



MILPITAS HOUSING ELEMENT UPDATE 2014-2022

What is a Housing Element?

- **California State Law requires that each city & county create a plan to meet projected housing needs**
 - California HCD identifies the total projected housing need for each region
 - Called Regional Housing Need Allocation (RHNA)
 - In the Bay Area, ABAG and MTC work with local jurisdictions to distribute the RHNA total between cities and counties
- **The Housing Element Update for Milpitas will cover 2014-2022 period (8 years)**
- **The RHNA for Milpitas = 3,290 units with the following affordability breakdown:**

<u>Income Category</u>	<u>Projected Need</u>	<u>Percent of Total</u>
Very Low (0-50% of AMI)	1,004	30.5%
Low (51-80% AMI)	570	17.3%
Moderate (81-120% of AMI)	565	17.2%
Above Moderate (over 120% of AMI)	<u>1,151</u>	<u>35.0%</u>
Total Units	3,290	100.0%

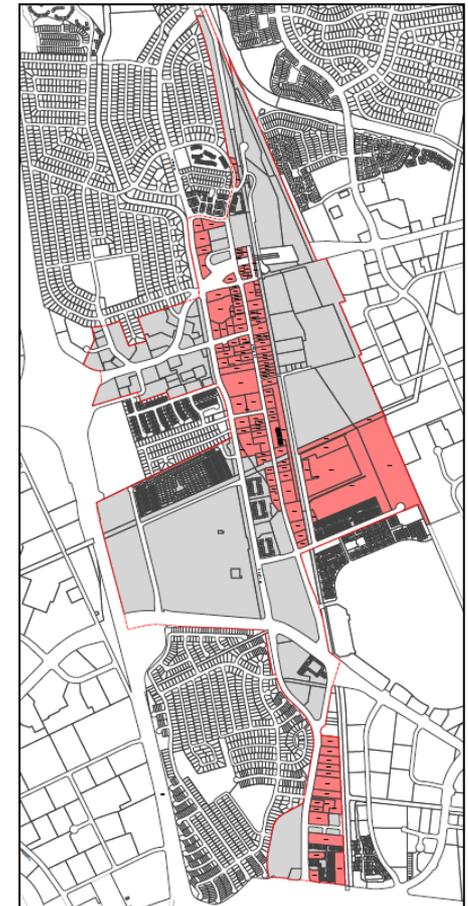
Public Process

- **Public participation for the Housing Element Update process**
 - Three public meetings
 - Notices for the first two public meetings have been distributed broadly by mailing to 80 organizations, in the Milpitas Post, on the City's website, and ads on cable TV station
 - Planning Commission and City Council
- **Meeting #1 Focus**
 - Last time we talked about housing needs in Milpitas
- **Meeting #2 Focus (tonight):**
 - Do we have adequate sites zoned at required densities to meet RHNA goals for 2014 to 2022?
 - How can we tweak our current policies and programs to encourage market rate and affordable housing production?
 - How can we pay for affordable housing subsidies?

Do We Have Adequate Sites?

- **The answer is “YES”**
- **Transit Area Specific Plan:**
 - ▣ Will create 6,520 units
 - ▣ 4,000+ units entitled
- **Midtown Specific Plan:**
 - ▣ Will create 3,543 units
 - ▣ 1,330 units entitled
- **Total of 5,400 units entitled but not yet built, far exceeding the RHNA goal of 3,290**
- **Among entitled units, approximately X will be affordable units per prior agreements**
 - So far, we are not there yet on meeting the affordability part of the RHNA goal

Potential Housing Opportunity Sites in the Midtown Specific Plan Area



Do We Have Sufficient Density on These Sites?

- **In part, jurisdictions demonstrate an ability to accommodate affordable housing by showing that sites are zoned at densities that facilitate affordable housing**
 - ▣ In Milpitas, sites used to demonstrate an ability to accommodate affordable housing must be zoned to allow **at least 20 units per acre**
- **Development Standards for most sites in the City's two Specific Plan areas significantly exceed this density requirement**
 - ▣ Transit Area Specific Plan: up to 75 units per acre, with a possible 25% density bonus with a Conditional Use Permit
 - ▣ Midtown Specific Plan: up to 60 units per acre

What Does Density Look Like?



What Does Density Look Like?



What Does Density Look Like?

Apex, Milpitas

366 dwelling units

57 units per acre



Policies & Programs

□ **Current Policies and Programs**

- **Specific Plan Areas:** Milpitas has already created policies that facilitate housing development by allowing for significant residential development on sites in the City's two Specific Plan areas
 - Most of the new units are market-rate, and priced higher than what lower income households can afford
 - Some of the new residential developments in Milpitas have included units affordable to lower-income households
- **Promote Affordable Units in Residential Projects:** Milpitas negotiates with developers of for-sale and rental properties to promote the incorporation of units at various income levels
- **Fee Reductions or Waivers for Affordable Units**

Policies & Programs

- **Current Policies and Programs (continued)**
 - ▣ **Density Bonus for Developments with Affordable Units**
 - ▣ **Off-Site Improvement Assistance for Developments with Affordable Units**
 - ▣ **Offer Land and Financial Resources:** Milpitas has a history of providing land and financial resources for affordable housing and will continue to provide these resources as available
 - ▣ **First-Time Homebuyer Program:** Downpayment assistance for first-time homebuyers

Policies & Programs

- **One of the key challenges to encouraging more affordable housing production is funding; the loss of redevelopment means loss of local affordable housing set-aside dollars**
- **New funding programs could include:**
 - ▣ Inclusionary requirements with in-lieu fee paid for rental units
 - ▣ Commercial Linkage Fees
 - ▣ Dedication of any former redevelopment funds (“boomerang funds”) to affordable housing
- **Additional production programs could include:**
 - ▣ Modifications to encourage 2nd units on single-family lots

Next Steps

- **March 2014**
 - Complete Draft Housing Element Update
- **April/May 2014**
 - Present draft Housing Element Update to Council study session
 - Convene public meeting to obtain input on Draft Housing Element update
- **June 2014**
 - Council to approve Draft Housing Element for submittal to HCD
- **August 2014**
 - Review and comment by HCD
- **September/October 2014**
 - Revise Draft Housing Element as needed
- **November 2014**
 - Council to approve changes and adopt
- **January 2015 or sooner**
 - HCD to certify Housing Element Update