



## MILPITAS PLANNING COMMISSION AGENDA REPORT

### NEW BUSINESS

Meeting Date: September 12, 2012

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**APPLICATION:** Annual Housing Update and Status Report

**APPLICATION** A Staff Report and Presentation to Planning Commission on Housing Developments, Regional Housing Needs and Affordable Housing

**SUMMARY:** A Staff Report and Presentation on Housing Developments over the past five years (2007-2012), Regional Housing Needs Allocation (2007-2014) and Impact on Affordable Housing- Dissolution of Milpitas Redevelopment Agency

**LOCATION:** Citywide

**APPLICANT:** N/A

**OWNER:** N/A

**RECOMMENDATION:** Note Receipt and File

**PROJECT DATA:**

General Plan/  
Zoning Designation: N/A

Related Permits: N/A

CEQA Determination: N/A

**PLANNER:** Felix Reliford, Acting Director of Planning & Neighborhood Services

### **BACKGROUND:**

#### Housing Developments-(2007-2012)

During City Council review last fall of Department of Housing and Urban Development (HUD), Consolidated Annual Performance Evaluation Report (CAPER), Council directed staff to

provide an annual housing update and status report. Staff provided the housing update and status report to City Council and Economic Development Commission and felt it would be

appropriate to provide the report to Planning Commission who reviews City’s General Plan Housing Element (due: October 2014) and make recommends to Council.

Since the adoption of Mid-Town and Transit Area Specific Plans, a total of 3,643 new dwelling units have been approved and constructed over the past five years (2007-2012). This includes a variety of housing types from rental apartments, single-family, townhomes and condominiums. The majority of housing developments have taken place within Transit Area Specific Plan. Currently, there are applications for staff review for approximately 400 new dwelling units. A Staff presentation of the approved projects will be provided to the Commission.

Regional Housing Needs Allocation (RHNA 2007-2014)

Every seven years, Association of Bay Area Governments (ABAG) establishes a methodology formula to determine each city and county in the nine-county Bay Area regional share fair housing allocation needs. The chart below identifies City of Milpitas housing needs over the seven year time period.

**Milpitas Regional Housing Needs Allocation (RHNA) 2007-2014**

	Very Low	Low	Moderate	Above Mod	Total
City of Milpitas	689	421	441	936	2,487
Percentage Distribution	27.7%	16.9%	17.7%	37.6%	100.0%

**Source: Association of Bay Area Governments (ABAG)**

Because of the adoption and implementation of Mid-Town (2003) and Transit Area (2008) Specific Plans, City has met 146% (3,643 dwelling units since 2007) of its regional fair share of housing needs. Compliance with State Housing Element Law for certification of the Housing Element by Department of Housing and Community Development (HCD) is based on establishing policies and procedures to meet the RHNA. To date, Milpitas has provided 40% of its affordable housing allocation (620 units of a total of 1,551 units) during this reporting period.

Affordable Housing/Dissolution of Milpitas Redevelopment Agency (effective Feb. 1, 2012)

The City’s General Plan Housing Element policy encourages 20% affordable housing in development projects to be reviewed on a project-by-project basis. Currently, Milpitas has over 1,200 affordable housing units (rental and ownership with long-term restriction agreements). However, because of the dissolution of Milpitas Redevelopment Agency (previous funding source to provide affordable housing, by law 20% of redevelopment funds must be allocated for low-moderate affordable housing), approximately 3,000 new affordable housing units will not be provided with the eliminated of the 20% Low-Moderate Income Housing Fund. However, State

of California still mandates (RHNA) that affordable housing is provided to low-moderate income households.

Staff has been meeting with Housing Planners countywide to consider future policies and strategies to address the affordability gap in affordable housing. Such strategies includes inclusionary zoning (requiring developer by law to provide a certain percentage of their units to be affordable housing for low-moderate income households) and/or in-lieu housing fee (if the developer decides does not provide the affordable housing in their project, they can pay a housing fee/per unit to allow the City or non-profit housing developer to provide the affordable housing in the future).

With State of California still mandating cities and counties to provide affordable housing and eliminating the primary funding source, all options should be consider in the future.