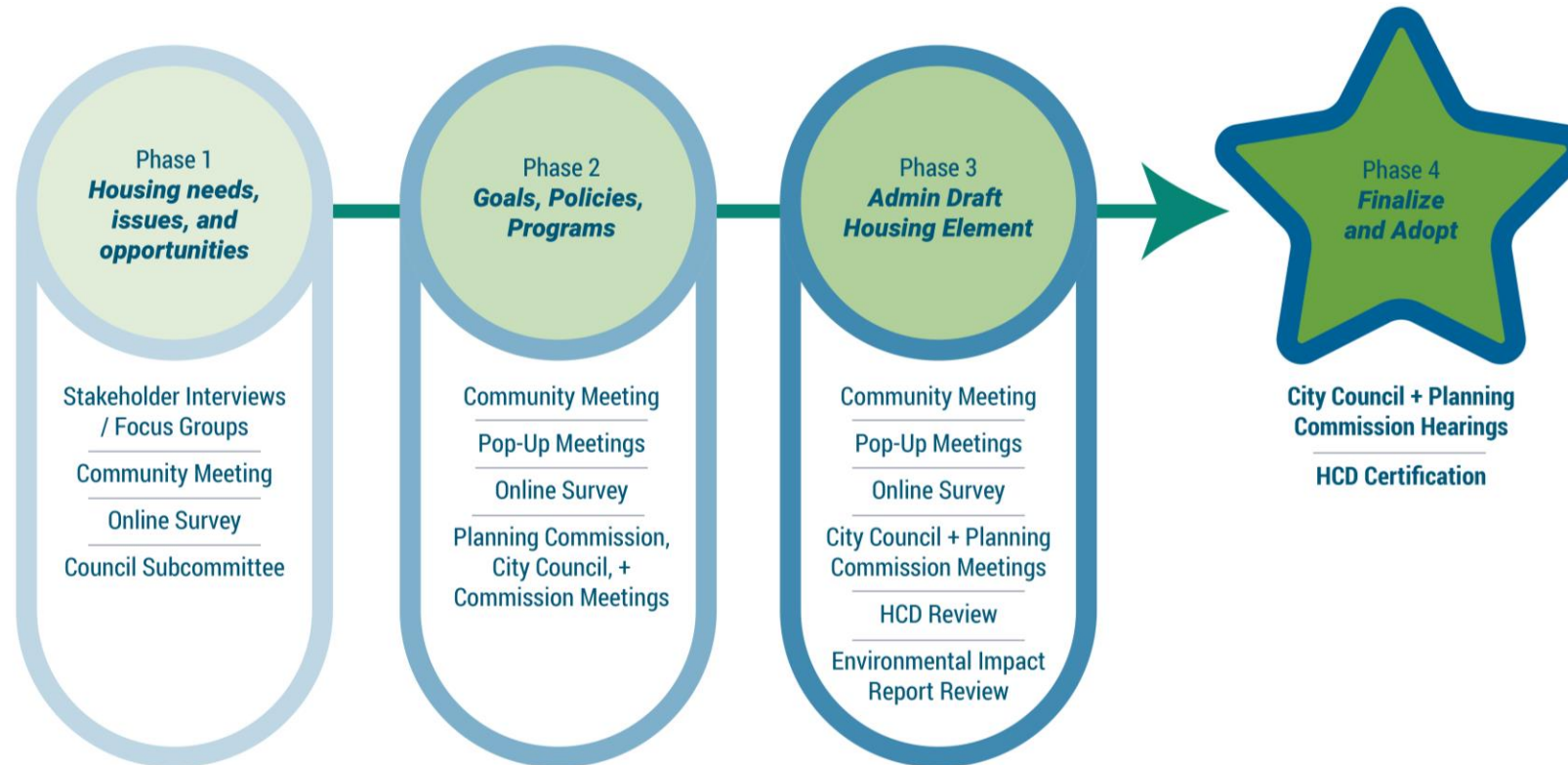
# Where We Are in the Process



# Housing Element Update Process



# Community Engagement By Phase



# Completed and Upcoming Workflow

Completed

- **Phase 1 Engagement**
  - Workshop #1
  - Survey #1
  - Stakeholder Interviews x10
- **Phase 1 Technical Work**
  - Background Review
  - Needs Assessment
  - Housing Accomplishments
  - Preliminary Sites Inventory
  - Housing Constraints

Upcoming

- **Phase 2 Engagement**
  - Workshop #2
  - Survey #2
  - Pop-up Event x2
- **Phase 2 Technical Work**
  - Finalize Sites Inventory
  - Housing Goals and Actions
  - Affirmatively Furthering Fair Housing
  - Environmental Impact Report
  - Environmental Justice Element

# 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

## ➤ Flyers

- Library, senior and community centers, Sunnyhills, City Hall Permit Center

# Who's Participated in the Process

## ➤ Total participants: 118

- Workshop #1: 25
- Survey #1: 62
- Stakeholder Interviews: 31

## ➤ Purpose:

- 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



# Who's Participated in the Process

## ➤ Stakeholder Interview Organizations

- Abode Services
- Bay Area BIA (Building Industry Association)
- Blach Construction Company
- Charities Housing
- City Council Housing Subcommittee
- Clear Peak Development
- Core Companies
- Destination Home
- Homeless Task Force
- Hope for the Unhoused
- Mayor of Milpitas
- MidPen Housing
- Milpitas Chamber of Commerce
- Milpitas Community Advisory Commission
- Milpitas Unified School District
- Project Sentinel
- Sullivan Land Development
- SV@Home
- Vice Mayor of Milpitas
- WeHope Dignity on Wheels

# Who's Participated in the Process

## ➤ Workshop and Survey Participants

- Majority (~70%) live in Milpitas
- About 60-70% are homeowners
  - vs. 64% per 2020 Census data
- Self-identified race/ethnicity
  - White: 26%
    - vs. 15% per 2020 Census data
  - Asian or Asian American: 55%
    - vs. 68% per 2020 Census data
  - Hispanic or Latinx: 6%
    - vs. 14% per 2020 Census data





# Background Review and Constraints

# Housing Needs Assessment



# Community Engagement Findings: Strengths & Successes

## ➤ **Affordability**

- 100% affordable developments such as Sango Court and Sunnyhills
- ADUs allow for affordable housing to be built citywide

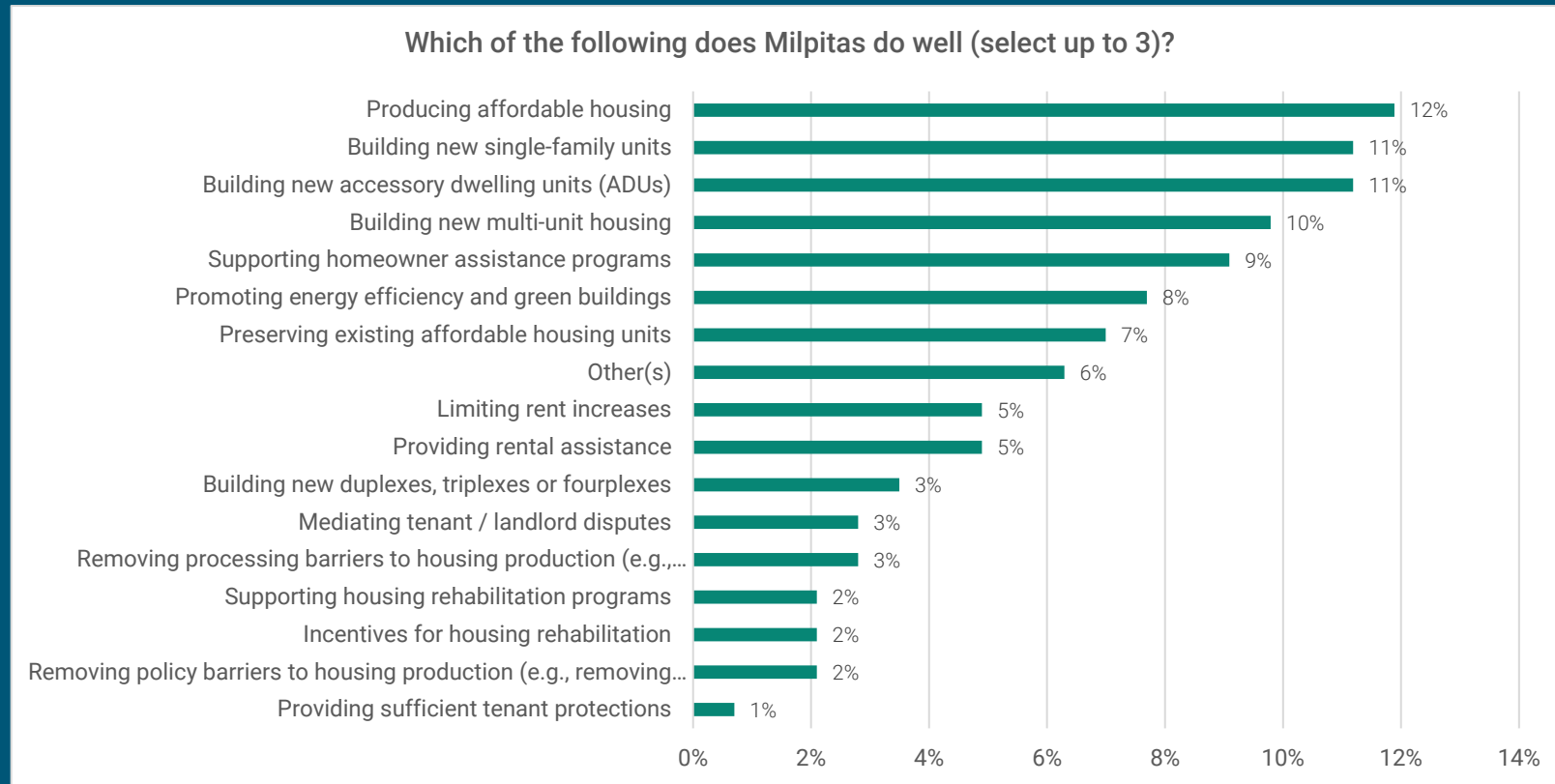
## ➤ **Rent and Homelessness Assistance**

- 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

# Community Engagement Findings: Strengths & Successes



143 entries



# Community Engagement Findings: Strengths & Successes

*“Milpitas has done a good job tapping into county bonds, including for Sango Courts, and utilizing land opportunities to tap into the County’s Measure A.”*

*“The city’s homeless prevention emergency rental assistance program helped it process requests.”*

*“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.”*

# Community Engagement Findings: Weaknesses & 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

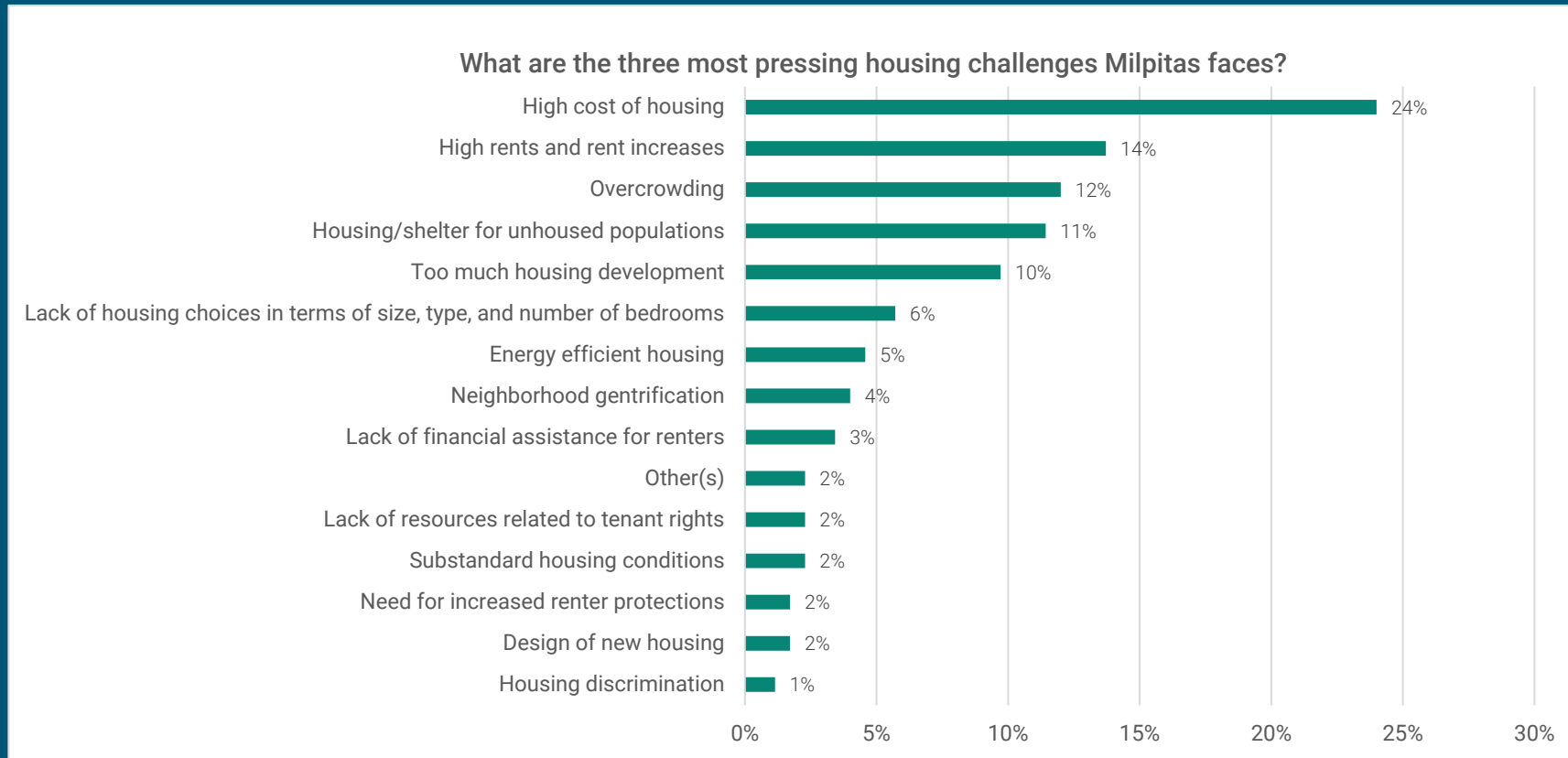
## ➤ Low Supply

- Both for renting and for sale

## ➤ Overdevelopment and Overcrowding

- Balanced approach distributed across the city
- Impact on infrastructure

# Community Engagement Findings: Weaknesses & Challenges



175 entries



# Community Engagement Findings: Weaknesses & Challenges

*“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.”*

*“My adult child decided not to relocate back to Milpitas but to buy elsewhere as it is so expensive here.”*

*“Three different people or families with different incomes will all live in the same house to be able to afford it. If one of these people or families slips, they can be in a serious problem.”*



# Governmental Constraints

## ➤ Land Use Controls

- **General Plan / Zoning:** No significant housing constraints except Town Center (TC) and Neighborhood Commercial Mixed Use (NCMU) designations where the non-residential requirement may impede redevelopment of parcels.
- **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



# Governmental Constraints

## ➤ 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 longer than 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

# Other Development Constraints

- **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

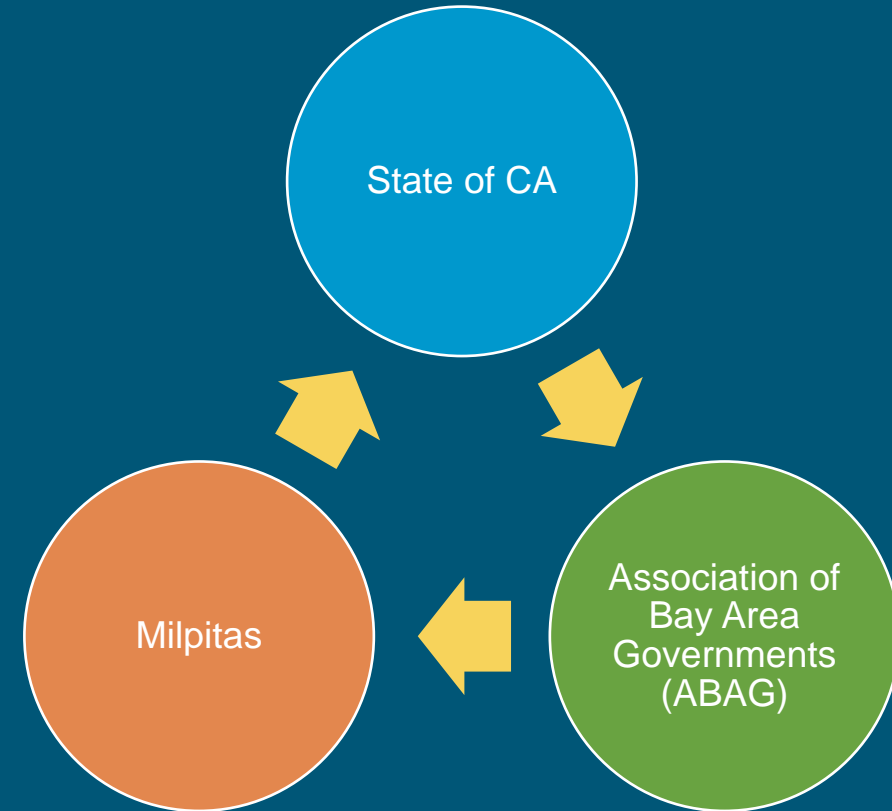
For each region, the State analyzes:

- Jobs to homes ratio
- Proximity to jobs and education centers
- Expected job and population growth
- Demographic trends that affect housing demand

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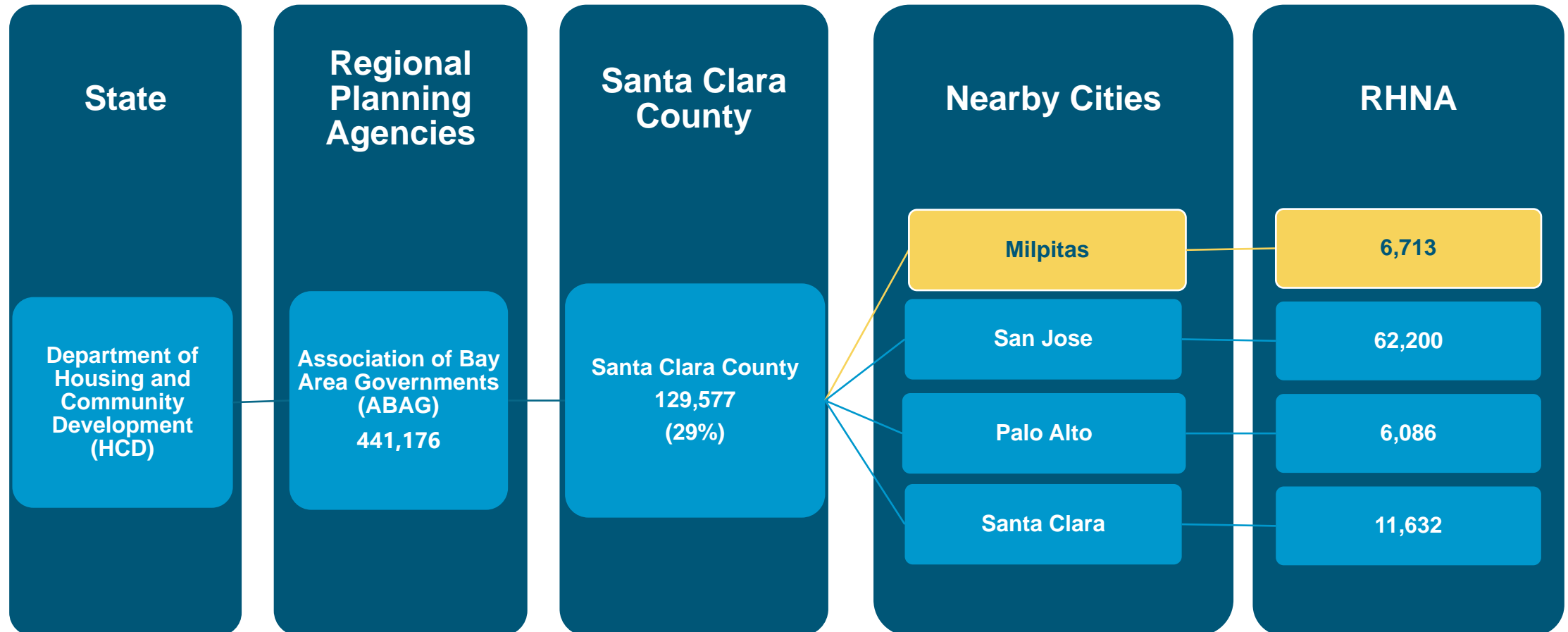
= # of units to plan for in each region, by income level

= **Regional Housing Needs Allocation, or RHNA**



# Regional Housing Needs Allocation

6<sup>th</sup> cycle



Source: Final Regional Housing Needs Allocation Plan: San Francisco Bay Area, 2023-2031

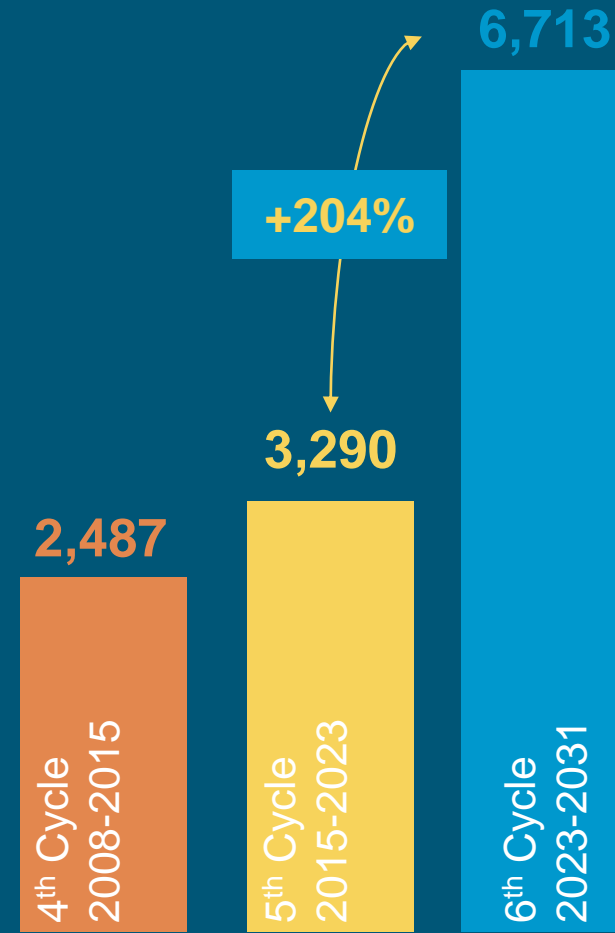
# Regional Housing Needs Allocation

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

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

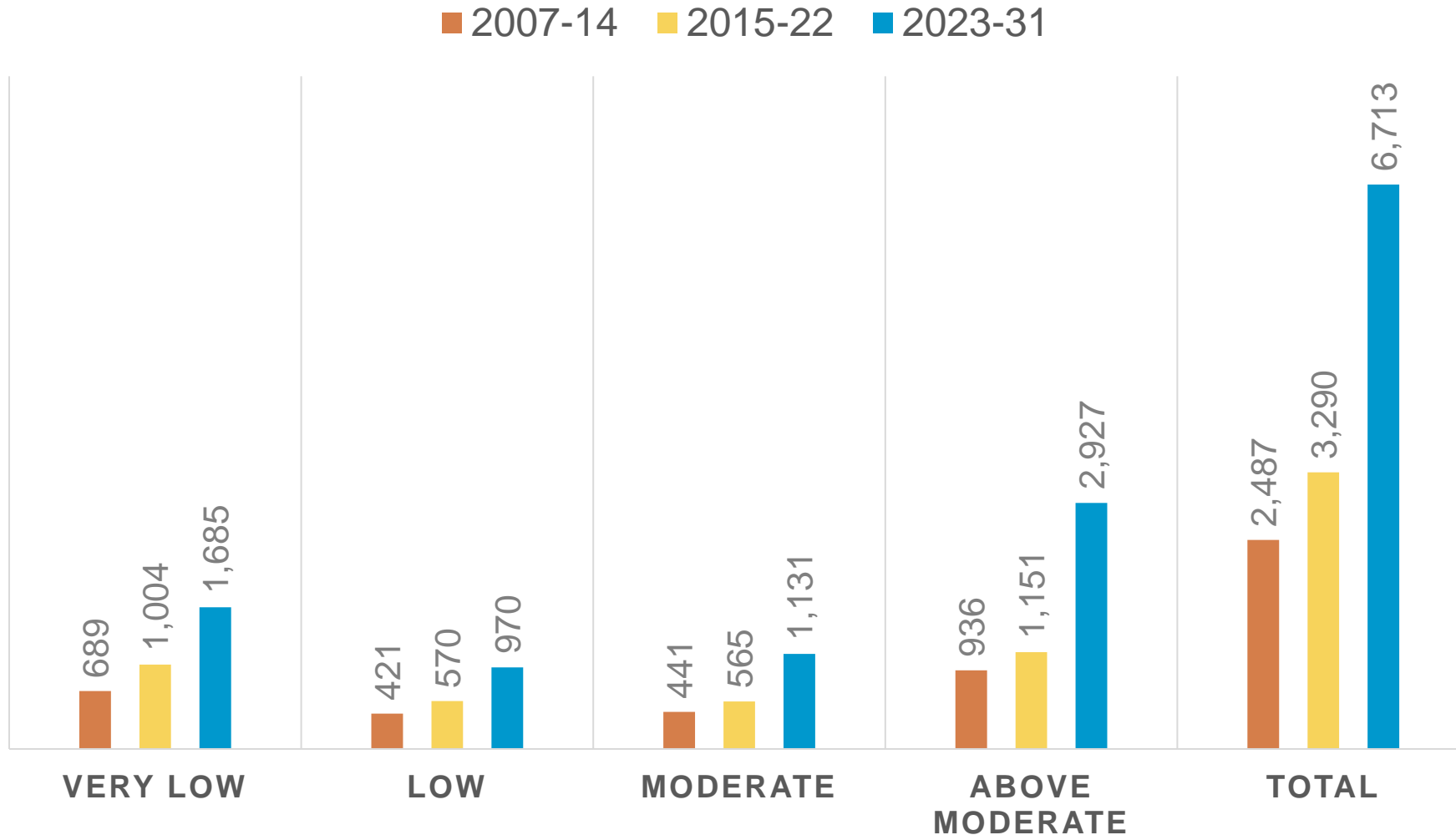
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**= Higher Allocation**



# Regional Housing Needs Allocation

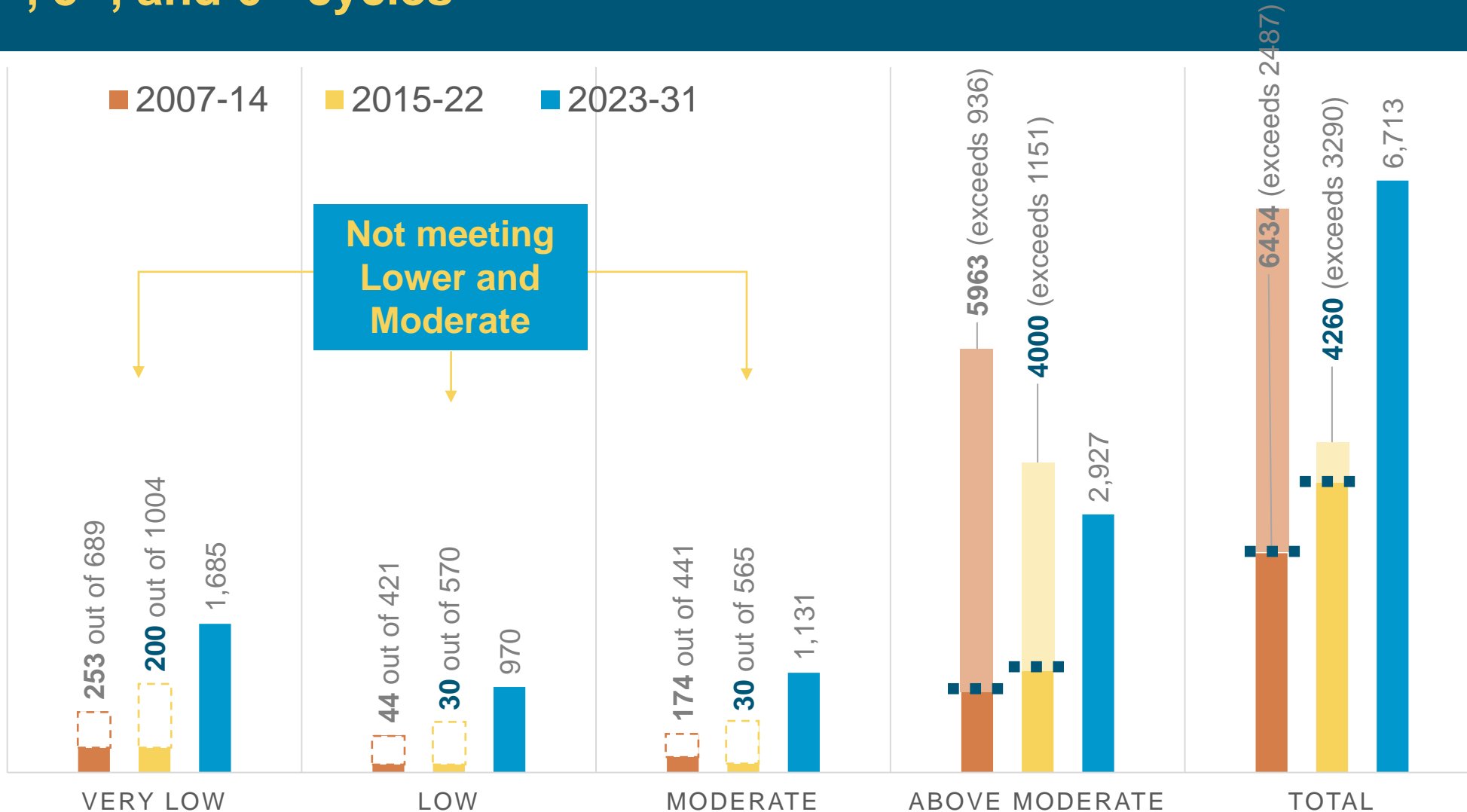
4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> cycles



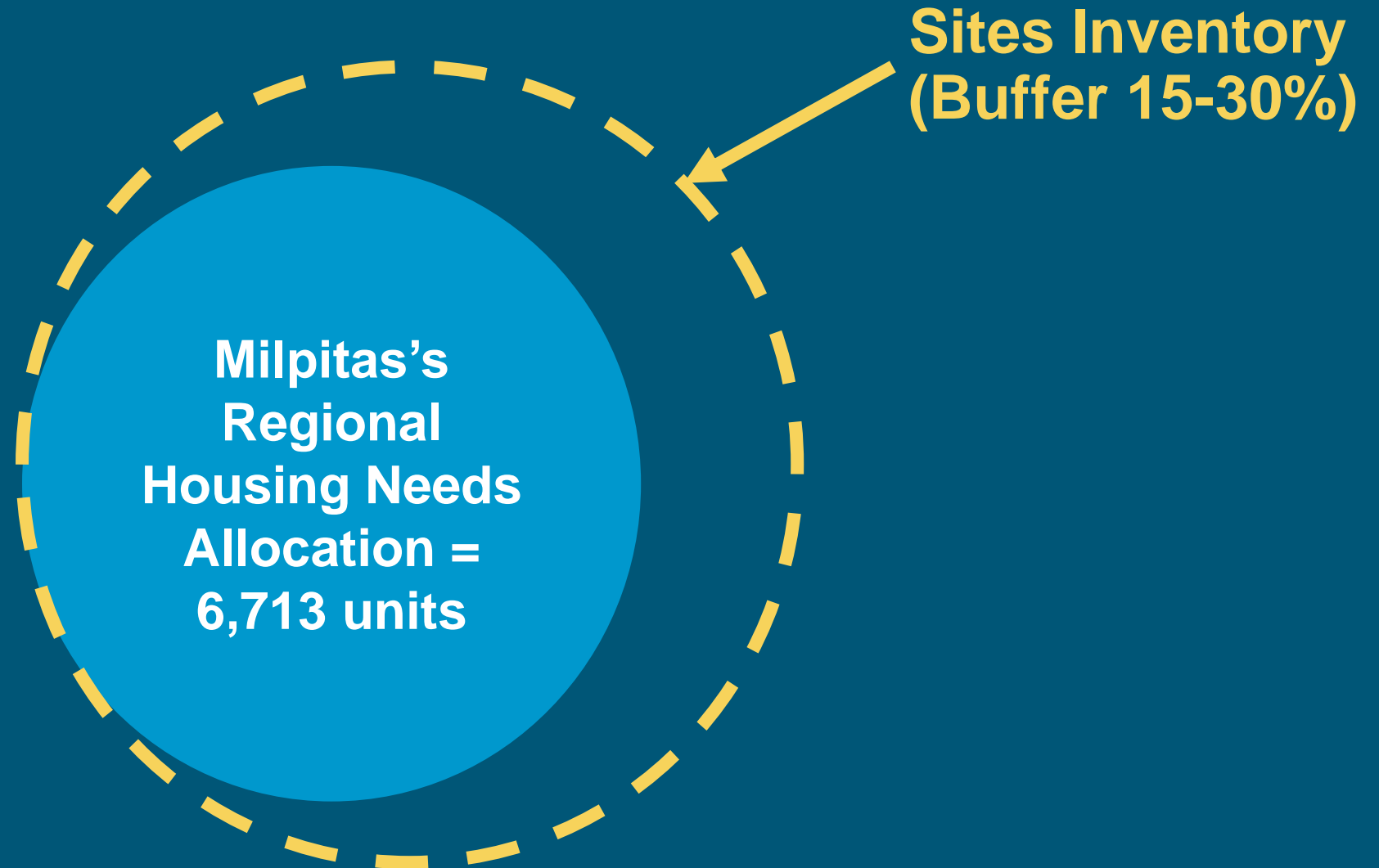


# Regional Housing Needs Allocation

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



# Sites Inventory Buffer for Lower Income Housing



# 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 and accommodate* for 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

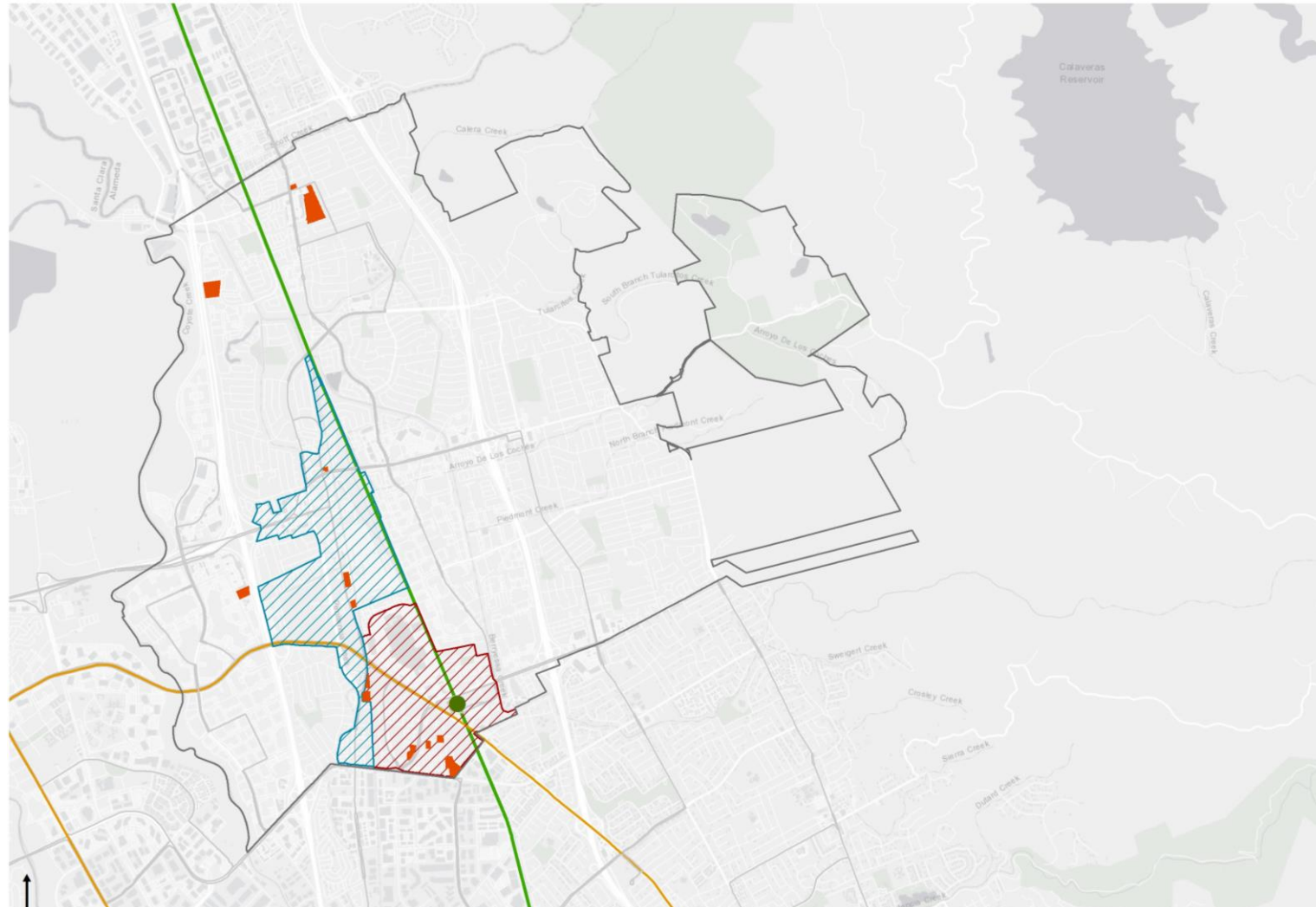
STEP 2. Calculate “Deficit” (Remaining RHNA)

STEP 3. Identify Potential Opportunity Sites

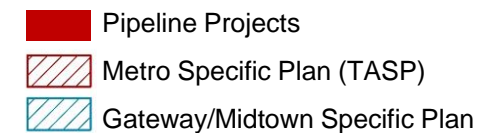
STEP 4. Evaluate and Analyze

STEP 5. Calculate Buildout

# 1. Identify Likely Sites



- **Accessory Dwelling Unit (ADU):** Annual ave. of 2018-2020 x 8 years
- **Pipeline Projects:** entitled between 2018 and present



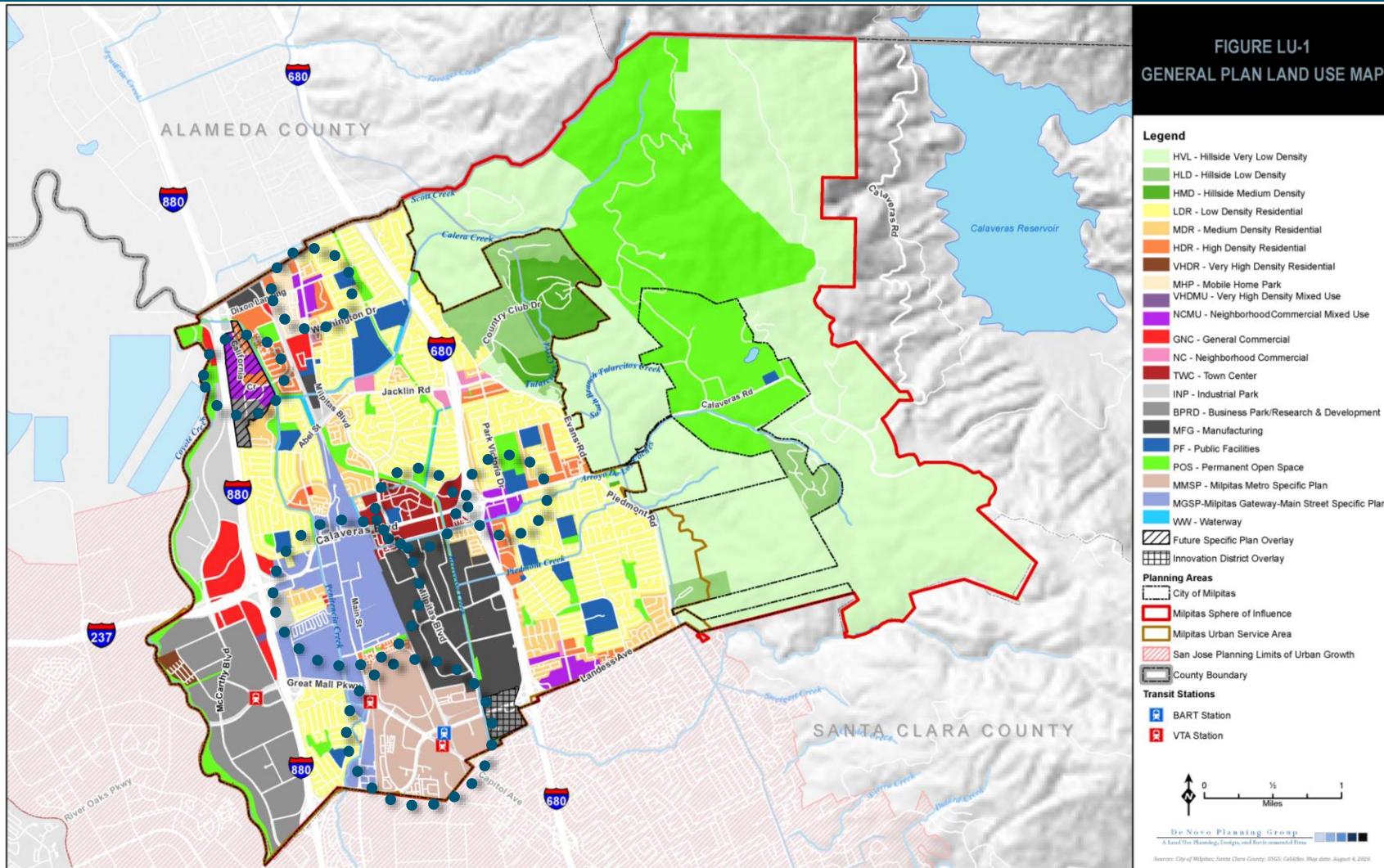


## 2. Calculate Deficit (Remaining RHNA)

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

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

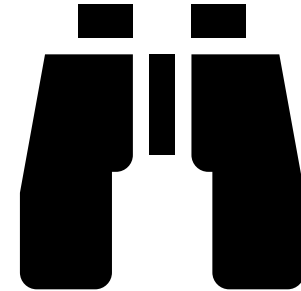
## ➤ Exclude

- Condos
- Large apartment buildings
- Historic buildings
- Rent controlled units
- 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)

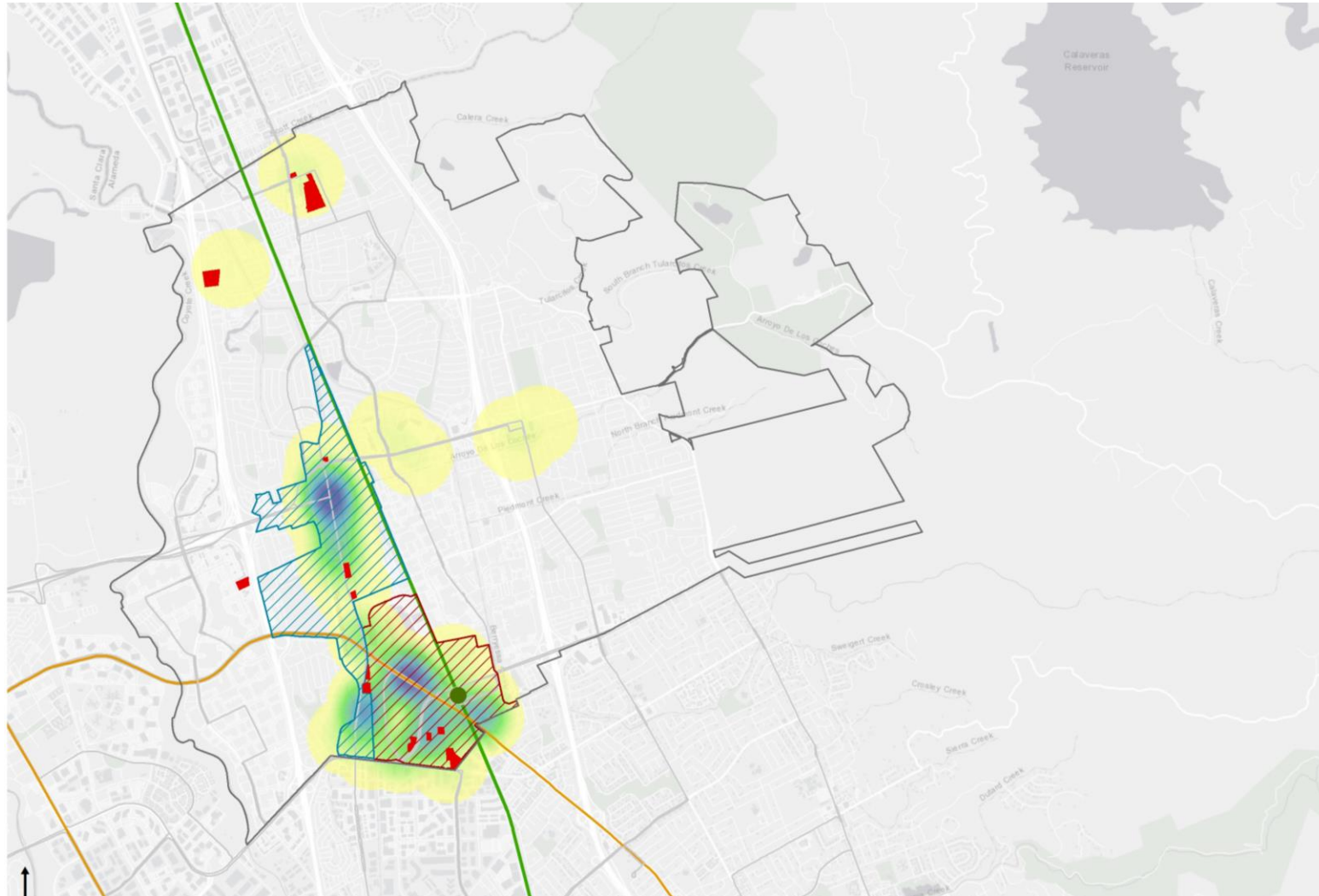
# 5. Calculate Buildout



“Heatmap” showing potential opportunity sites with capacity

-  Metro Specific Plan (TASP)
-  Gateway/Midtown Specific Plan

# 5. Calculate Buildout



**ADU Trends:** annual avg. of 2018-2020 x 8 years



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



**Potential Opportunity Sites**

- Pipeline Projects
- Metro Specific Plan (TASP)
- Gateway/Midtown 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	1,241	1,241	1,775	2,343	6,599
Surplus/Deficit	(254)	592	806	381	1,525
Surplus /Deficit of Very-Low and Low		337			
<b>Buffer (15% Of remaining RHNA)</b>	224	97	145		

# Discussion Questions

- **What do you think are the most important housing needs to be addressed in the Housing Element?**
- **What governmental constraints to housing are you aware of? How might the City address those constraints?**
- **Are there any specific programmatic ideas you are familiar with that the City should consider for the Housing Element?**