



APPENDIX A

Housing Needs Assessment

The purpose of the Housing Needs Assessment is to describe demographic, housing, and economic conditions in Milpitas, assess the demand for housing for households at all income-levels, and document the demand for housing to serve various special needs populations. The Needs Assessment also provides an analysis of assisted housing projects that are at risk of converting to market rate. The information provided in the Housing Needs Assessment is intended to assist Milpitas in developing housing goals and formulating policies and programs that address local housing needs.

Summary of Key Facts

- **Population.** Generally, the population of the Bay Area continues to grow because of natural growth and because the strong economy draws new residents to the region. The population of Milpitas increased by 24.3% from 2000 to 2020, which is above the growth rate of the Bay Area.
- **Age.** In 2019, Milpitas's youth population under the age of 18 was 17,171 and senior population 65 and older was 9,700. These age groups represent 21.6% and 12.2%, respectively, of Milpitas's population. The number of seniors continues to grow in the city and housing needs specific to this population, such as repair and maintenance assistance, downsizing options and assisted living facilities, will help support residents to remain in the community.
- **Race/Ethnicity.** In 2020, 11.1% of Milpitas's population was White while 3.3% was African American, 67.0% was Asian, and 14.2% was Latinx. People of color in Milpitas comprise a proportion above the overall proportion in the Bay Area as a whole.
- **Employment.** Milpitas residents most commonly work in the Manufacturing, Wholesale & Transportation industry. From January 2010 to January 2021, the unemployment rate in Milpitas decreased by 5.2 percentage points. Since 2010, the number of jobs located in the jurisdiction increased by 14,820 (39.7%). Additionally, the jobs-household ratio in Milpitas has increased from 2.33 in 2002 to 2.49 jobs per household in 2018. This is higher than the ratio in the County (1.71) and the Bay Area (1.47). This indicates that Milpitas needs to add a wide range of housing types to meet the needs of its workforce.
- **Number of Homes.** The number of new homes built in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of homes in Milpitas increased, 13.9% from 2010 to 2020, which is above the growth rate for Santa Clara County and above the growth rate of the region's housing stock during this time period. A majority of the growth in the last decade occurred within the Metro Specific Plan Area in the southern portion of the city.
- **Home Ownership.** As of December 2021, the median home sale price in Milpitas was \$1,352,271. Milpitas experienced a 17.6 percent increase in median sales price from December 2020 to December 2021. With a median income in Milpitas of \$137,000 (in 2019), housing prices are unaffordable for many households.
- **Rental Prices.** The typical contract rent for an apartment in Milpitas was \$2,270 in 2019. Rental prices increased by 61.7% from 2009 to 2019. To rent a typical apartment without cost burden, a household would need to make \$90,880 per year.
- **Housing Type.** It is important to have a variety of housing types to meet the needs of a community today and in the future. In 2020, 53.5% of homes in Milpitas were single family detached, 16.7% were single family attached, 6.5% were small multifamily (2-4 units), and 21.5% were medium or large multifamily (5+ units). Between 2010 and 2020, the number of multi-family units increased more than single-family units. Generally, in Milpitas, the share of the housing stock that is detached single family homes is above that of other jurisdictions in the region.
- **Cost Burden.** The U.S. Department of Housing and Urban Development considers housing to be affordable for a household if the household spends less than 30% of its income on housing costs. A household is considered "cost-burdened" if it spends more than 30% of its monthly income on housing costs, while those who spend more than 50% of their income on housing costs are considered "severely cost-burdened." CHAS data from 2014-2018 showed that in Milpitas 15.8 percent of owner households were experiencing some form of overpayment, which is a similar rate to Santa Clara County, at 22.1%. The rate of renter households experiencing overpayment per the 2018 CHAS data was 20.1%. Data based on US Census 2019 5-year estimates showed that

renter overpayment was approximately 40 percent (with 15% accounting for severe overpayment). This indicates that overpayment for renters is increasing. 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.

- **Special Housing Needs.** Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In Milpitas, 7.2% of residents have a disability of any kind and may require accessible housing. Additionally, 15.1% of Milpitas households are larger households with five or more people, who likely need larger housing units with three bedrooms or more. 10.4% of households are female-headed families, which are often at greater risk of housing insecurity.

Data Sources and Affordability Levels Overview

The needs assessment uses multiple data sources for analysis. Primary data sources include the ABAG Housing Needs Data Report: Milpitas¹ (ABAG Data Report), 2019 American Community Survey (ACS), the 2014–2018 Comprehensive Housing Affordability Strategy (CHAS) published by the US Department of Housing and Urban Development (HUD), and the 2020 US Census. The CHAS provides information related to households with housing problems, including overpayment, overcrowding, and those without complete kitchen facilities and plumbing systems. The CHAS data is based on the 2014–2018 ACS data files but differs from the standard files by including a variety of housing need variables split by HUD-defined income limits and HUD-specified household types. Note that data from the different sources and different years may have varying estimates for totals such as population or number of households. Some of the data is broken down by income group. The California Department of Housing and Community Development (HCD) uses five income categories to evaluate housing need based on the area median income (AMI) for each metropolitan statistical area²; they are used for both funding and planning purposes. The categories are as follows:

- Extremely low-income households, between 0% and 30% of the AMI
- Very low-income households, between 31% and 50% of the AMI
- Low-income households, between 51 and 80% of the AMI
- Moderate-income households, between 81% and 120% of the AMI
- Above moderate-income households, above 120% of the AMI

Extremely low-, very low-, and low-income households may be grouped together for planning purposes and referred to as “lower-income households.” Table A-1 shows the income limits by household size for each income category. In Santa Clara County, the median income for a four-person household 2022 is \$168,500.

¹ Housing Needs Data Report: Milpitas, prepared by ABAG/MTC, 2021-02-02. The data packet has been pre-reviewed by HCD for consistency with state requirements to increase predictability in the Housing Element approval process.

² Milpitas is located in the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA)

TABLE A-1: SANTA CLARA COUNTY INCOME LIMITS BY HOUSEHOLD SIZE - 2022

Income Level	Income Limits By Household Size							
	1	2	3	4	5	6	7	8
Extremely Low Income (ELI) <30% AMI	\$35,400	\$40,450	\$45,500	\$50,550	\$54,600	\$58,650	\$62,700	\$66,750
Very Low Income (VLI) 30-50% AMI	\$59,000	\$67,400	\$75,850	\$84,250	\$91,000	\$97,750	\$104,500	\$111,250
Low Income (LI) 50-80% AMI	\$92,250	\$105,400	\$118,600	\$131,750	\$142,300	\$152,850	\$163,400	\$173,950
Median 100% AMI	\$117,950	\$134,800	\$151,650	\$168,500	\$182,000	\$195,450	\$208,950	\$222,400
Moderate 120% AMI	\$141,550	\$161,750	\$182,000	\$202,200	\$218,400	\$234,550	\$250,750	\$266,900

Source: HCD, 2022³

Existing Housing Needs

Existing housing needs take into consideration demographic information about the community and region, including population and employment trends. It also considers data about the housing stock and characteristics, including housing age, condition, rates of cost burden, and rates of overcrowding.

Population, Employment, and Household Characteristics

POPULATION GROWTH TRENDS

The Bay Area is the fifth-largest metropolitan area in the nation and has seen a steady increase in population since 1990, except for a dip during the Great Recession. Many cities in the region have experienced significant growth in jobs and population. While these trends have led to a corresponding increase in demand for housing across the region, the regional production of housing has largely not kept pace with job and population growth.

Table A-2 provides the regional population trends of Milpitas, the Bay Area, and Santa Clara County from 2010 to 2020 California Department of Finance projections. Milpitas has a population of 77,961 as

³ <https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf>

reported by the 2020 US Census. The County saw an 8.7 percent increase in population over the 10-year time span. Milpitas experienced a faster growth rate of 16.7 percent, 11,171 people. A large majority of this population increase occurred within the Metro Specific Plan Area in the southern portion of the city.⁴ The population of Milpitas makes up 4.0 percent of Santa Clara County.

TABLE A-2: REGIONAL POPULATION CHANGE, 2010–2020

County	2010	2020	% Change
Santa Clara County	1,781,642	1,936,259	8.7%
Milpitas	66,790	77,961	16.7%
Bay Area	7,150,739	7,790,537	8.9%

Source: California Department of Finance, E-5 Series

AGE COMPOSITION

The distribution of age groups in a city shapes what types of housing the community may need in the near future. An increase in the older population may mean there is a developing need for more senior housing options, while higher numbers of children and young families can point to the need for more family housing options and related services. Trends showing seniors choosing to age-in-place or downsize to stay within their communities can mean more multifamily and accessible units are needed.

Table A-3 displays the population and percentage change in Milpitas per age group in 2000, 2010, and 2019 using estimates from the US Census for those years. In Milpitas, the median age in 2000 was 32.6; by 2019, this figure had increased, to around 36 years. This increase is in part due to population increases in adults aged 25-33 along with dramatic increases in the 55-and-over population.

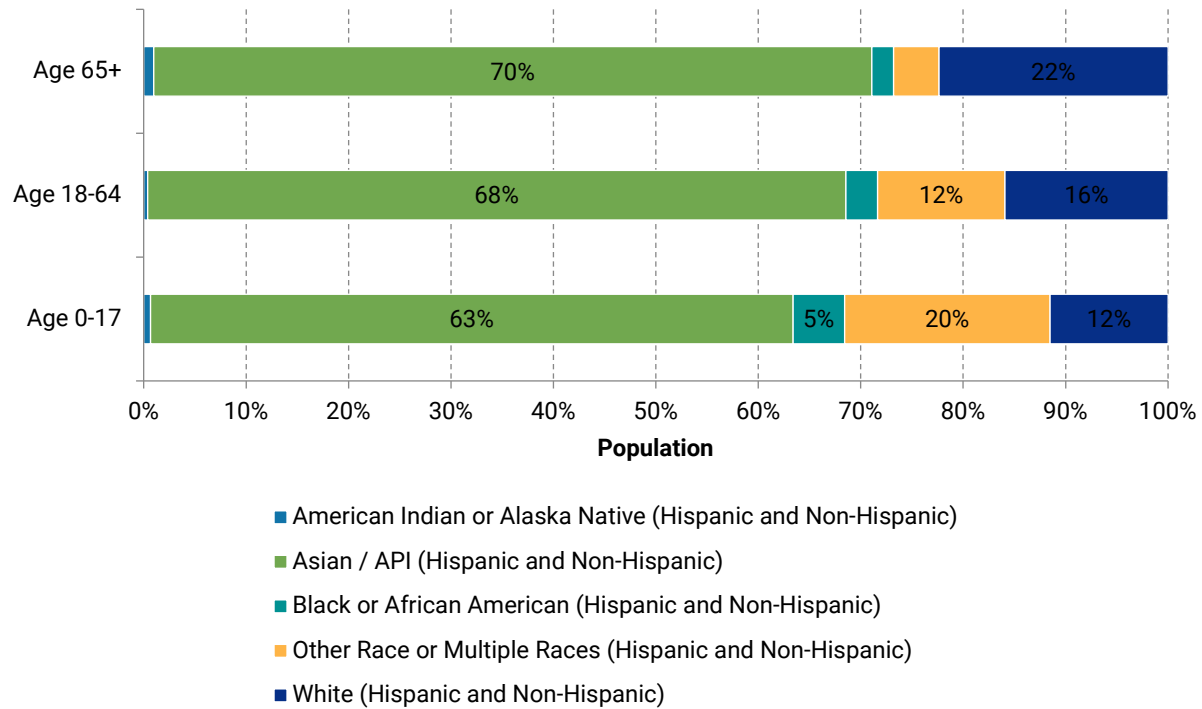
⁴ According to the US Census, Tract 5045.05 (south of the Great Mall Highway) and east of the 880 Freeway) had an increase of approximately 6,700 people between 2010 and 2020. This represented a 150% change in population in this Tract.

TABLE A-3: MILPITAS POPULATION BY AGE, 2000–2019

Age Group	2000	2010	2019	% Change (2000–2010)	% Change (2010–2019)
Age 0-4	4,484	4,606	5,440	2.7%	18.1%
Age 5-14	8,437	8,246	9,561	-2.3%	15.9%
Age 15-24	8,443	8,338	7,911	-1.2%	-5.1%
Age 25-34	11,902	10,914	14,880	-8.3%	36.3%
Age 35-44	11,941	10,913	12,245	-8.6%	12.2%
Age 45-54	8,355	10,167	10,247	21.7%	0.8%
Age 55-64	4,725	7,267	9,533	53.8%	31.2%
Age 65-74	2,877	3,775	5,419	31.2%	43.5%
Age 75-84	1,241	2,031	3,180	63.7%	56.6%
Age 85+	293	533	1,101	81.9%	106.6%
Totals	62,698	66,790	79,517	6.5%	19.1%

Source: US Census 2000, 2010, 2019.

Figure A-1 shows the age distribution of the population by age and race in Milpitas. Looking at the senior and youth population by race can add an additional layer of understanding, as families and seniors of color are even more likely to experience challenges finding affordable housing. People who are non-white make up 77.6 percent of seniors and 88.5 percent of youth under 18. The large increase in the older age groups indicate a potential need for more smaller units, senior housing, and assisted living facilities in the future, as supported by housing programs including accessory dwelling units, zoning amendments related to residential care facilities. See also the Special Housing Needs – Seniors discussion below.

FIGURE A-1: POPULATION AGE DISTRIBUTION BY RACE

Source: ACS 5-Year Estimates Data, 2019.

RACE AND ETHNICITY

The racial and ethnic composition of Milpitas is shown in Table A-4. Since 2000, the percentage of residents in Milpitas identifying as White has decreased, while the percentage of residents of all other races and ethnicities has increased by 13.5 percentage points, with the 2019 population standing at 8,834. The Asian/Asian Pacific Islander (API), Non-Hispanic population increased the most while the White, Non-Hispanic population decreased the most.

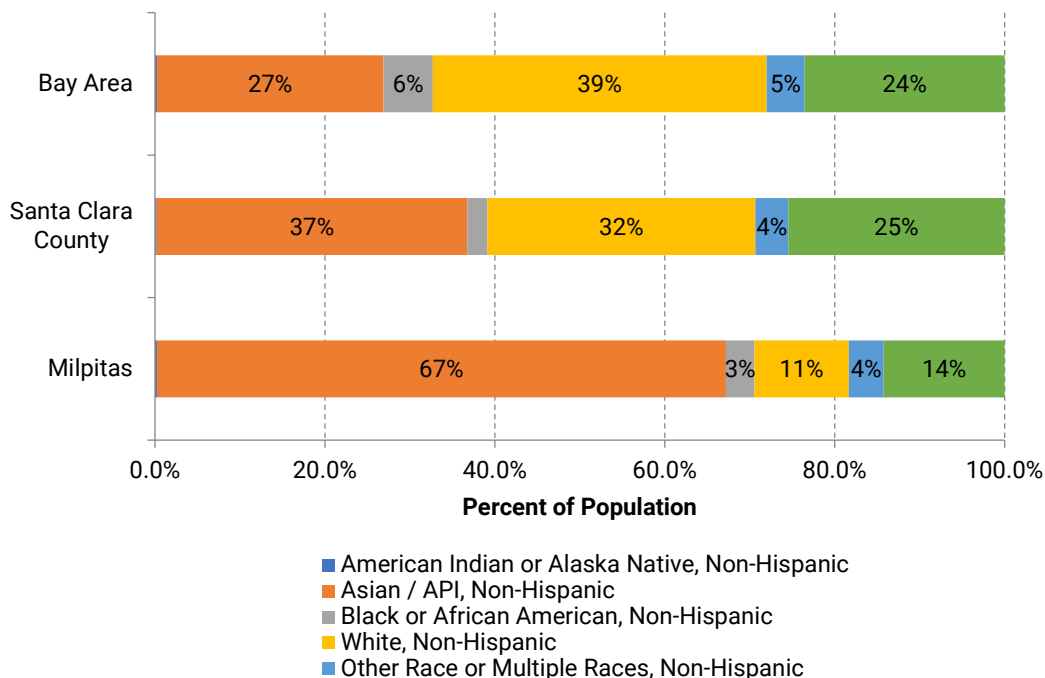
TABLE A-4: RACIAL AND ETHNIC COMPOSITION

Year	American Indian or Alaska Native, Non-Hispanic	Asian / API, Non-Hispanic	Black or African American, Non-Hispanic	White, Non-Hispanic	Other Race or Multiple Races, Non-Hispanic	Hispanic or Latinx
2000	240	32,628	2,187	14,917	131	10,417
2010	137	41,624	1,836	9,751	2,202	11,240
2019	181	53,263	2,652	8,834	3,279	11,308

Source: US Census, 2000, 2010. ACS 5-Year Estimates Data, 2019.

A comparison of the racial and ethnic composition of Milpitas, Santa Clara County, and the Bay Area region, which refers to the nine-county area around San Francisco, is shown in Figure A-2, with estimates from the 2019 5-year ACS data. Milpitas is 67 percent Asian/Asian Pacific Islander, which is significantly higher than the County and Bay Area region, at 37 percent and 27 percent, respectively. Milpitas has a lower percentage of the population that is White, Non-Hispanic (11 percent) than Santa Clara County (32 percent) and the Bay Area region (39 percent). There is also a difference in the Hispanic/Latino population in Milpitas and both Santa Clara County and Bay Area region. Only 14 percent of the population identifies as Hispanic or Latino, compared to 25 percent and 24 percent of the County and region, respectively.

FIGURE A-2: REGIONAL RACIAL/ETHNIC COMPOSITION



Source: ACS 5-Year Estimates Data, 2019, Table B03002.

EMPLOYMENT TRENDS

Employment trends in a region can have a significant impact on housing needs. Santa Clara County has experienced rapid growth in high-paying employment opportunities, especially in the technology industry, leading to an increased demand for housing in the region. Housing development has not kept pace with population growth and demographic changes. A report from the Center for Continuing Study of the California Economy and the Silicon Valley Community Foundation noted that between 2007 and 2016 Silicon Valley added 344,149 residents. Only 69,503 housing units of the estimated 175,000 needed to keep up with demographic change were built.⁵ As economic opportunity increases in the area, so does

⁵Silicon Valley's Housing Crisis. Silicon Valley Community Foundation and the Center for Continuing Study of the California Economy. 2017. <https://www.siliconvalleycf.org/sites/default/files/publications/housing-brief-spring.pdf>

the demand for housing, and the higher demand for housing combined with low housing stock creates high housing prices and greater need for more housing units in the region.

Between 2002 and 2018, the number of jobs in Milpitas increased by 28.9 percent. There are 35,921 employed residents, and 46,818 jobs in Milpitas; since there are more jobs than employed residents, it means the city is relatively jobs rich. Bringing housing into the measure, the jobs-household ratio in Milpitas has increased from 2.33 in 2002, to 2.49 jobs per household in 2018. Milpitas has more low-wage jobs than low-wage residents (where low-wage refers to jobs paying less than \$25,000). At the other end of the wage spectrum, the city has more high-wage jobs than high-wage residents (where high-wage refers to jobs paying more than \$75,000). The city has more jobs per households compared to Santa Clara County (ratio of 1.71) and the Bay Area (ratio of 1.47). This indicates that Milpitas needs to add a wide range of housing types to meet the needs of its workforce.

According to ABAG projections, Milpitas is expected to experience moderate employment growth between 2010 and 2040. ABAG estimates that there will be a 28-percent increase in the number of jobs in Milpitas between 2010 and 2040. During the same period, employment is expected to increase by 33 percent in Santa Clara County and the Bay Area overall, outpacing employment growth in Milpitas. The moderate employment growth rate in Milpitas relative to other areas and the substantial rate of household growth in Milpitas suggest that the City is poised to provide additional housing units that will help to reduce the disparity between jobs and employed residents, potentially offering additional housing opportunities for people employed in Milpitas.

Table A-5 shows the labor force and unemployment rate in 2010, 2014 and 2019 for Milpitas. From 2010 to 2014 the unemployment rate increased by 1.4 percent, but by 2019 it had decreased to 3.7 percent. The unemployment rate for Milpitas in 2019 was 0.2 percent higher than the County's unemployment rate of 3.5 percent (ACS 2019). In Milpitas, there was a 5.2 percentage point decrease in the unemployment rate between January 2010 and January 2021. Jurisdictions throughout the region experienced a sharp rise in unemployment in 2020 due to impacts related to the COVID-19 pandemic, though with a general improvement and recovery in the later months of 2020.

The unemployment rate of Milpitas is comparable to the County, and both are slightly lower than a healthy unemployment rate of four to five percent; the unemployment rate does not indicate an increased need of assistance for unemployed persons.

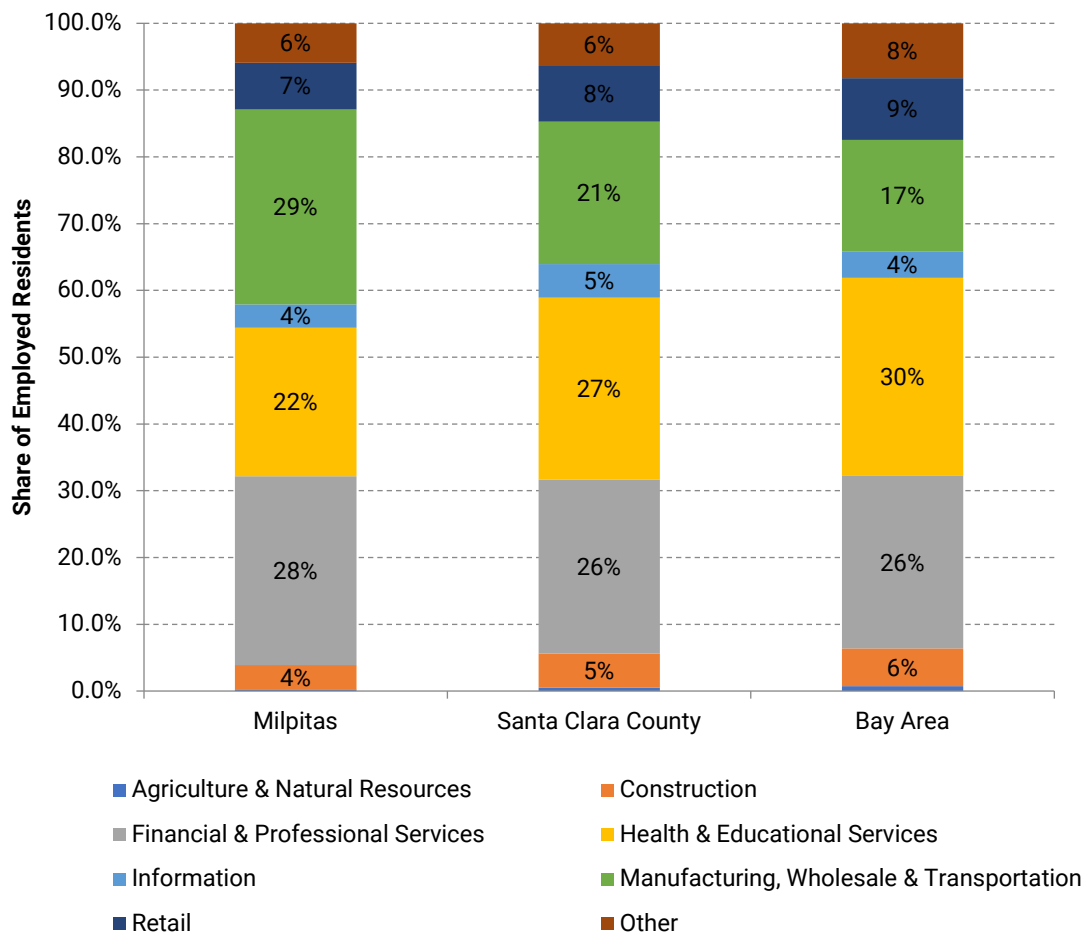
TABLE A-5: EMPLOYMENT TRENDS, MILPITAS

Year	Labor Force	Employed	Unemployed	Unemployment Rate
2010	33,357	30,912	2,433	7.3%
2014	36,550	33,292	3,191	8.7%
2019	42,295	40,703	1,563	3.7%

Source: ACS 5-Year Estimates Data, 2010, 2014, 2019.

Figure A-3 compares the employment by industry for Milpitas, Santa Clara County, and the Bay Area region. Milpitas has the largest portion of its population (29 percent) employed in the manufacturing, wholesale, and transportation industry, followed by financial and professional services (29 percent) and health and educational services (22 percent). Compared to the County and region, Milpitas has fewer people employed in the retail and construction industries.

FIGURE A-3: REGIONAL EMPLOYMENT BY INDUSTRY



Source: ACS 5-Year Estimates Data, 2019, Table C24030.

HOUSEHOLD CHARACTERISTICS

The US Census Bureau defines a household as all persons living in a single housing unit, whether or not they are related. A household can be one person, a single family, multiple families, or any group of related or unrelated persons. The US Census Bureau defines a family as related persons living within a single housing unit. An analysis of household characteristics as they relate to housing needs includes data on household size, income, and tenure.

The number of households in Milpitas has been increasing since 2000, as shown in Table A-6. ACS data from 2019 estimates there were 23,595 households in Milpitas. From 2000 to 2010, the number of households increased by 10.7 percent. The number of households from 2010 to 2019 increased by 18.7 percent increase—almost double the rate from 2010. This rate is higher to that seen in Santa Clara County (6.0 percent) during the same time period. Compared to the entire state of California, which saw an overall 3.7 percent increase in households between 2010 and 2019, Milpitas and Santa Clara County each had a larger proportional increase in households—18.7 percent and 6.0 percent, respectively—over the same time frame.

TABLE A-6: NUMBER OF HOUSEHOLDS, 2000–2019

Area	2000	2010	2019	% Increase 2000-2010	% Increase 2010-2019
Milpitas	17,132	19,184	23,595	10.7%	18.7%
Santa Clara County	565,863	604,204	640,215	6.8%	6.0%
California	11,502,870	12,577,498	13,044,266	9.3%	3.7%

Source: US Census 2000, 2010. ACS 5-Year Estimates Data, 2019.

HOUSEHOLD SIZE

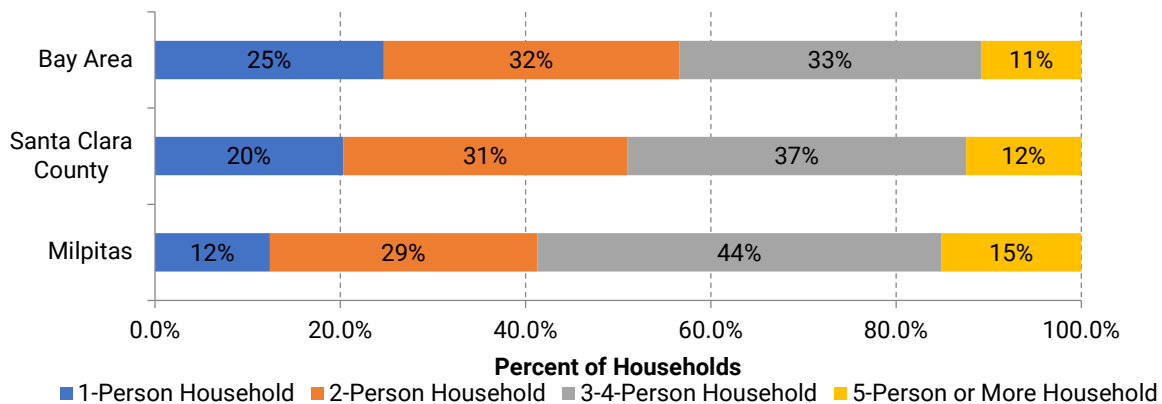
Household size helps indicate the type of units needed in a jurisdiction. The larger the household size, the larger the unit needed to comfortably live without risk of overcrowding. Table A-7 and Figure A-4 provide information on the household size distribution in the region. In 2019, the average household size in Milpitas was 3.3 persons, slightly larger than the County and state average of 3.0 persons per household.

TABLE A-7: REGIONAL AVERAGE HOUSEHOLD SIZE

Geography	2010	2019
Milpitas	3.3	3.3
Santa Clara County	2.9	3.0
California	2.9	3.0

Source: ACS 5-Year Estimates Data, 2019, Table B25119.

The composition of households by size for Milpitas, Santa Clara County, and the Bay Area are largely similar, as shown in Figure A-4. In Milpitas, 29 percent of households are two-person households and 44 percent of households are three- to four-person households. Milpitas has a slightly lower number of two-person households than Santa Clara County, which stands at 31 percent. It also has slightly lower proportions of one-person households. 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.

FIGURE A-4: HOUSEHOLDS BY SIZE

Source: ACS 5-Year Estimates Data, 2019, Table B11016.

HOUSING TENURE AND HOUSEHOLD INCOME

The number of residents who own their homes compared to those who rent their homes can help identify the level of housing insecurity (the ability for individuals to stay in their homes) in a city and region. Generally, renters may experience higher risk of displacement due to market pressures.

Of the 23,595 estimated households in Milpitas, 64.4 percent are owner occupied and 35.6 percent are renter occupied, based on ACS estimates in 2019. This is similar to the rate of Santa Clara County, in which 46.9 percent of the units are owner occupied and 43.2 percent of units are renter occupied.

As shown in Table A-8, the most common household size in Milpitas is a two-person household, followed by four-person households and then three-person households.

TABLE A-8: HOUSEHOLD SIZE BY TENURE, 2019

Group	Owner Occupied		Renter Occupied		Total	
	Units	%	Units	%	Units	%
1 Person Household	1,798	11.8%	1,132	13.5%	2,930	12.4%
2 Person Household	4,612	30.4%	2,198	26.2%	6,810	28.9%
3 Person Household	3,176	20.9%	1,866	22.2%	5,042	21.4%
4 Person Household	3,273	21.5%	1,983	23.6%	5,256	22.3%
5 Or More Person Household	2,337	15.4%	1,220	14.5%	3,557	15.1%
Totals	15,196	100.0%	8,399	100.0%	23,595	100.0%

Source: ACS 5-Year Estimates Data, 2019, Table B25009.

Figure A-5 occupancy by housing type. The majority of housing in Milpitas is detached single-family homes and over 85 percent of the 12,228 units are owner-occupied. In comparison, almost the same percentage of the 5,925 multi-family units in the city is renter occupied.

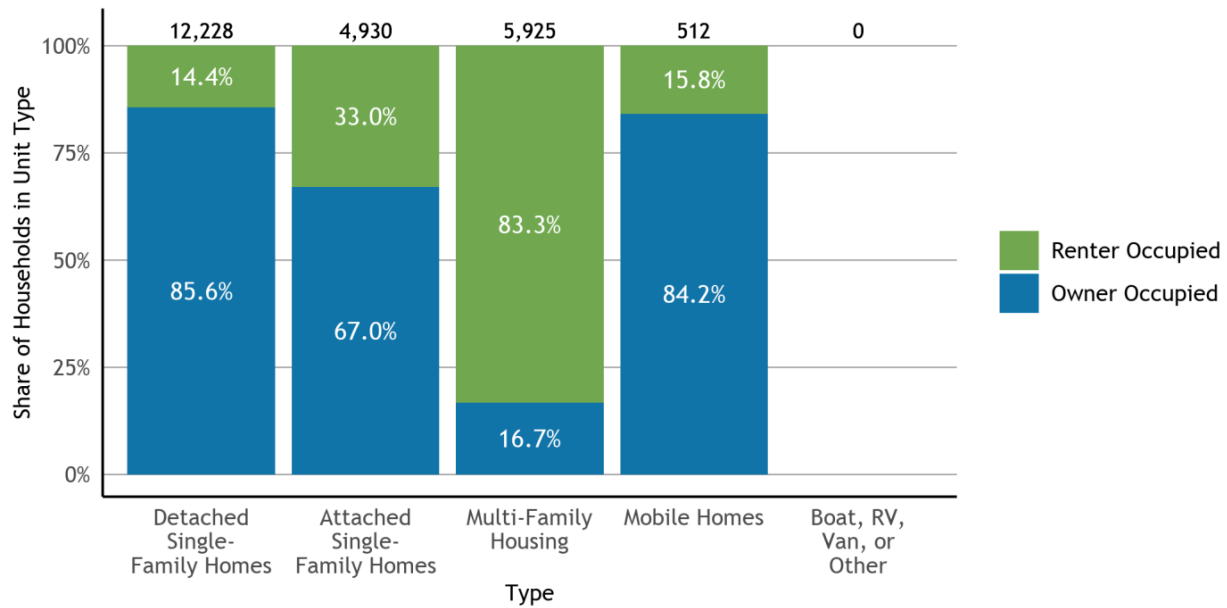
FIGURE A-5: HOUSING TENURE BY HOUSING TYPE

Table A-9 displays the household income level by tenure for Milpitas and Santa Clara County. The HUD Area Median Family Income (HAMFI) is for the San Jose-Sunnyvale-Santa Clara metropolitan statistical area. Just under 59 percent of households in Milpitas are above the median income in the area, compared to only 58 percent of households in Santa Clara County. Santa Clara County has a smaller percentage of the population that is below the median income than in Milpitas. Since over 50 percent of the County is above the median income, the County has a smaller percentage of the population that is below the median income than the metropolitan area.

TABLE A-9: HOUSEHOLD INCOME LEVEL BY TENURE, 2018

Group	Owner Occupied	%	Renter Occupied	%	Total	%
Milpitas						
Less than or equal to 30% of HAMFI	1,265	8.6%	1,470	18.5%	2,735	12.1%
Greater than 30% but less than or equal to 50% of HAMFI	1,060	7.2%	970	12.2%	2,030	9.0%
Greater than 50% but less than or equal to 80% of HAMFI	1,075	7.3%	1,200	15.1%	2,275	10.1%
Greater than 80% but less than or equal to 100% of HAMFI	1,260	8.6%	830	10.4%	2,090	9.2%
Greater than 100% of HAMFI	10,015	68.3%	3,500	43.9%	13,515	59.7%
Total	14,670	100.0%	7,965	100.0%	22,635	100.0%
Santa Clara County						

Less than or equal to 30% of HAMFI	27,980	4.4%	55,360	8.7%	83,340	13.1%
Greater than 30% but less than or equal to 50% of HAMFI	27,635	4.3%	35,920	5.7%	63,555	10.0%
Greater than 50% but less than or equal to 80% of HAMFI	32,440	5.1%	34,260	5.4%	66,700	10.5%
Greater than 80% but less than or equal to 100% of HAMFI	28,655	4.5%	24,640	3.9%	53,295	8.4%
Greater than 100% of HAMFI	243,955	38.4%	124,680	19.6%	368,635	58.0%
Total	360,665	56.8%	274,860	43.2%	635,525	100%

Source: 2014-2018 HUD CHAS data.

The median income for both owner- and renter-occupied households in Milpitas is \$137,000, as shown in Table A-10. This is just over the median income of Santa Clara County of \$133,076. According to the HCD 2022 State income limits, the median income of the county has increased to \$168,500. A high median income in Milpitas is reflected in high housing costs. It also indicates that lower-income families might not be able to afford to live in Milpitas. Additional housing options in the City may be necessary to fully meet the needs of the community and region. The ability to find suitable housing is especially challenging for extremely low-income households, as further discussed in the “Special Needs Housing” section, below.

TABLE A-10: MEDIAN HOUSEHOLD INCOME BY TENURE

Jurisdiction	2019 Median Income
Milpitas	\$137,000
Owner-Occupied Households	\$155,099
Renter-Occupied Households	\$112,030
Santa Clara County	\$133,076
Owner-Occupied Households	\$167,124
Renter-Occupied Households	\$97,280

Source: ACS Estimates Data, 2019, Table B25119.

Housing Stock Characteristics

As of 2019, Milpitas has 22,553 housing units, an increase of 13.9 percent, from 2010. Milpitas comprises just 0.34 percent of the total housing stock in Santa Clara County. Table A-11 illustrates the change in the number of housing units in Milpitas and Santa Clara County from 2000 to 2019. Milpitas saw a 10.1 percent increase in housing stock from 2000 to 2010, similar to the 9.1 percent rate of Santa Clara County. Milpitas had a larger percentage increase than the County in housing stock from 2010 to 2019, at 13.9 percent and 6.4 percent, respectively.

TABLE A-11: CHANGE IN NUMBER OF HOUSING UNITS, 2000–2019

Year	Milpitas	% change	Santa Clara County	% change	Milpitas as Percentage of Total Santa Clara County Units
2000	17,986	-	579,329	-	3.1%
2010	19,806	10.1%	631,920	9.1%	3.1%
2019	22,535	13.9%	672,495	6.4%	3.4%

Source: US Census 2000 SF3, H1, US Census 2010 SF1, H1, and Department of Finance Table E-5, 2019.

Table A-12 displays the number and type of housing units in Milpitas in 2010 and 2020. In 2020, a large proportion of the housing stock in Milpitas is single-family homes (70.1 percent). This is a little higher than the County rate of 61.4 percent. Twenty-eight percent of the housing stock in Milpitas is multifamily, compared to 35.8 percent of Santa Clara County housing stock.

In Milpitas, 1.9 percent of the housing stock is mobile homes. There are three mobile home parks in Milpitas- Mobile Lodge of Milpitas, Friendly Village, and Pioneer Mobile Home Park. The City conducts a full exterior inspection every year on a rotational basis. Overall, the parks are in good condition and are well maintained with a few minor issues. The Building Safety and Housing Department seldom receives complaints from park managers. The current Zoning Ordinance includes a Mobile Home Park (MHP) Overlay District and requires a special permit for Mobile Home Park conversions.

Due to the large stock of single-family homes, the City is launching new programs to encourage and facilitate Accessory Dwelling Units, which will provide another housing type in the City and can include affordable housing units. The new programs include the [Accessory Dwelling Unit \(ADU\) Incentive Program](#) and the [Safe ADU Legalization Program](#) that features the waiver of all permitting fees for legalization of a non-permitted ADU or JADU. In addition, Senate Bill (SB) 9 (Chapter 162, Statutes of 2021) may result in additional units being built in single-family neighborhoods. SB-9 requires ministerial approval of a housing development with no more than two primary units in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. Milpitas adopted zoning code amendments to comply with SB-9 in 2021.

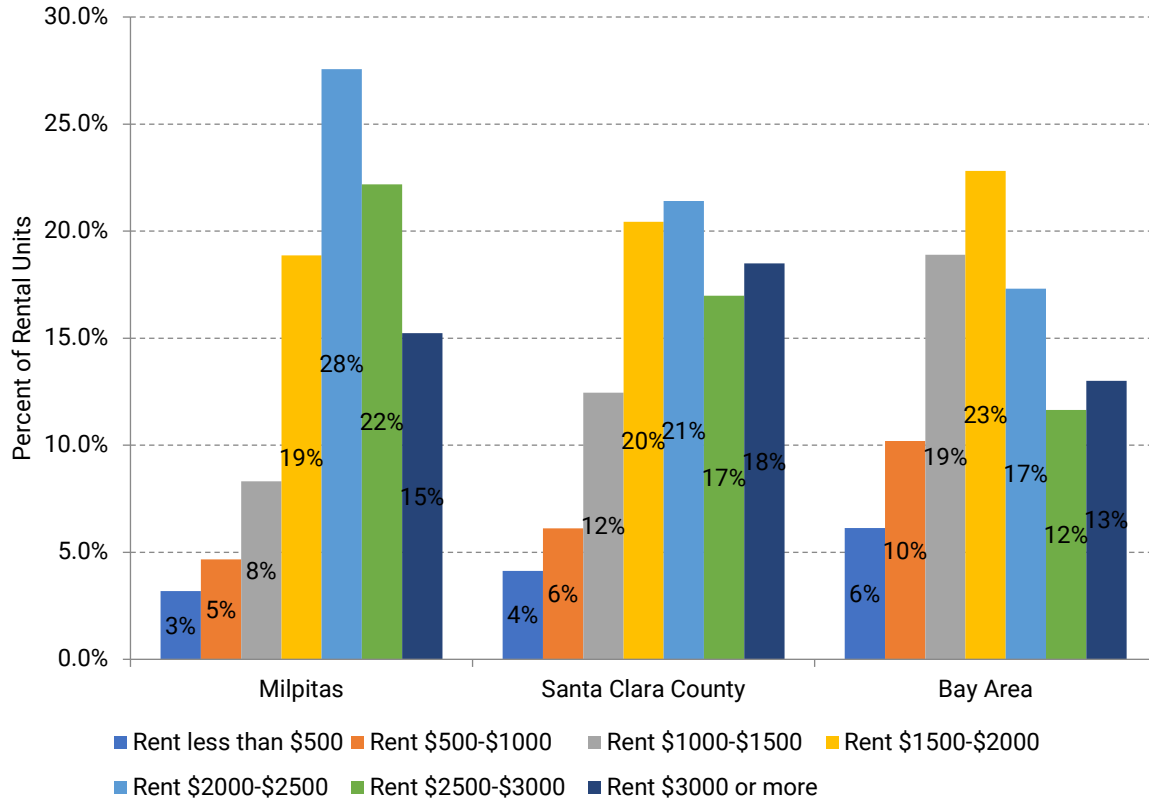
TABLE A-12: TYPE OF HOUSING UNITS

Building Type	2010		2020	
	Units	%	Units	%
Milpitas				
Single-Family Home: Attached	3,344	16.9%	3,758	16.7%
Single-Family Home: Detached	11,668	58.9%	12,059	53.5%
Multifamily	4,391	22.2%	6,308	28.0%
Mobile Homes	403	2.0%	428	1.9%
Totals	19,806	100%	22,553	100%
Santa Clara County				
Single-Family: Attached	61,517	9.7%	66,146	9.7%
Single-Family: Detached	344,586	54.5%	351,726	51.7%
Multifamily	206,779	32.7%	243,502	35.8%
Mobile Homes	19,038	3.0%	18,924	2.8%
Total Housing Units	631,920	100%	680,298	100%

Source: California Department of Finance, E-5 series.

HOUSING COSTS

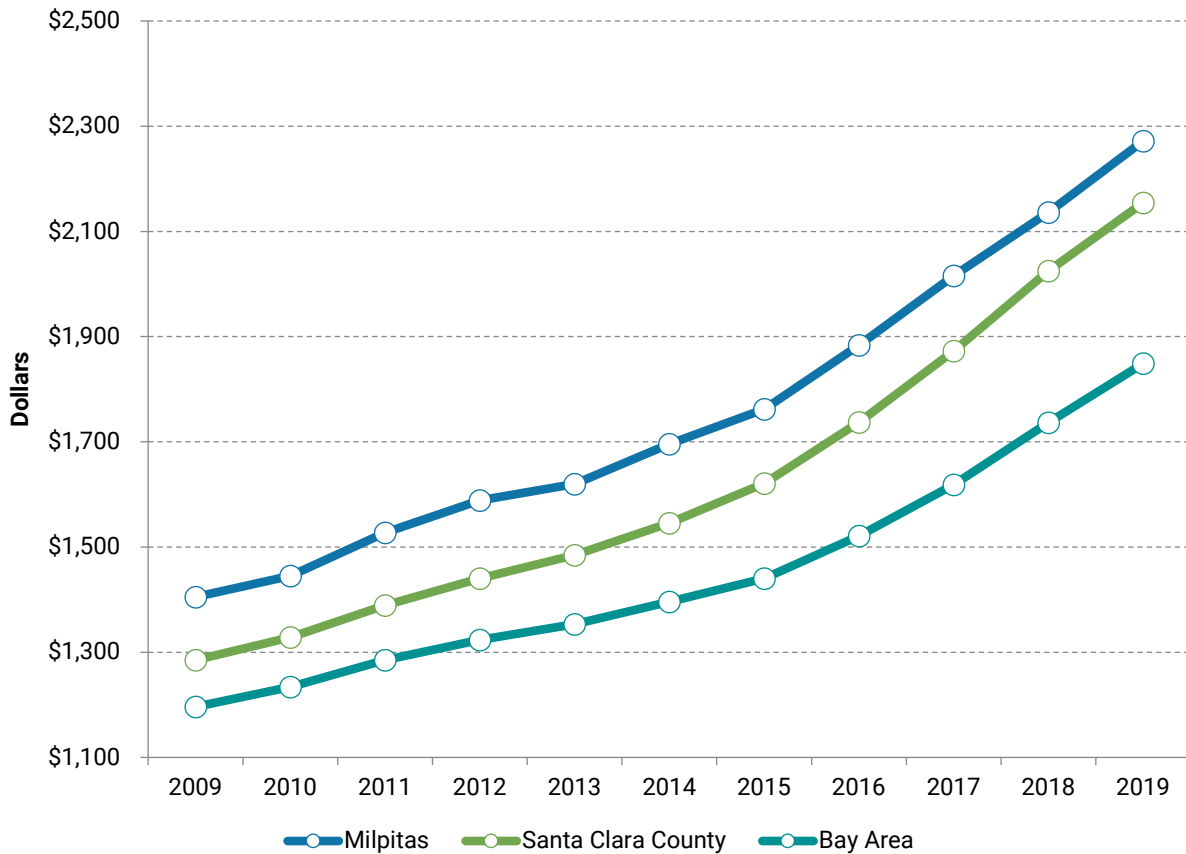
Costs of housing directly relates to housing need, as high costs can indicate a shortage in housing stock for low incomes households. High housing costs price lower-income households out of the ability to live in an area or may cause a high-cost burden. The average monthly rent for Milpitas, Santa Clara County, and the Bay Area is shown in Figure A-6. In Milpitas, the largest proportion of rental units rented in the Rent \$2000-\$2500 category, totaling 27.6 percent, followed by 22.2 percent of units renting in the Rent \$2500-\$3000 category. Looking beyond the city, the largest share of units is in the \$2000-\$2500 category (county) compared to the \$1500-\$2000 category for the region as a whole.

FIGURE A-6: CONTRACT RENTS FOR RENTER-OCCUPIED UNITS

Source: ACS 5-Year Estimates Data, 2019.

Rents have increased significantly across the region, with Milpitas trending above the County and regional averages. Since 2014, the median rent has increased by 34% in Milpitas, from \$1,696 to \$2,272 per month, see Figure A-7. In Santa Clara County, the median rent has increased 39%, from \$1,545 to \$2,155. The median rent in the region has increased significantly during this time from \$1,396 to \$1,849, a 32% increase.

FIGURE A-7: CONTRACT RENTS FOR RENTER-OCCUPIED UNITS



Source: ACS 5-Year Estimates Data, 2019.

As of 2022, the median rent for all bedrooms and all property types in Milpitas was \$3,500. In the last year, rent has increased by \$200 compared to 2021.⁶

Table A-13 displays the affordable and fair market rent for low-income households in the San Jose-Sunnyvale-Santa Clara HUD fair market rent area, suggesting that lower-income families are priced out of rental units in the City. Calculations for the table are provided from the National Low Income Housing Coalition to determine what income is needed to afford fair market rent for a unit without spending greater than 30 percent of income on housing.

⁶ Zillow CA Rental Market, December 2022. <https://www.zillow.com/rental-manager/market-trends/milpitas-ca/>

TABLE A-13: AFFORDABLE AND FAIR MARKET RENT FOR LOW-INCOME HOUSEHOLDS, 2021

Unit Size	Income Needed to Afford (hourly)	Income Needed to Afford (annual)	Fair Market Rent
Zero Bedroom	\$42.85	\$89,120	\$2,228
One Bedroom	\$49.19	\$102,320	\$2,558
Two Bedroom	\$58.67	\$122,040	\$3,051
Three Bedroom	\$76.62	\$159,360	\$3,984
Four Bedroom	\$88.33	\$183,720	\$4,593

Source: National Low Income Housing Coalition, Out of Reach 2021: California.

Table A-14 shows gross rent as a percentage of household income in 2019 from the ACS 5-year estimates. A cost burden is defined as spending over 30 percent of the household income on housing costs; a severe housing cost burden is spending over 50 percent of the household income on housing costs. Approximately 25 percent of renter households in Milpitas experience a cost burden, while an additional 15 percent experience a severe cost burden. Additional information on cost burden is included later in this Appendix.

TABLE A-14: GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME, 2019

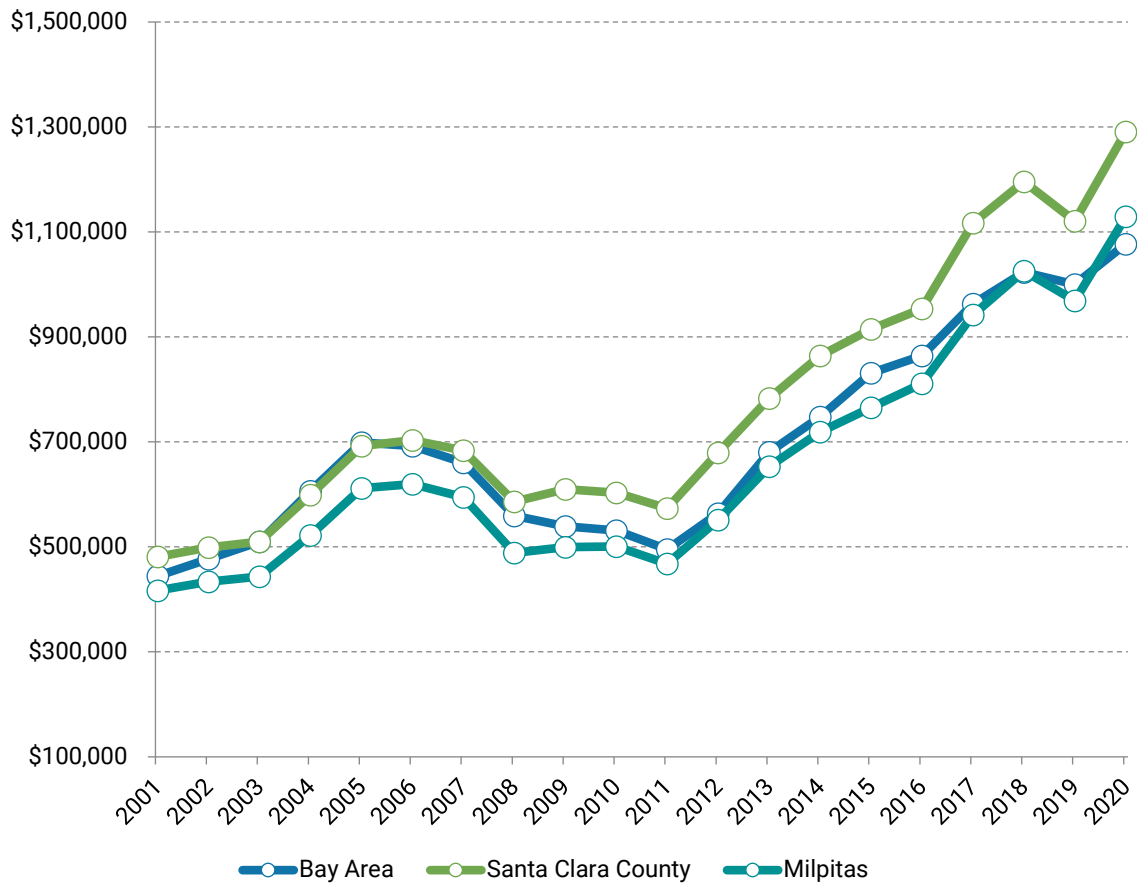
Percent of Household Income	Number of Households	Percent of Households
Less than 10 percent	159	1.9%
10 to 14.9 percent	639	7.6%
15 to 19.9 percent	1,222	14.5%
20 to 24.9 percent	1,351	16.1%
25 to 29.9 percent	1,218	14.5%
30 to 34.9 percent	723	8.6%
35 to 39.9 percent	540	6.4%
40 to 49.9 percent	842	10.0%
50 percent or more	1,277	15.2%
Not computed	428	5.1%
Total	8,399	100.0%

Source: ACS 5-Year Estimates Data, 2019, Table B25070.

The median home sale price from 2001 to 2020 for Milpitas, Santa Clara County, and the Bay Area region is shown in Figure A-8. In the Bay Area, the costs of housing have long been among the highest in the nation. The average home value in Milpitas was estimated at \$1,129,180 by December of 2020, per data from Zillow. The largest proportion of homes were valued between \$750,000 and \$1,000,000. By comparison, the typical home value is \$1,290,970 in Santa Clara County and \$1,077,230 the Bay Area,

with the largest share of units valued \$1,000,000 to \$1,500,000 (county) and \$500,000 to \$750,000 (region).

FIGURE A-8: MEDIAN SALES PRICE OVER TIME



Source: Zillow.com, 2021.

Median sales prices across California increased rapidly during 2021, partially due to effects from the Covid-19 pandemic. After spring 2020, housing prices increased rapidly across the state in 2021. Zillow market analysis data shows a 20.5 percent increase in the typical home value from January 2021 to January 2022.⁷

Table A-15 displays the increase in median sales price from December 2020 to December 2021 in Milpitas and surrounding jurisdictions. As of December 2021, the median home sale price in Milpitas was \$1,352,271. Milpitas experienced a 17.6 percent increase in median sales price from December 2020 to December 2021.

⁷ Zillow California Market Overview, January 2022. <https://www.zillow.com/ca/home-values/>

TABLE A-15: MEDIAN SALES PRICES, SANTA CLARA COUNTY

Jurisdiction	December 2020	December 2021	% Change
Milpitas	\$1,150,000	\$1,352,271	17.6%
Santa Clara	\$1,400,000	\$1,590,610	13.6%
San Jose	\$1,140,000	\$1,361,064	19.4%
Campbell	\$1,440,000	\$1,682,148	16.8%
Cupertino	\$2,370,000	\$2,817,172	18.9%
Gilroy	\$848,000	\$1,017,696	20.0%
Los Altos	\$3,450,000	\$4,039,260	17.1%
Los Gatos	\$2,210,000	\$2,605,981	17.9%
Los Altos Hills	\$4,630,000	\$5,193,377	12.2%
Monte Sereno	\$3,390,000	\$3,937,619	16.2%
Morgan Hill	\$1,070,000	\$1,286,127	20.2%
Mountain View	\$1,860,000	\$2,021,703	8.7%
Palo Alto	\$3,230,000	\$3,645,033	12.8%
Saratoga	\$3,060,000	\$3,641,636	19.0%
Sunnyvale	\$1,750,000	\$2,020,370	15.4%
Santa Clara County	\$1,320,000	\$1,541,339	16.8%

Source: Zillow Housing Market Data, 2021.

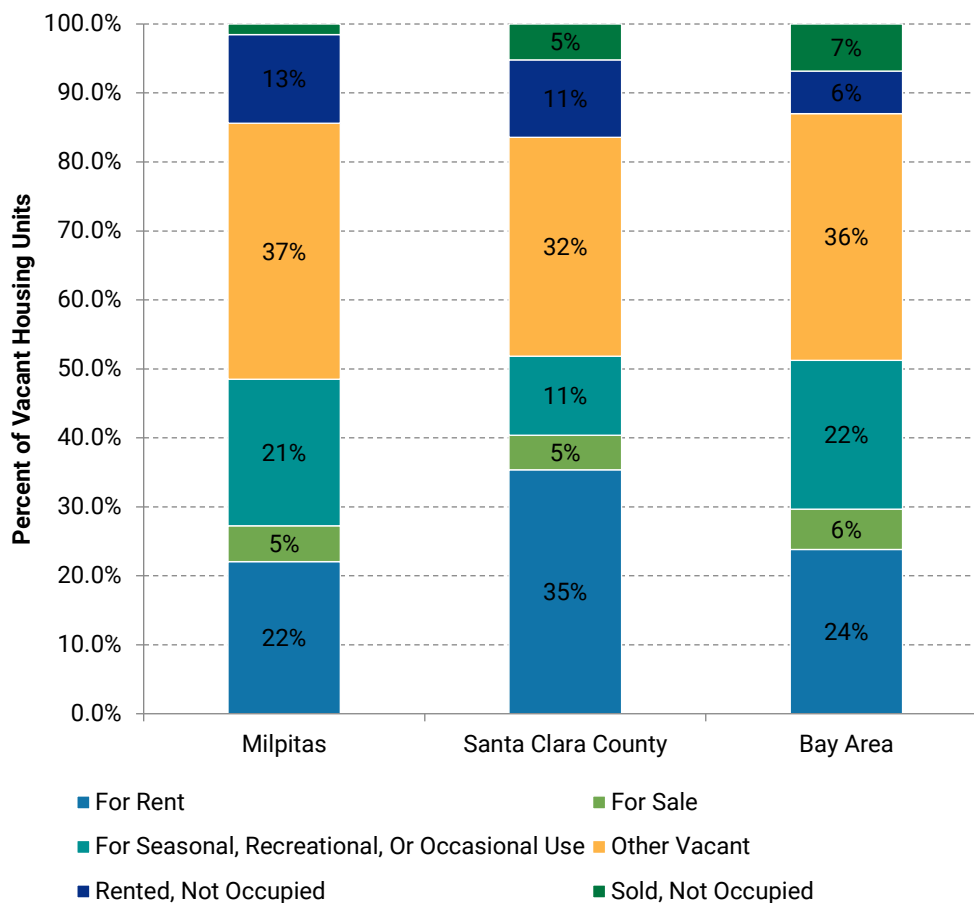
VACANCY RATES

Vacancy rates are indicators of housing supply and demand and can reflect the degree of housing choice that is available. Higher vacancy rates indicate downward price pressure. Low vacancy rates influence greater upward price pressures. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Too low a vacancy rate can force prices up, making it more difficult for lower- and moderate-income households to find housing, and is naturally related to the number of available housing units. The “healthy” vacancy rates for owner-occupied housing and renter-occupied housing differ. A healthy rental vacancy is around 7 to 8 percent, while a vacancy rate of 2 to 3 percent is considered healthy for owner-occupied housing. Figure A-9 shows the type of vacant units in Milpitas.

The overall rental vacancy stands at 4.2 percent, while the ownership vacancy rate is 0.5 percent. Of the vacant units, the most common type of vacancy is Other Vacant.⁸

Throughout the Bay Area, vacancies make up 2.6 percent of the total housing units, with homes listed for rent, units used for recreational or occasional use, and units not otherwise classified (other vacant) making up the majority of vacancies. The Census Bureau classifies a unit as vacant if no one is occupying it when census interviewers are conducting the American Community Survey or Decennial Census. Vacant units classified as “for recreational or occasional use” are those that are held for short-term periods of use throughout the year. Accordingly, vacation rentals and short-term rentals like AirBnB are likely to fall in this category.

FIGURE A-9: VACANT UNITS BY TYPE, 2019



Source: ACS 5-Year Estimates Data, 2019.

⁸ “Other” vacant common reasons is that the owner: is making repairs or renovations, does not want to rent or sell, is using the unit for storage, and/or is elderly and living in a nursing home or with a family member. Source: Melissa Kresin, Other Vacant Housing Units: 2000, 2005, and 2010, Current Housing Reports, United States Census Bureau, February 2013.

HOUSING AGE AND CONDITION

The age and condition of housing stock helps inform housing need by identifying groups in Milpitas that may be experiencing housing problems or are living in unsafe conditions. In general, housing that is 30 years or older may exhibit need for repairs based on the useful life of materials. Housing over 50 years old is considered aged and is more likely to require major repairs in the near term. Older housing units require more maintenance and may cost more to upkeep than newer housing units. As shown in Table A-16, the largest portion of the housing stock in Milpitas, 36.4 percent, was built between 1960 and 1979. Another 30.2 percent of the housing stock was built between 1980 and 1999. The age of the housing stock in Milpitas may indicate some need for repair and rehabilitation of aging units.

TABLE A-16: YEAR HOUSING BUILT

Year Built	Number of Housing Units	% of Units
Built 1960 To 1979	8,974	36.4%
Built 1980 To 1999	7,432	30.2%
Built 1940 To 1959	1,679	6.8%
Built 2000 To 2009	3,384	13.7%
Built 1939 Or Earlier	178	0.7%
Built 2010 Or Later	2,991	12.1%
Total	24,638	100%

Source: ACS 5-Year Estimates Data, 2019, Table B25034.

Housing tenure by date of occupancy is listed in Table A-17, which shows when households moved into their housing unit. Most of the households in Milpitas moved in between 2000 and 2014.

TABLE A-17: HOUSING TENURE BY DATE OF OCCUPANCY, 2019

Move In Year	Owner Occupied	% of Units	Renter Occupied	% of Units	Total	% of Units
Moved In 1989 Or Earlier	2,927	19.3%	84	1.0%	3,011	12.8%
Moved In 1990 To 1999	2,788	18.3%	237	2.8%	3,025	12.8%
Moved In 2000 To 2009	4,259	28.0%	1,522	18.1%	5,781	24.5%
Moved In 2010 To 2014	3,120	20.5%	2,584	30.8%	5,704	24.2%
Moved In 2015 To 2016	1,218	8.0%	2,238	26.6%	3,456	14.6%
Moved In 2017 Or Later	884	5.8%	1,734	20.6%	2,618	11.1%
Total	15,196	100%	8,399	100%	23,595	100%

Source: ACS 5-Year Estimates Data, 2019, Table B25038.

Housing is considered substandard when conditions are found to be below the minimum standard of living defined in the California Health and Safety Code. Substandard housing units include those in need of repair and/or replacement. Households living in substandard conditions are considered to be in need of housing assistance, even if they are not seeking alternative housing arrangements, due to threat to health and safety.

In addition to structural deficiencies and standards, the lack of infrastructure and utilities often serves as an indicator for substandard conditions. The 2019 ACS estimated that there are no housing units in Milpitas that lack a complete kitchen or plumbing. The City's Building, Safety, and Housing Department responds to public service requests to insure residential, commercial, and industrial properties are maintained in accordance with city regulations. Staff reports/estimates that 8 percent of the City's housing stock requires rehabilitation and 1 percent being substandard requiring replacement.

COST BURDEN AND OVERCROWDING

Households paying greater than 30 percent of their gross income on housing-related expenses, including rent or mortgage payments and utilities, are considered to be cost burdened, and those paying than greater than 50 percent of their income toward housing-related costs are considered to be severely cost burdened. Higher costs for housing may contribute to households having a limited ability to cover other everyday living expenses. The impact of housing costs is more apparent for extremely low-, very low-, and low-income households, especially renter households. Spending such large portions of their income on housing puts low-income households at higher risk of displacement, eviction, or homelessness. Renters are often more cost-burdened than owners. While the housing market has resulted in home prices increasing dramatically, homeowners often have mortgages with fixed rates, whereas renters are more likely to be impacted by market increases. Table A-18 shows the cost burden by tenure and income group for Milpitas and Santa Clara County. In Milpitas, 15.8 percent of owner households are experiencing some form of cost burden, which is a similar rate to Santa Clara County, at 22.1. The rate of renter households experiencing cost burden per the 2018 CHAS data is 20.1 percent. Table A-14 earlier in this chapter was based on US Census 2019 5-year estimates and showed that renter cost burden was approximately 40 percent (with 15% accounting for severe cost burden). This indicates that cost burden for renters is increasing. 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.

TABLE A-18: COST BURDEN BY TENURE, 2018

Household Income Range	Households		Percentage of Income Spent on Housing			
	Number	%	Cost Burden (>30% income on housing)		Severe Cost Burden (>50% income on housing)	
			Number	%	Number	%
Milpitas						
Owner Households						
Less than or equal to 30% of HAMFI	1,265	5.6%	875	3.9%	725	3.2%
Greater than 30% but less than or equal to 50% of HAMFI	1,060	4.7%	600	2.7%	370	1.6%

Household Income Range	Households		Percentage of Income Spent on Housing			
	Number	%	Cost Burden (>30% income on housing)		Severe Cost Burden (>50% income on housing)	
			Number	%	Number	%
Greater than 50% but less than or equal to 80% of HAMFI	1,075	4.7%	480	2.1%	190	0.8%
Greater than 80% but less than or equal to 100% of HAMFI	1,260	5.6%	500	2.2%	60	0.3%
Greater than 100% of HAMFI	10,015	44.2%	1,130	5.0%	95	0.4%
Total	14,670	64.8%	3,585	15.8%	1,440	6.4%
<i>Renter Households</i>						
Less than or equal to 30% of HAMFI	1,470	6.5%	1,060	4.7%	925	4.1%
Greater than 30% but less than or equal to 50% of HAMFI	970	4.3%	810	3.6%	385	1.7%
Greater than 50% but less than or equal to 80% of HAMFI	1,200	5.3%	810	3.6%	80	0.4%
Greater than 80% but less than or equal to 100% of HAMFI	830	3.7%	345	1.5%	0	0.0%
Greater than 100% of HAMFI	3,500	15.5%	145	0.6%	0	0.0%
Total	7,965	35.2%	3,170	14.0%	1,390	6.1%
Santa Clara County						
<i>Owner Households</i>						
Less than or equal to 30% of HAMFI	25,960	4.1%	20,765	3.3%	16,670	2.6%
Greater than 30% but less than or equal to 50% of HAMFI	27,625	4.4%	15,370	2.4%	9,725	1.5%
Greater than 50% but less than or equal to 80% of HAMFI	32,435	5.2%	15,680	2.5%	6,870	1.1%
Greater than 80% but less than or equal to 100% of HAMFI	28,655	4.6%	11,500	1.8%	3,285	0.5%
Greater than 100% of HAMFI	243,950	38.8%	35,110	5.6%	4,350	0.7%
Total	358,625	57.0%	98,425	15.6%	40,900	6.5%

Household Income Range	Households		Percentage of Income Spent on Housing			
	Number	%	Cost Burden (>30% income on housing)		Severe Cost Burden (>50% income on housing)	
			Number	%	Number	%
Renter Households						
Less than or equal to 30% of HAMFI	51,035	8.1%	45,275	7.2%	35,590	5.7%
Greater than 30% but less than or equal to 50% of HAMFI	35,940	5.7%	29,750	4.7%	15,250	2.4%
Greater than 50% but less than or equal to 80% of HAMFI	34,270	5.4%	21,565	3.4%	5,615	0.9%
Greater than 80% but less than or equal to 100% of HAMFI	24,635	3.9%	10,400	1.7%	940	0.1%
Greater than 100% of HAMFI	124,685	19.8%	11,990	1.9%	225	0.0%
Total	270,565	43.0%	118,980	18.9%	57,620	9.2%

Source: 2014-2018 HUD CHAS data.

An overcrowded housing unit is defined by the State Department of Housing and Community Development as a housing unit occupied by more than one person per room (excluding bathrooms, kitchens, hallways, and closet space). Occupancy by more than 1.5 persons per room constitutes severe overcrowding. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock. Additionally, high rates of overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community.

Overcrowding by tenure is shown for Milpitas and Santa Clara County in Table A-19. There are 1,799 overcrowded rental units in the City, constituting 7.6 percent of units, which is a slightly higher percentage than the 39,934 rental units that are overcrowded in the County, constituting 6.2 percent of units.

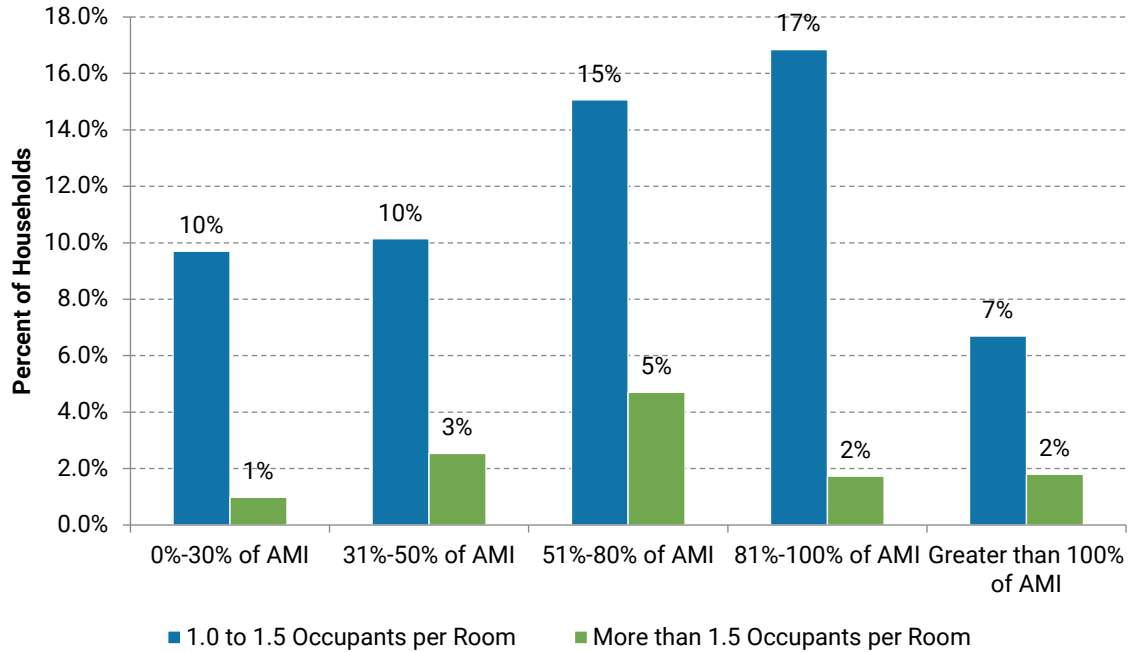
TABLE A-19: OVERCROWDING BY TENURE

	Owners		Renters		Total	
Persons per Room	Overcrowded Households	% of Total	Overcrowded Households	% of Total	Overcrowded Households	% of Total
Milpitas						
1.01 to 1.50	731	3.1%	1,139	4.8%	1,870	7.9%
>1.50	201	0.9%	660	2.8%	861	3.6%
Total Overcrowded	932	3.9%	1,799	7.6%	2,731	11.6%
Santa Clara County						
1.01 to 1.50	7,526	1.2%	21,951	3.4%	29,477	4.6%
>1.50	2,340	0.4%	17,983	2.8%	20,323	3.2%
Total Overcrowded	9,866	1.6%	39,934	6.2%	49,800	7.8%

Source: ACS 5-Year Estimates Data, 2019, Table B25014.

In addition to tenure other factors can contribute to overcrowding. Figure A-10 shows overcrowding by income level and severity. Lower income groups face higher percentages of overcrowding. Problems of overcrowding can also impact racial and ethnic groups differently. According to the 2019 ACS data, overcrowding affected 23 percent of Black/African American households, 18.5 percent of Hispanic or Latinx households, 17.9 percent of Other Race or Multiple Races households, 12 percent of Asian/Asian Pacific Islander households and 4.3 percent White households.

FIGURE A-10: OVERCROWDING BY INCOME LEVEL AND SEVERITY



Special Housing Needs

Some populations have special needs when it comes to housing, including accessibility requirements, size, and proximity to employment. The groups that generally have these special needs are the elderly, people with a disability, people experiencing homelessness, farmworkers, large households, female-headed households, and extremely low-income households. Identifying the prevalence of these populations within the City, and their special needs, guides the creation of programs and type of housing development. People often belong to more than one of these groups. Table A-20 provides an overview of the presence of special needs populations within the City.

TABLE A-20: OVERVIEW OF HOUSEHOLDS WITH SPECIAL NEEDS

Special Needs Group	# of People	% of Population
Persons with a Disability	5,546	7.2%
Persons Experiencing Homelessness	125	0.2%
Farmworkers	101	0.1%
Special Needs Group	# of Households	% of Households
Householders Age 65+*	1,328	5.6%
Large Households	3,557	15.1%
Female-Headed Households	2,447	10.4%
Extremely Low-Income Households	2,579	10.9%
* Householder refers to the person (or one of the people) in whose name the housing unit is owned or rented.		

Source: 2014-2018 HUD CHAS data, ACS 5-Year Data Estimates, 2019

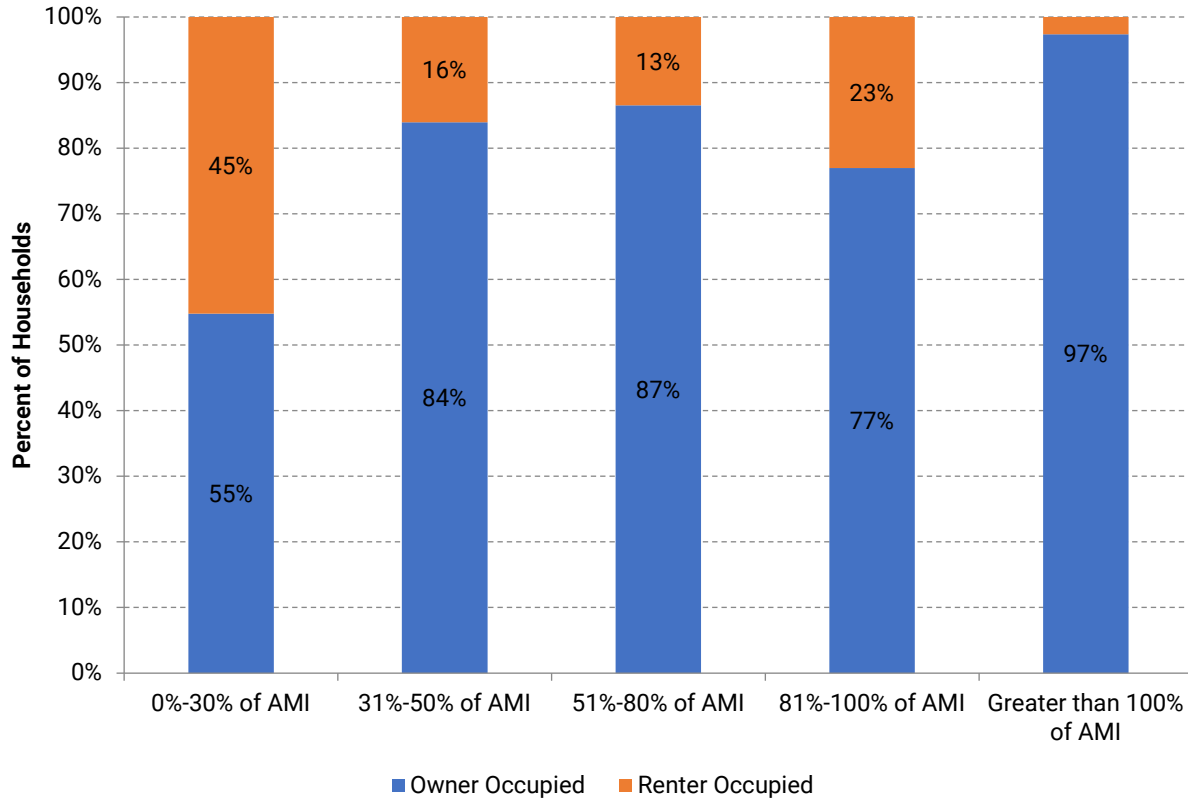
SENIORS

As shown in Table A-3, the average age of Milpitas' residents is higher than the County average. The higher proportion of elderly residents in the City indicates an increased need for programs and support for the elderly population. This age group typically presents a need for more medical and financial support, in addition to assistance with house repairs and maintenance for those seniors on a fixed income.

Higher than the citywide averages, 70% of seniors identify as Asian / API and 22% identify as White, non-Hispanic. Most senior households own their homes (78%) compared to those who rent their homes (22%). Of the 3,416 senior households in Milpitas, 1,518 households (17%) spent between 30% and 50% of their income on housing, and 924 households (27%) spent greater than 50% of their income on housing. This is significantly higher than the citywide average (13%) for severely cost-burdened households paying more than 50% of their income on households. In part, this likely represents the fixed incomes of seniors.

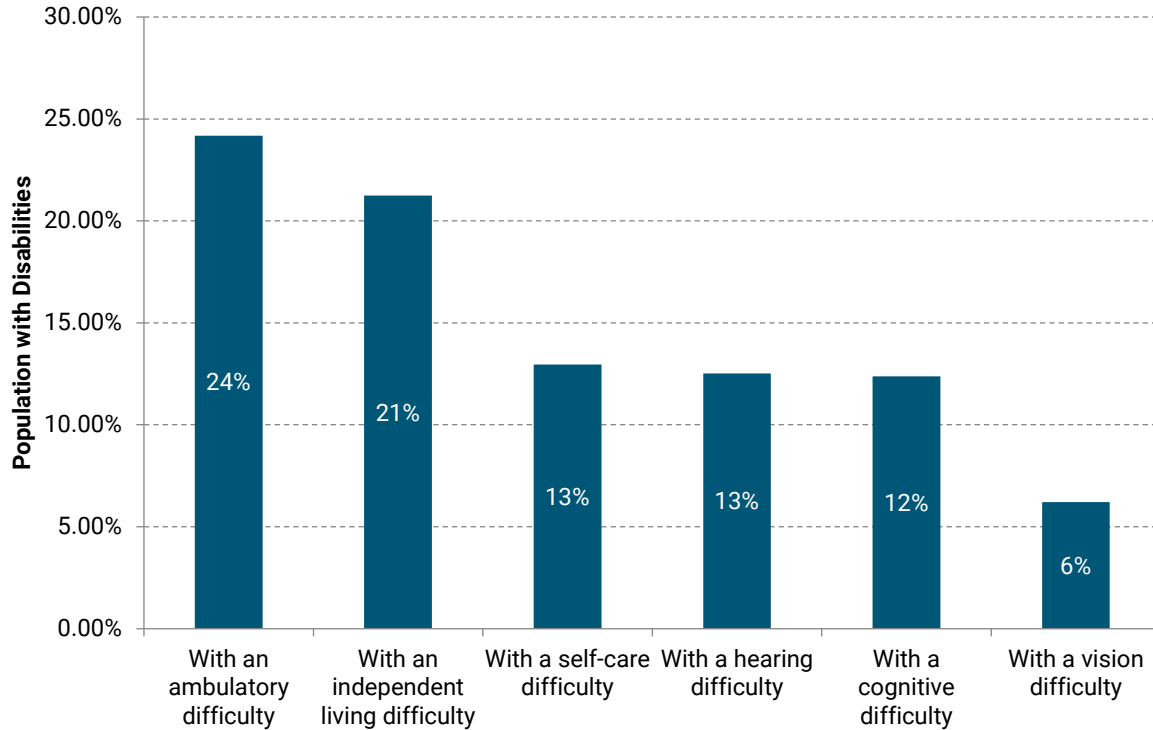
Seniors who rent may be at even greater risk for housing challenges than those who own, due to income differences between these groups. Eighty-two percent of the seniors who rent (629 households) were extremely or very low-income, earning less than 50% of the AMI. Whereas the largest proportion of senior households who are homeowners (35%) falls in the income group greater than 100% of AMI. Like all lower income residents, many older adult residents may be facing overpayment problems or are unable to find affordable rental units at all.

FIGURE A-11: SENIOR HOUSEHOLDS BY INCOME AND TENURE



Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017

The elderly population makes up 86 percent of the disabled population in Milpitas, with hearing difficulty, ambulatory difficulty, and independent living difficulty being prevalent in the aging community, as shown in Figure A-12. It is found that most elderly residents live in a home of two or more and receive in-home care or shared living opportunities with family members, rather than living in a facility. Programs supported by the City to aid the elderly population also serve the disabled elderly population, specifically transportation services, Age Friendly Design Elements, and communication services. Housing programs in this Element provide assistance to the elderly.

FIGURE A-12: ELDERLY HOUSEHOLDS WITH A DISABILITY

Source: ACS 5-Year Estimates Data, 2019, Table B18102, Table B18103, Table B18104, Table B18105, Table B18106, Table B18107.

Senior housing needs may require a specific set of actions including:

- **Mobility improvements.** Although many elderly persons can continue to live in their own homes, particularly if structural modifications are made to help them cope with the challenges that accompany aging, there will nevertheless be an increasing demand for assistance with repairs and maintenance of their homes. The City utilizes the services of Rebuilding Together Silicon Valley to provide safety, accessibility, and mobility repairs to mobile and single-family homes owned by very low- and low-income households, including allowing seniors to “age in place”.
- **Assisted living facilities.** Milpitas offers different housing resources for seniors. There are four residential care facilities, one skilled nursing facility, and three subsidized independent living housing developments in Milpitas for seniors. Residential care facilities for the elderly, also known as “assisted living” or “board and care” facilities, provide assistance with some activities of daily living while still allowing residents to be more independent than in most nursing homes. Skilled nursing facilities, also known as nursing homes, offer a higher level of care, with registered nurses on staff 24 hours a day.
- **Rent Relief:** The program offers various forms of financial relief to City of Milpitas residents with emergency housing needs. Eligible recipients include low-to-moderate income individuals or families with dependent children under 18, seniors over 55, victims of domestic violence, emancipated foster youth age 18-24, and subsidized housing tenants.

PERSONS WITH DISABILITIES

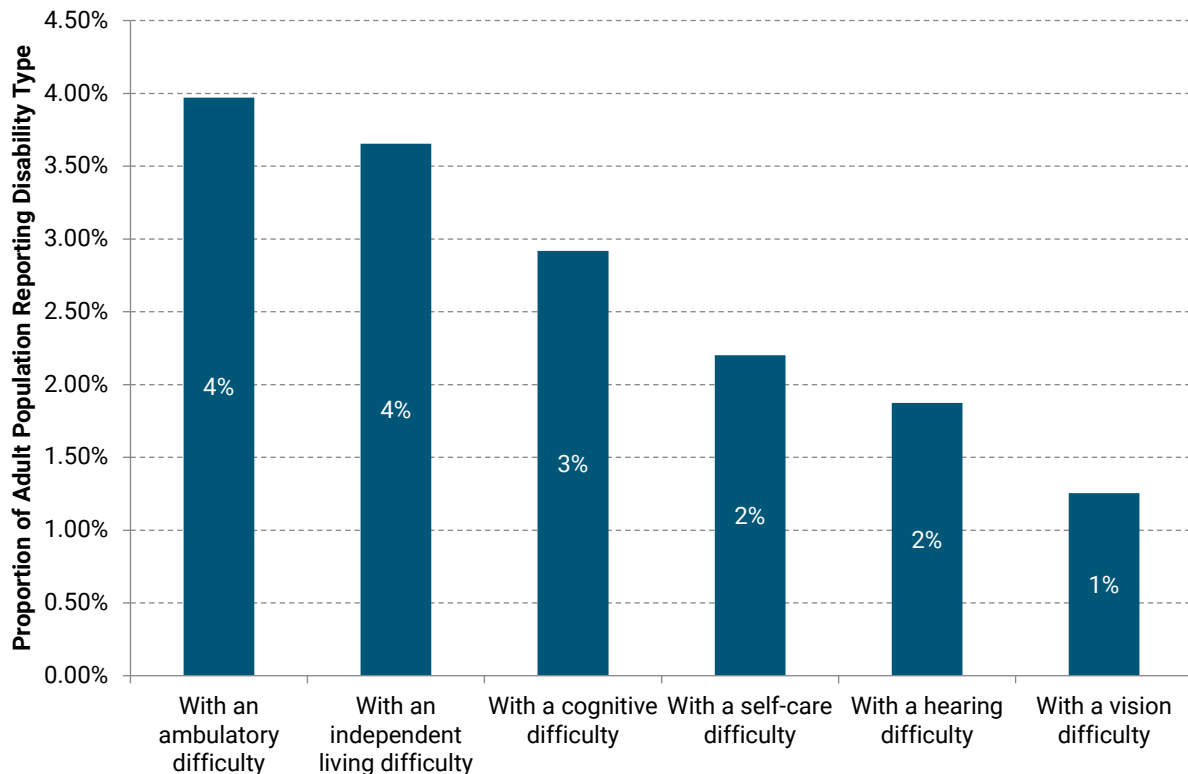
Per Table A-21, in Milpitas, 5,546 individuals, or 7.2 percent of the population, has a disability, which is lower than the County and Bay Area as a whole.

TABLE A-21: POPULATION BY DISABILITY STATUS, 2019

Geography	No Disability		With a Disability	
Milpitas	71,747	92.8%	5,546	7.2%
Santa Clara County	1,763,431	92.0%	154,212	8.0%
Bay Area	6,919,762	90.4%	735,533	9.6%

Source: ACS 5-Year Estimates Data, 2019, Table B18101.

Independent living and ambulatory difficulties are the most prevalent disabilities in the City, as shown in Figure A-13. Household design and location may prevent those with an independent living disability from living in certain areas of the city, while those with hearing difficulties may have communication issues and need additional city resources for community involvement and information comprehension.

FIGURE A-13: DISABILITY BY TYPE

Source: ACS 5-Year Estimates Data, 2019, Table B18102, Table B18103, Table B18104, Table B18105, Table B18106, Table B18107.

PERSONS WITH DEVELOPMENTAL DISABILITIES

According to the most recent data from the San Andreas Regional Center and the State of California Department of Developmental Services, as shown in Table A-22, there are 455 individuals with developmental disabilities in the community, 189 of which are children under the age of 18. All currently

live in the home of a parent, guardian, or other family member, not in a facility. The city has a lower proportion of adults with developmental disabilities than the County.

TABLE A-22: PERSONS WITH DEVELOPMENTAL DISABILITIES BY AGE GROUP

Age Group	City of Milpitas	City of Milpitas % of total	Santa Clara County	Santa Clara County % of total
Age 18+	189	42%	4,016	37%
Age Under 18	266	58%	6,737	63%
Totals	455	100%	10,753	100%

Source: The City of Milpitas population with developmental disabilities was provided by San Andreas Regional Center as of November 2021. The Santa Clara County population with developmental disabilities is based on county-level data published by the Department of Developmental Services as of June 2021. Provided courtesy of Housing Choices.

There are a number of different housing types that are appropriate for individuals with developmental disabilities, which reflect the range of housing needs among this group. Many individuals with developmental disabilities are able to live and work independently within a conventional housing environment and do not require housing that differs from the housing available to the population at large. Individuals with more severe developmental disabilities require a group living environment where services are provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided.

As of 2021, San Andreas Regional Center reported that the family home is the most prevalent living arrangement for Milpitas' adults with developmental disabilities (see Table A-23). Only 3% of Milpitas adults with developmental disabilities have successfully transitioned to living in their own apartment and 23% of Milpitas adults were reported to be living in licensed care facilities, which corresponds with data from the County.⁹

TABLE A-23: LIVING ARRANGEMENTS OF ADULTS WITH DEVELOPMENTAL DISABILITIES IN MILPITAS

Adult Living Arrangements	City of Milpitas	City of Milpitas % of total	Santa Clara County	Santa Clara County % of total
In the family home	193	73%	4,362	65%
Own apartment with supportive services	9	3%	756	11%
Licensed Facilities	60	23%	1,525	23%
Other (including homeless)	4	2%	94	1%
Total Adults	266	100%	6,737	100%

Source: The City of Milpitas population with developmental disabilities was provided by San Andreas Regional Center as of November 2021. The Santa Clara County population with developmental disabilities is based on county-level

⁹ Housing Choices comment letter 2022.

data published by the Department of Developmental Services as of June 2021. Provided courtesy of Housing Choices.

The Department of Developmental Services reports that between September 2015 and June 2021, 5% fewer people with developmental disabilities were able to be housed in licensed care facilities in Santa Clara County, even as the adult population in need of residential options outside the family home grew. This trend increases the need for affordable housing options coordinated with supportive services funded by the San Andreas Regional Center.¹⁰

Because developmental disabilities exist before adulthood, a key factor in supportive housing for persons with developmental disabilities is the transition from the person's living situation as a child to an appropriate level of independence as an adult. Additional considerations include housing accessibility modifications, proximity to services and transit, and the availability of group living opportunities. Incorporating 'barrier-free' design in all newly constructed multifamily housing (as required by California and Federal Fair Housing laws and the California Building Code) is especially important to provide the widest range of choices for disabled residents. Similar to individuals with other types of disabilities, individuals with developmental disabilities often have limited employment options, so special consideration should be given to the affordability of housing for individuals with developmental disabilities.

The State Department of Developmental Services (DDS) provides community-based services to approximately 235,000 persons with developmental disabilities and their families. Services are delivered primarily through 21 regional centers, which are nonprofit agencies that contract with local businesses to provide services to individuals with developmental disabilities.

The San Andreas Regional Center provides these services in Santa Clara, Monterey, San Benito, and Santa Cruz Counties.

FARMWORKERS

Agricultural workers often have difficulty securing decent affordable housing. In part, this difficulty is due to the low wages typically offered to farmworkers. Furthermore, some agricultural work is seasonal with jobs filled by migrant workers that need temporary accommodations. These workers often face complications with finding adequate affordable housing on a temporary basis. Because of these issues, farmworkers often live in overcrowded housing units, many of which are in poor condition.

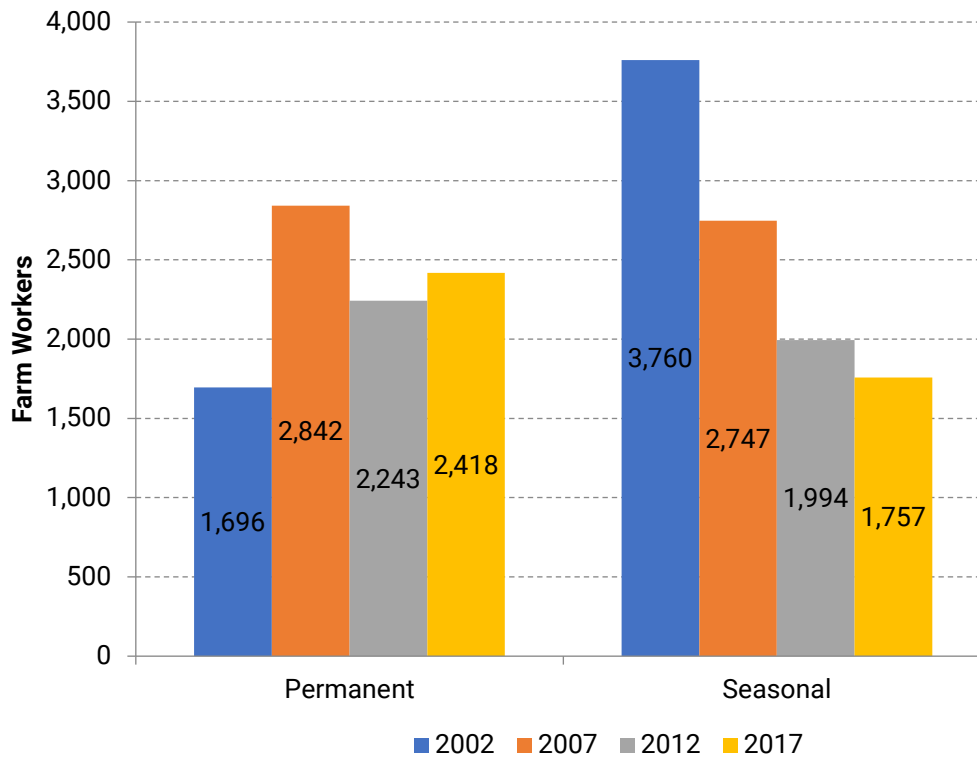
ABAG prepared a Farmworker Housing Toolkit (Farmworker Toolkit) in January 2022 as a resource for housing elements. The Farmworker Toolkit reports that while overall the Bay Area has shifted away from its historical agricultural economic base, Bay Area counties still preserve strong agricultural roots. However, the responsibility for farmworker housing is shared among cities and counties; farmworkers often choose to live within incorporated cities due to the diversity and availability of housing, proximity to schools and other employment opportunities for other family members, and overall affordability. Per the USDA, farmworkers often commute long distances to work for various employers but are considered permanent workers and residents in their home communities. For these permanent or settled farmworkers, the USDA estimates that these workers commute up to 75 miles for work and then return to their homes. Over the past two decades, there has been a shift to a more permanent workforce for many farms, which has shifted the bulk of the need from seasonal housing for migrant workers to permanently

¹⁰ Housing Choices comment letter 2022.

affordable housing for low wage working families. Both types of housing are still necessary, but farmworker housing is no longer solely a rural/County issue.

Farmworkers constitute a small share of workers in Milpitas and Santa Clara County. As shown in Figure A-14, the USDA Census of Agriculture reported that there were approximately 4,175 farmworkers in Santa Clara County in 2017, the most recent year for which these data are available. Although the Census of Agriculture does not provide data specific to Milpitas, there were zero migrant worker students in the city but the 2019 American Community Survey estimates that there are 101 persons employed in agriculture, forestry, fishing, hunting and mining in Milpitas.

FIGURE A-14: FARM OPERATIONS AND FARM LABOR BY COUNTY



Source: 2017 Census of Agriculture, Table 7.

In recognition of the regional importance of agriculture and the shared responsibilities to provide housing for the agricultural workforce, Santa Clara County is taking the lead on developing a “Bay Area Regional Agricultural Plan.” The Plan will be initiated in 2022 to undertake the following: (1) explore regional strategies for the conservation of agricultural land, (joint powers authority, financing mechanisms, land trust) thus reducing the greenhouse gas emissions associated with urbanization, and (2) help local governments plan land-use strategies to protect agricultural land that might otherwise be developed”, and (3) explore farmworker housing including programs, policies, and legislation.

LARGE HOUSEHOLDS

Large households (families with five or more members) are generally served by housing units with three or more bedrooms. If a city’s housing stock does not include sufficient larger homes and apartments, large households could end up living in overcrowded conditions. Cost is also an important consideration as many large families do not have sufficient income to afford larger homes and apartments.

In Milpitas, 3,557 households have 5 or more members (15% of the total households). Eighteen percent of large households were extremely or very low-income, earning less than 50% of the AMI, less than smaller households (23% were extremely or very low-income). However, 33% of large households were in the 50% - 100% income category vs 21% for smaller households. Forty-nine percent of large households earned 100% or more of the AMI compared with 56% for smaller households.

For large households with five or more persons, most units are owner occupied (see Table A-24) 2,337 to 1,220. In Milpitas, there are 16,183 units in Milpitas with 3 or more bedrooms, about three times the number of large households. Among these large units with 3 or more bedrooms, 18.9% are renter-occupied and 81.1% are owner occupied.¹¹ In particular, the City has approximately 3,050 larger rental units, which is more than twice the amount of large renter-occupied households. While housing supply does not appear to be an issue, affordability of units may provide an obstacle for large households.

TABLE A-24: LARGE HOUSEHOLDS BY TENURE

Number of Persons in Unit	Owner Occupied	%	Renter Occupied	%	Total	%	Owner Occupied	%	Renter Occupied	%	Total	%
	Milpitas						Santa Clara County					
Five	1,131	4.8%	753	3.2%	1,884	8.0%	26,406	4.1%	19,190	3%	45,596	7.1%
Six	768	3.3%	285	1.2%	1,053	4.5%	10,802	1.7%	7,822	1.2%	18,624	2.9%
Seven or more	438	1.9%	182	0.8%	620	2.6%	8,684	1.4%	6,650	1%	15,334	2.4%
Total Large Households	2,337	9.9%	1,220	5.2%	3,557	15.1%	45,892	7.2%	33,662	5.2%	79,554	12.4%

Source: ACS 5-Year Estimates Data, 2019 Table B25009.

FEMALE-HEADED HOUSEHOLDS

Households headed by one person are often at greater risk of housing insecurity, particularly female-headed households, who may be supporting children or a family with only one income. Female-headed households may face particular housing challenges, with gender inequality resulting in lower wages for women. Similarly, the added need for childcare can make finding a home that is affordable more challenging.

As shown in Table A-25, there are 2,447 female-headed households in Milpitas, constituting 10% of the total households in the City (the largest proportion of households is married-couple family households at 64.7% of total). Of the female-headed households, 930 have related children.

¹¹ ABAG Data Report citing U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25042

TABLE A-25: FEMALE-HEADED HOUSEHOLDS BY TENURE

Household Type	Above Poverty Level	Below Poverty Level
Female householder, no husband present, with own children under 18	597	333
Female householder, no husband present, without own children	1,441	76
Total	2,038	409

Source: ACS 5-Year Estimates Data, 2019 Table B17012.

About 16% of all female-headed households fall below the Federal Poverty Line as shown in Table A-25. However, a high proportion, 36%, of female-headed households with children were under the poverty line, compared to only 5% of female headed households without children. This suggests that female-headed households with children are more likely to have greater housing needs and face difficulties in finding affordable housing. A high number of single-parent households may indicate a need for subsidized day care or health care, but this population makes up a low amount of the City's total households.¹²

HOMELESS POPULATION

Homelessness remains an urgent challenge in many communities across the state, reflecting a range of social, economic, and psychological factors. Rising housing costs result in increased risks of community members experiencing homelessness. Santa Clara County conducts a biannual homeless census and survey to collect information on individuals and families sleeping in emergency shelters and transitional housing, as well as people sleeping on the streets, in cars, in abandoned properties, or in other places not meant for human habitation. In Santa Clara County, the most common type of household experiencing homelessness is those without children in their care. Among households experiencing homelessness that do not have children, 87.1 percent are unsheltered. Of homeless households with children, most are in emergency shelters.

Every two years, the County employs a research firm to conduct a count of the local homeless population. Known as a point-in-time count, the survey is performed using HUD's definition of homelessness and consists of the following primary components: 1) General street count, which is a count of unsheltered homeless individuals and families that are living outdoors on the streets, at bus and train stations, in parks and tents, and in vehicles and abandoned properties; and 2) general shelter count, which is a count of individuals and families temporarily housed in shelters, including emergency shelters, transitional housing, and safe havens. In 2022, Milpitas was found to have 249 unsheltered individuals, up from 125 in 2019. The City has 25 sheltered individuals, as shown in Table A-26.

¹² Child care may also be a need in the community to serve low-income households with children where two wage earners are needed to cover living costs.

TABLE A-26: HOMELESS POPULATION, 2022

JURISDICTION	UNSHELTERED		SHELTERED		TOTAL		'19-'22 % CHANGE
	2019	2022	2019	2022	2019	2022	
Total Incorporated	7,652	7,454	1,594	2,230	9,246	9,684	5%
City of Campbell	74	216	0	0	74	216	191%
City of Cupertino	159	102	0	0	159	102	-36%
City of Gilroy	345	606	359	208	704	814	16%
City of Los Altos	76	65	0	0	76	65	-14%
City of Los Altos Hills	2	0	0	0	2	0	*
Town of Los Gatos	16	58	0	0	16	58	*
City of Milpitas	125	249	0	25	125	274	119%
City of Monte Sereno	0	0	0	0	0	0	*
City of Morgan Hill	114	60	0	0	114	60	-47%
City of Mountain View	574	206	32	140	606	346	-43%
City of Palo Alto	299	263	14	11	313	274	-12%
City of San José	5,117	4,975	980	1,675	6,097	6,650	8%
City of Santa Clara	264	375	62	65	326	440	35%
City of Saratoga	10	0	0	0	10	0	*
City of Sunnyvale	477	279	147	106	624	385	-38%
Total Unincorporated	270	254	89	27	359	281	-22%
Confidential Locations	NA	NA	101	63	101	63	-38%
Total	7,922	7,708	1,784	2,320	9,706	10,028	3%

*Note: Percentage change was not calculated for rows with less than 50 individuals.

Source: 2022 Santa Clara County Homeless Census and Survey.

The County homeless count identified services that may have prevented homelessness, including rental / mortgage assistance, employment assistance, alcohol/drug counseling, mental health services, and help accessing benefits. Similarly, City staff interviewed the Milpitas Unified School District McKinney-Vento coordinator and a case manager from LifeMoves to learn about the specific issues that at-risk households are facing in Milpitas in 2020. Staff heard about a similar range of challenges including job loss, wage or benefit reductions, inability to pay rent and utility bills, lack of food and meals, fear of accessing assistance due to immigration status, inability to document hardship due to not being on a lease or being able to show loss of employment, lack of daycare, lack of quiet space for children to attend remote learning, necessity to leave overcrowded living situation, and fleeing domestic and family violence.

Milpitas contributed to Santa Clara County's Community Plan to End Homeless through a collaborative effort to disrupt systems, build solutions, and serve the person. In late 2020, the City crafted a framework for a local Milpitas plan that continues to collaborate with regional and local partners to provide support for individuals experiencing homelessness and those at risk of homelessness. Example actions to date include:

- Launching a Homeless Task Force in 2021.
- Homeless outreach through Abode's HEAT outreach team, in coordination with the City and County Office of Supportive Housing, which continues to identify individual clients for placement throughout Santa Clara County. The HEAT also helps foster support and earn trust amongst the

unhoused population, enlisting them in community resources and mental health services, facilitate shelter linkages, and provide other basic items of need.

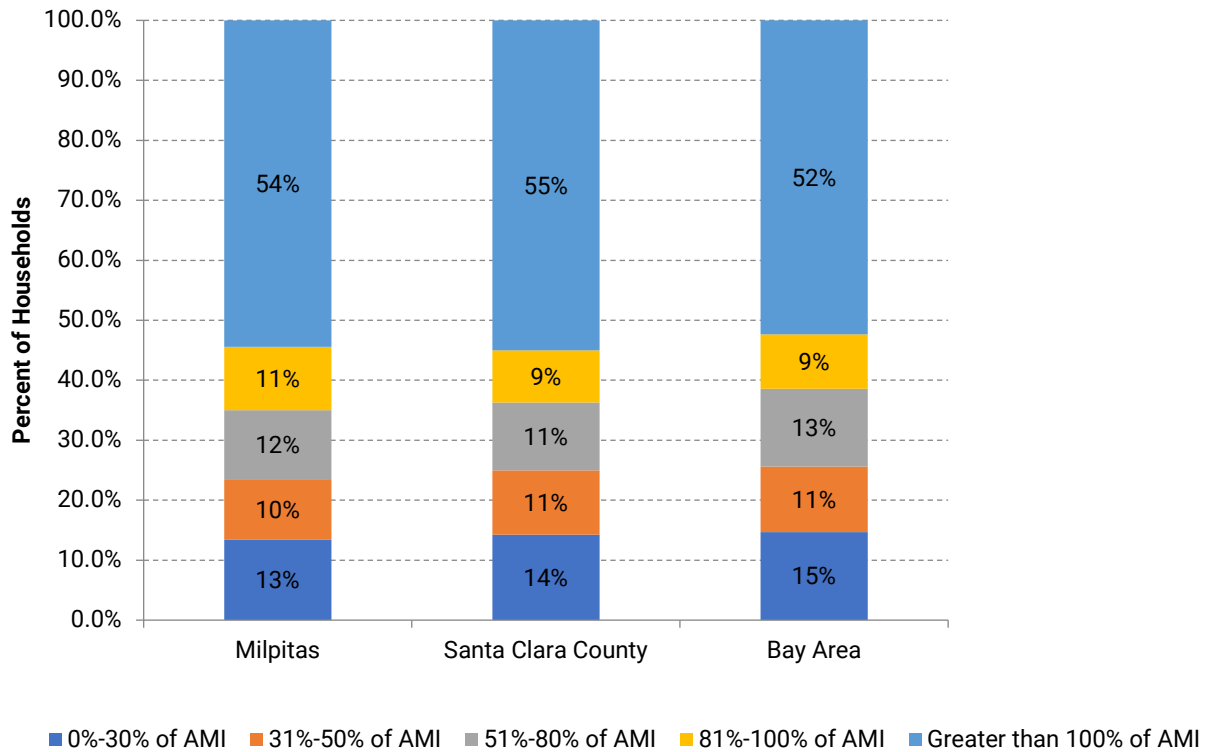
- Continued work with Hope for the Unhoused: 501(c)(3) charitable organization working to reduce homelessness in Milpitas, to provide outreach, food, education, and other assistance to unhoused families in need.
- Participating in the County Shelter Crisis Line.
- Providing mobile shower and laundry services and meal delivery.
- Developing a Rent Relief program which offers various forms of financial relief to City of Milpitas residents with emergency housing needs.
- Converting an Extended Stay America hotel located at 1000 Hillview Court to 134 units of permanent supportive housing for very low-income individuals. The project was developed in 2020 by Jamboree Housing with funding from HCD HomeKey grant, Santa Clara County Measure A loan, and County Housing Authority HUD-VASH vouchers.

EXTREMELY LOW-INCOME HOUSEHOLDS

Extremely low-income households are defined as households earning less than 30 percent of area median income (AMI). In Santa Clara County, 30% AMI is the equivalent to the annual income of \$39,900 for a family of four. Many households with multiple wage earners – including food service workers, full-time students, teachers, farmworkers, and healthcare professionals – can fall into lower AMI categories due to relatively stagnant wages in many industries. Because these households have highly limited incomes, deep income targeting is needed to provide housing affordable to extremely low-income households. Some extremely low-income households may benefit from specific housing solutions such as housing with supportive services, transitional housing, low barrier navigation centers, single-room occupancy units, and rent subsidies (e.g. Section 8 vouchers and Milpitas' Rent Assistance Program).

As shown in Figure A-15, 13 percent, or about 2,942 households, are in the extremely low-income level category. Although figures for Santa Clara County and Bay Area region are similar to Milpitas, the County and region have a slightly larger proportion of extremely low-income households overall. Extremely low-income households disproportionately need home-buying subsidies, single-room occupancy or shared housing, or rent subsidies such as housing choice vouchers.

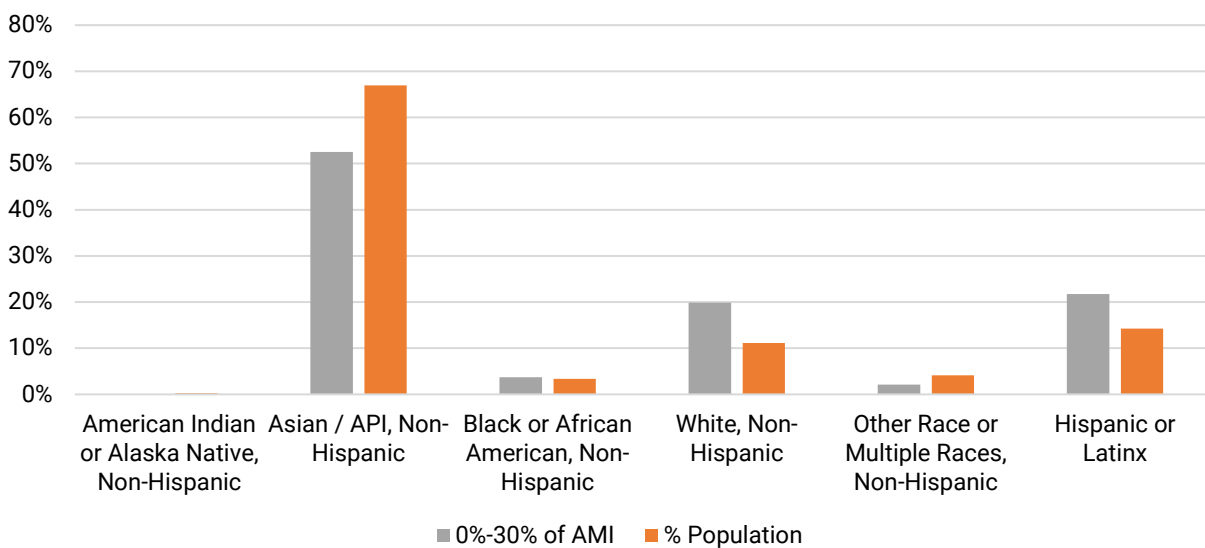
FIGURE A-15: HOUSEHOLDS BY HOUSEHOLD INCOME LEVEL



Source: 2013-2017 HUD CHAS data.

Figure A-16 compares the proportion of Milpitas population by race to the proportion of extremely low-income households by race. In particular, both Hispanic or Latinx and White, non-Hispanic are overrepresented in the extremely low-income households.

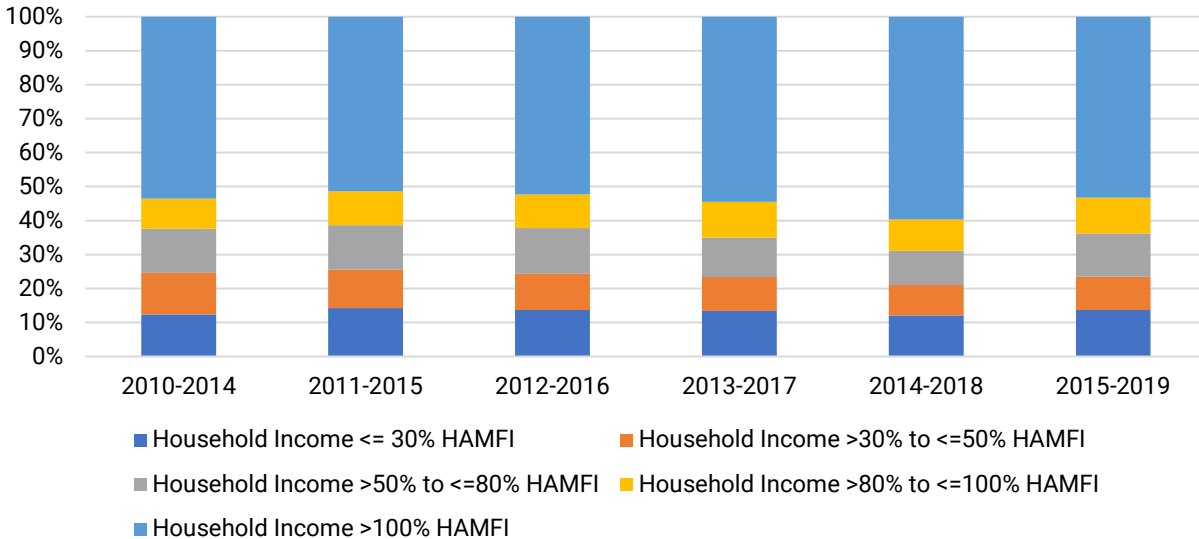
FIGURE A-16: Extremely Low-Income Households by Race



Source: ACS 5-Year Estimates Data, 2019

The percentage of extremely low-income households in Milpitas has fluctuated slightly over time, ranging between 12% and 14% as shown in Figure A-17. Even though the percentage has remained relatively stable, over 3,200 households in Milpitas are within this income category.

FIGURE A-17: HOUSEHOLDS BY INCOME LEVEL OVER TIME



Source: HUD CHAS data

A 2021 report published by the National Low Income Housing Coalition found that there are just 29 homes available for every 100 extremely low-income households in the San Jose-Sunnyvale-Santa Clara metro area. This number was based on 2019 data and does not account for the COVID-19 Pandemic which exacerbated this need. These households are particularly housing cost burdened. Eighty-two percent of Milpitas's extremely low-income households are cost burdened, paying 30% or more of their income on rent and 67% are severely cost burdened, paying 50% or more of their income on rent.

Though RHNA does not specifically call out extremely low-income households as a category, meeting the housing needs of these persons is a critical for all communities. Milpitas has several programs to help meet the housing need for these individuals, including:

- The Milpitas Zoning Code allows the development of single room occupancy (SRO) housing as part of residential developments. The Zoning Code requires each SRO unit to contain either individual or shared kitchen and bathroom facilities and be a minimum of 150 square feet without kitchen and bathroom facilities or a minimum of 300 square feet with full kitchen and bathroom facilities. SROs help to meet the needs of extremely-low- and very-low-income individual.
- The City's Rent Relief program offers various forms of financial relief to Milpitas residents with emergency housing needs. Eligible recipients include low-to-moderate income individuals or families with dependent children under 18, seniors over 55, victims of domestic violence, emancipated foster youth age 18-24, and subsidized housing tenants. The program can assist with rent and deposit relief, emergency hardship relief, eviction prevention, domestic violence relocation, child and family homeless relief, and section 8 good faith deposits.

Publicly Assisted Rental Housing at Risk of Conversion

State Law requires local Housing Elements to include an inventory of affordable rental housing developments that could be at risk of conversion to market rate during the 10-year period that follows the adoption of the Element. For those units found to be at risk of conversion, the Housing Element must estimate the cost to preserve or replace the at-risk units, to identify the resources available to help in the preservation or replacement of those units, and to identify those organizations that could assist in these efforts.

INVENTORY OF EXISTING AFFORDABLE UNITS

Per Government Code Section 65863.10, “Assisted housing development” means a multifamily rental housing development that receives governmental assistance. Milpitas has a total of 974 existing multifamily rental units with affordability restrictions. Projects that consist entirely of affordable units account for 434 of affordable units in the City, while 540 other affordable units are in mixed-income projects. The City’s large affordable housing stock in mixed-income projects is the result of City policies that encourage developers of market-rate residential projects to add affordability restrictions to a portion of units in each project. Table A-27 shows the inventory of multifamily rental affordable housing units in Milpitas and the earliest dates of termination of affordability restrictions for each project.

TABLE A-27: AFFORDABLE MULTIFAMILY RENTAL HOUSING DEVELOPMENTS

Affordable Developments	Affordable Units	Year Built	Tenure	Senior/Family	Target Affordability	Expiration Date
Terrace Gardens 186 Beresford Court	148	1989	Rental	Senior	148 L (Section 8)	None (a)
Parc West 950 South Main Street	68	2005	Rental	Family	35 L, 33 M	2045
Senior Housing Solutions 751 Vasona	5	2007	Rental	Family	5 ELI Individuals	None (a)
Devries Place Senior Housing 163 N. Main Street	103	2008	Rental	Senior	102 VL, 1 M	None (a)
Scattered Sites on Edsel Court (1129 and 1143) and Shirley Drive (1116 and 1124)	4	2008	Rental	Family	4 VL	2063

	Affordable	Year Built	Tenure	Senior/ Family	Target Affordability	Expiration
Affordable Developments	Units					Date
Aspen Family Apartments 60 Mihalakis Drive	101	2009	Rental	Family	100 VL, 1M	None (a)
Senior Housing Solutions 1170 N. Park Victoria	5	2011	Rental	Senior	5 ELI Individuals	None (a)
TOTAL	434					
Mixed-Income Projects						
Sunnyhills Apartments 1724 Sunnyhills Drive	149	1971	Rental	Family	Section 8	2023
Montevista Apartments 1001 S. Main Street	153	2001	Rental	Family	77 VL, 76L	2040
Crossing at Montague 775 E. Capitol	94	2003	Rental	Family	94 VL	None (a)
Cerano Apartments Murphy Ranch Road	88	2011	Rental	Family	20 VL, 30 L 38 M	2064
South Main Street Senior Lifestyles 1600 S. Main	48	XX	Rental	Family	48 VL	2069
Shea Properties S. Main and S. Abel	8	XX	Rental	Family	8 VL	None (a)
TOTAL	540					
GRAND TOTAL	974					

Note: (a) Affordable units with no expiration date must remain affordable in perpetuity.

As shown, most of the City's affordable units are subject to affordability restrictions that extend significantly beyond the ten-year period that follows adoption of the Housing Element Update. The exception is Sunnyhills, which provides 149 Section 8 units.

Originally financed under the Section 236 and Section 8 programs in 1981, the owner of Sunnyhills attempted to prepay their mortgage in 1990 under Sections 220 and 221 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRA). Originally a total of 104 units were supported through HUD project-based Section 8 vouchers. Through the efforts of the City and HUD, project sponsors entered into a revised Plan of Action in December 1991 in which project affordability

restrictions were retained in exchange for a modest increase in rental payments and funding of an additional 45 project-based Section 8 units, for a total of 149 affordable units. Under this revised 20- year agreement between HUD and the JMK Sunnyhills Investors II, affordability restrictions were in place until October 1, 2011. The property owner renewed the contract with HUD in 2011 to continue affordability restrictions until 2014, in 2014 until 2018, and again renewed the contract to continue affordability restrictions until 2023.

The City entered into an agreement with the property owner to pay \$1,250,000, for apartment building maintenance and upkeep improvements through February 2023. In exchange, the property owner agreed to renew existing HUD rent vouchers to preserve the existing affordability for the 149 apartments. This agreement helped the property owner's decision to not demolish or replace the apartment buildings with more expensive apartments. The City further provided an additional \$200,000 for roof replacement on existing Sunnyhills apartment buildings in 2020. This will add more safety for residents and make the apartment buildings more weather resistant for another 10 to 15 years. In 2022, the owner indicated it intention to renew the HUD Section 8 contract for the 149 units at-risk of conversion to market rate at Sunnyhills Apartments for an additional five years to 2028.

COST OF PRESERVATION

In addition to quantifying the number of assisted units at risk of conversion, jurisdictions must estimate the costs associated with preserving the affordability of the at-risk units as well as the cost to replace the at-risk units with new affordable units. Although costs vary considerably between projects, Table A-28 provides an estimated range of the cost to preserve or replace at-risk housing units.

In Project-Based Section 8 properties, such as Sunnyhills Apartments, the owner of the building receives rent from each unit equal to the HUD established Fair Market Rent (FMR) for the area. Where the FMR is less than actual market rents, the owner realizes less income from the property than he or she would without affordability restrictions. Hence, in order to incentivize a property owner to continue to contract out his or her buildings as a Project-Based Section 8 property once mortgage restrictions expire, an ongoing subsidy is required to make up for the gap between FMR and actual market rent.

Table A-28 shows the gap between FMR and actual market rents in Milpitas for various unit sizes. As shown, the monthly gap for Sunnyhills totals approximately \$67,337. If the property owner were willing to enter into a rental subsidy agreement with the City or some other entity that would subsidize the rents on behalf of the lower-income renters, this would require an ongoing annual payment of approximately \$808,044. Based on a 30-year mortgage term at six percent interest, it would take an initial investment of approximately \$10.8 million to reduce the monthly debt service by \$67,337 per month.

Alternatively, the City could attempt to preserve affordability at Sunnyhills by working with a nonprofit housing provider to negotiate the purchase of the building. Nonprofit housing providers that acquire buildings that are at risk of conversion to market rate often renovate or rehabilitate the property to bring the property up to current standards and become eligible for financing. As a result, the cost to acquire a property in order to preserve affordability can be similar to the cost of new construction, after accounting for renovation or rehabilitation costs.

TABLE A-28: ESTIMATED COSTS TO PRESERVE UNITS AT SUNNYHILLS

Unit Type	# Units	FMR (a)	Market Rents (b)	Per Unit Gap (c)	Total Gap (d)
Studio	24	\$2,145	\$2,730	\$585	\$14,040
1 BR	39	\$2,418	\$2,959	\$541	\$21,099
2 BR	50	\$2,868	\$3,512	\$644	\$32,200
3 BR	31	\$3,687	\$3,700	\$13	\$403
4 BR	5	\$4,213	\$4,132	(\$81)	(\$405)
Total	149				\$67,337
Yearly Cost to Preserve 149 Units (e)	\$808,044				
Total Cost to Preserve Units (f)	\$10,842,156				
Notes:					
<ul style="list-style-type: none">• 2022 Fair Market Rents for Santa Clara County as established by HUD.• Prevailing market rents in the City of Milpitas, as reported by Zumper.• Represents the difference between Fair Market Rents and prevailing market rents.• The total difference between rents received by project sponsors and the potential rental income the project could receive if all units were rented at prevailing market rates.• Represents the yearly cost to preserve current affordability levels in current 2022 dollars.• Represents the net present value of the yearly rent subsidy based on a 30 year mortgage period and an interest rate of six percent.• Sources: Zumper 2022; HUDUSER 2022.					

The City has access to funding sources that can be used to partially fund preservation or replacement costs to prevent the potential loss of affordable units when the HUD contract with Sunnyhills expires. The City could provide some financing from its CDBG Entitlement Funds or funding from the Milpitas Housing Authority. However, the City's available funds are limited, particularly with the loss of the City's Redevelopment Agency, and use of City funds must be prioritized to meet a wide range of affordable housing and community development needs. The Housing Element includes an action to explore sustainable sources of funding by 2026.

Nonprofit developers also have access to a range of additional funding sources that can be used for the acquisition, rehabilitation, or development of affordable housing. These sources include:

- Mortgage Revenue Bonds
- State Grant Programs, such as MHP
- HOME Program
- Federal Grant Programs

- Low Income Housing Tax Credits
- Housing Trust Fund of Santa Clara County

QUALIFIED ENTITIES

If the City becomes aware of an impending conversion, it will be necessary to begin exploring the availability of funding from various sources at that particular time. In many cases, the City may find it advantageous to collaborate with private affordable housing developers or managers to develop and implement a viable plan to preserve affordable housing units. Private developers can often bring additional expertise and access to funding, such as tax credits.

HCD maintains a listing of affordable housing developers and property managers who have expressed an interest in working with local communities on preservation of affordable housing projects. This database lists organizations that are interested in working in any county within the State of California, including such well-known affordable housing providers as Mercy Housing, Inc., and EAH, Inc. The database also lists numerous organizations that have expressed interest in working on preservation projects in Santa Clara County in particular. This list includes such organizations as the Mid-Peninsula Housing Coalition and Eden Housing. A partial listing of these organizations is shown in Table A-29. The organizations listed here represent some of the entities that the City of Milpitas might consider as potential partners in the event that it becomes necessary to assemble a team to preserve affordability at Sunnyhills if conversion to market rate housing is imminent.

TABLE A-29: PARTIAL LIST OF QUALIFIED ENTITIES FOR SANTA CLARA COUNTY

Qualified Entity	City	Phone Number
A. F. Evans Development, Inc.	Oakland	(510) 891-9400
Affordable Housing Foundation	San Francisco	(415) 387-7834
BRIDGE Housing Corporation	San Francisco	(415) 989-1111
California Community Reinvestment Corp.	Glendale	(818) 550-9800
California Housing Finance Agency	Sacramento	(916) 326-8801
California Housing Partnership Corporation	San Francisco	(415) 433-6804
Cambrian Center, Inc.	San Jose	(408) 559-0330
Charities Housing Development Corp.	San Jose	(408) 282-1125
Christian Church Homes of Northern California, Inc.	Oakland	(510) 632-6714
Community Development & Preservation, LLC	Los Angeles	(310) 208-1888
Community Home Builders and Associates	San Jose	(408) 977-1726
Community Housing Assistance Program, Inc.	Orange	(714) 744-6252
Community Housing Developers, Inc.	San Jose	408) 279-7677
Community Housing Improvement Systems & Planning Assoc. Inc.	Salinas	(831) 757-6251

Qualified Entity	City	Phone Number
EAH, Inc.	San Rafael	(415) 258-1800
Eden Housing, Inc.	Hayward	(510) 582-1460
KDF Communities, LLC	Newport Beach	(949) 622-1888 x 207
Linc Housing Corporation	Long Beach	(562) 684-1100
Maximus Properties, LLC	Calabasas	(818) 449-4004
Mercy Housing California	San Francisco	(415) 355-7160
Mid-Peninsula Housing Coalition	Foster City	(650) 356-2900
National Affordable Housing Trust	Columbus	(614) 451-9929
National Church Residences	Columbus	(614) 451-2151
National Housing Development Corporation	Rancho Cucamonga	(909) 291-1400
National Housing Trust	Walnut Creek	(925) 945-1774
Palo Alto Housing Corp	Palo Alto	(650) 321-9709
Palo Alto Senior Housing Project, Inc.	Palo Alto	(650) 494-1944
Related Companies of California	Irvine	(949) 660-7272
Resources for Community Development	Berkeley	(510) 841-4410
ROEM Development Corporation	Santa Clara	(408) 984-5600
Satellite Housing Inc.	Berkeley	(510) 647-0700
South County Housing, Inc	Gilroy	(408) 842-9181
The John Stewart Company	San Francisco	(415) 345-4400
The Trinity Housing Foundation	Lafayette	(925) 385-0754
Sources: CA HCD, 2022.		