

# CITY OF MILPITAS



## DRAFT 5-YEAR CONSOLIDATED PLAN (2012-2017)



**City of Milpitas  
Consolidated Plan (2012-2017)**

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**CITY OF MILPITAS**  
**CONSOLIDATED PLAN 2012-2017(July 1, 2012-June 30, 2017)**

**Executive Summary**

The City of Milpitas is located in Santa Clara County and is the fifth largest city within the county with a 2011 population of 71,552. Milpitas encompasses an area of approximately 18 square miles and is the home to numerous high-tech companies located in the heart of Silicon Valley. Santa Clara County has one of the highest median incomes in the nation (\$103,500 in 2011) however; many low and moderate income residents within the County and City of Milpitas cannot afford the high cost of living required within San Francisco Bay Area.

Every five years as required by Department of Housing and Urban Development (HUD), City of Milpitas must prepare a Consolidated Plan outlining the strategies used to meet a variety of housing and non-housing community needs. The preparation of Milpitas Five-Year Consolidated Plan provides the analysis and financial resources to address the housing and non-housing community services of those residents that require assistance in housing and a variety of public services to fit their specific needs. Milpitas only receives CDBG funds from the Department of Housing and Urban Development. The Consolidated Plan links identified needs in the community to the federal and local resources available to address those needs.

The City of Milpitas Planning and Neighborhood Services Department (P&NS) is the lead agency and is responsible for the preparation of the Consolidated Plan. The Consolidated Plan was prepared with the cooperation and consultation from numerous agencies, organizations, social service providers, housing providers, non-profit groups and members of the general public. Over 50+ different entities were contacted to provide, statistical data, research, special studies/reports, ethnicity/race/population/ income/employment, information for special needs groups, housing, homelessness, and other social and economic characteristics in preparation of the plan.

Over 40 different agencies, organizations, social service providers, housing providers non-profits groups, and members of the general public were contacted to participate in three (3) public consultation meetings to receive input and feedback on the preparation of the Five-Year Consolidated Plan. Notices were provided in the Milpitas Post local newspaper, City's Cable TV and Website to inform the general public and maximize citizen participation in the process.

**Summary of Milpitas Housing and Community Development Needs**

The following summary outlines the City of Milpitas housing needs, priorities, five-year strategy (2012-2017), fair housing and lead based paint strategies that will be undertaken during the next five years of the Milpitas Consolidated Plan.

*Housing Needs*

Based on the information and data obtained from 2000-2010 Census, 2009-2010 Clarita, Inc. Association of Bay Area Governments (ABAG) Projections 2010, Milpitas Housing Element and other available resources the following groups are in most need related to housing:

Extremely low and very low renters with incomes levels between 0% and 50% of the area media income (\$103,500 in 2011) experience the greatest significant level of cost burden and housing problems. Also, elderly households in this category are experiencing the highest percentage of significant cost burden. According to the Milpitas Housing Element of renters with incomes of \$49,999 or less, over 70% pay more than 30% or more of their income to rent

- Of renters with incomes less than \$20,000 87.1% pay more than 30% of their income to rent. Of renters \$20,000-\$34,999 82.5% pay more than 30% of their income.

- Renter Households and large families (5 persons or more) have the highest percentage of housing problems with elderly households having the highest incidence of households paying more than 50% of their income for rent.
- Overall minority renters and homeowners have a much higher incidence of housing problems than other households in the same income groups.
- In general, owner households fare much better than their renter counterparts. Among owner households, minority households have experienced the most severe impacts from housing costs and the overall quality of housing.
- Persons below the poverty level, households that live alone (especially seniors) make up the largest portion of this population.
- The lack of affordable housing continues to be a major need for persons with physical and mental disabilities, drug and alcohol addictions, HIV/AIDS, battered women, homeless and other special needs groups.
- Within the County of Santa Clara the homeless population continues to be in need of additional shelters, transitional and permanent housing and vital support services.

Housing in Santa Clara County continues to be a significant need based on the overall cost and availability of land. The average housing prices (approximately \$565,500-May 2011) exceed the national average by over \$325,000 this is just one of the major housing constraints facing residents within Milpitas and Santa Clara County.

### *Priorities*

Based on the needs identified above, the following groups are given the highest priority for the provision of affordable housing and support services:

- Renter households with income of 30% or less of the area median income, especially large households, seniors, disabled persons, single-female headed households and minority households.
- Renter households with incomes of 0% to 50% of area median income, especially elderly households on limited and fixed income.
- Owner households with incomes of 31%-50% of area median income or less especially minority and elderly households.
- Owner households with major housing deficiencies such as plumbing, rehabilitation, handicapped accessibility, etc
- Black and Hispanic low income households with incomes between 51% and 80% of area median income.
- Homeless persons and those individuals at-risk of being homeless.

- Provide housing and support services for the special needs population including persons with physical and mental disabilities, drug and alcohol addictions, HIV/AIDS, battered women, homeless and other special needs groups

Milpitas will focus its resources on providing the highest priorities for housing and continuation of needed support services to these segments of the population.

### *Community Services Needs*

The following summary outlines the City of Milpitas community services needs, priorities, five-year strategy (2012-2017) that will be undertaken during the next five years of the Milpitas Consolidated Plan.

Based on information obtained from services providers and other sources, Milpitas will need to provide a broad range of community services to address a very diverse population. Low income households and special needs populations will require a multifaceted network to address the basic needs such as food, clothing, shelter, healthcare, domestic violence and fair housing services.

### *Priorities*

Based on the needs identified above, the following groups are given the highest and medium priorities needing community and support services such as:

- Individuals and households at-risk of being homeless and seeking shelter and food.
- Individuals and households in need of community services as it relates to their health and general well-being.
- Senior population in need for housing, legal and adult day care services, and supplemental food supplies as needed.
- Seniors that are in long-term care facilities by responding to complaints and maintaining their general health and well-being.
- For youths at –risk provide community services to prevent gang participation by way of activities and counseling with their families.
- Providing a variety of recreational services to very-low and low income youths and seniors to encourage active, productive and healthy members of the community.
- Community services for special needs groups (domestic violence victims, single-female head of households, minority groups, etc.) in need of health and social services.
- Support healthcare services for medical, dental, vision and mental health coverage for young children.
- Support domestic violence programs and activities to prevent and assist females/males at-risk of domestic violence.
- Providing a variety of fair housing services to prevent housing discrimination, tenant-landlord disputes and resolution. Mediation and counseling to prevent future housing incidents, etc.

## *Resources for Housing and Community Development Programs and Activities*

Milpitas' five year strategy will be to focus on obtaining all the available resources to increase the overall supply of affordable housing and to continue to preserve and maintain the existing affordable housing units at-risk of converting to fair-market value. Addressing affordable housing needs in one of the least affordable housing markets in the country is the central purpose of the Strategic Plan.

In response to both the need and the City's resources to address the problem, renters and owners below the moderate income level will receive the highest priority under the plan. Milpitas has given a high priority to rental housing for large and small, extremely low, very low and low income families with high cost burden. The primary need for extremely low income households, except existing homeowners, is for rental assistance or home ownership cost assistance.

Highest priority has been given for extremely low income rental households with high cost burden. This priority is given because these households will need rental assistance, which is administrated through the Housing Authority of Santa Clara County and not a program under the City's control. A low priority level is assigned to existing homeowners, which tend to have the least cost burden because the majority of these households are elderly households in which mortgages and other housing costs have been reduced over many years

With regards to community services, the highest priorities will be given to individuals and households with the greatest need for community and support services. Those at risk of being homeless, seeking food and basis shelter needs will be addressed. The senior population with housing, healthcare, legal aid, and long-term care in senior facilities will also have a high priority for care and services.

Special needs populations such as the disabled, single-family female households individuals with HIV/AIDS and other special needs groups will receive the greatest priority need status in regards to shelter, accessibility, and health services. Based of the lack of financial resources, a medium priority will be given to youths at-risk with gang prevention and violence issues. This group also includes youths that seek recreational activities.

Milpitas will focus its resources to provide the highest priority needs for housing and continuation of support service to these segments of the population.

### *Housing and Support Services Five Year Strategic Plan (2012-2017)*

Milpitas' five year strategy will be focused on obtaining all the available resources to increase the overall supply of affordable housing and to continue to preserve and maintain the existing affordable housing units at-risk of converting to fair-market value.

Addressing affordable housing needs in one of the least affordable housing markets in the country is the central purpose of the Strategic Plan. In response to both the need and the City's resources to address the problem, renters and owners below the moderate income level will receive the highest priority under the plan. Milpitas has given a high priority to rental housing for large and small, low and moderate income families with high cost burden. The primary need for extremely low income households, except existing homeowners, is for rental assistance or home ownership cost assistance.

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Milpitas' goal will be to develop and maintain long term affordable restrictions on 350+ housing units for low and moderate income households. It will also include development for multi-family units for large households and senior housing. The primary activities to address affordable housing needs will be through assistance of developers with the acquisition of land, rehabilitation and maintain existing housing units and new construction of housing. These efforts will include:

1. Continue involvement with the rehabilitation program, including CDBG loans for the Single-Family Rehabilitation Loan Program for home repairs and improvements to low income households.
2. Continue to fund a program, which utilizes CDBG Non-Public Service funds to assist elderly and disabled individuals retrofit their homes to render them more accessible and suitable for their special needs.
3. Continue to provide non-CDBG funds (Redevelopment Agency Low income Housing 20% Set-Aside Funds) to provide a variety of housing opportunities for Milpitas residents.
4. Continue its enforcement of the Neighborhood Beautification Ordinance and periodically review existing codes, ordinances, and use permit conditions to determine their current applicability to neighborhood and community preservation issues. Milpitas will continue its concentrated rehabilitation and code compliance program for residential planning areas.
5. Continue to work towards implementation of the Midtown Specific Plan (see attachment), which will provide a range for the potential of 3,000-5,000 units (at maximum built-out), which will include a wide variety and types of housing units that will be affordable to various segments of the population.
6. Continue to work towards the implementation of the Transit Area Specific Plan (see attachment) with a potential range of 6,000-8,000 (at maximum built-out) units along with general plan and zoning changes to accommodate high- density residential and mixed-use developments, open space, and pedestrian-friendly design guidelines and amenities built into future residential projects.
7. Identify vacant or underutilized land to attempt to meet ABAG's Regional Fair- Share Housing Allocation of 2,487 units for all income levels.
8. Continue to identify, encourage, and publicize private activities and programs, which will create affordable housing opportunities, including rental and home ownership, and continue to work with non-profit community groups to create affordable housing.
9. Continue to support private participation in rental subsidy programs such as the existing Housing Authority County of Santa Clara Section 8 and Supportive Programs.
10. Continue to support creative programs such as the Santa Clara County Housing Trust Fund (\$1,100,000) to provide a variety of affordable housing to first-time homebuyers, large family households and homeless population.
11. Continue to implement the Milpitas General Plan Housing Element in which policies include 20% affordable housing in all residential developments.

It will also be important for all residents to maintain their properties in a manner that enhances both their own living environment and the overall aesthetic appeal of the city as a whole. Also it is important that persons with special needs are able to rehabilitate their homes in a fashion that makes them accessible and useable for them. Elderly and disabled

individuals, in particular, have special needs in terms of how their housing units are configured. Rehabilitation for these households has been designated as a high priority because there are relatively fewer of these households than there are other low income households and because the City has relatively more expertise in the rehabilitation of typical housing units.

### *Public Service Needs*

Milpitas will continue to support and provide funding to a variety of nonprofit social services agencies that provide support services to various special needs groups, including:

1. Services to address the needs of the frail elderly or persons with disabilities.
2. Legal services for low income people and seniors.
3. Continue to support battered women shelters and programs.
4. Information and counseling on landlord/tenant issues and fair housing activities.
5. Counseling, shelter services, employment training and general assistance to the extremely low income or homeless population.
6. Services to address youth counseling, crisis intervention and case management.
7. Services to prevent and treat substance abuse.
8. Recreation assistance for low income youths and seniors.
9. Provide emergency food for very low income families and households.
10. Support affordable housing activities and financial assistance for low and moderate income renters and homeowners.
11. Continue to provide services, programs and activities to a variety of minority groups and people of low and moderate incomes.

### *Homeless Population Needs*

Milpitas' goals will be to assist the homeless population to prevent homelessness and reduce the time period people are homeless through the provision of housing with supportive services and permanent employment opportunities. The homeless strategy for housing activities, which the City sponsors, will be to emphasize the creation of permanent housing that is affordable to the homeless and to individuals who are moving out of shelters or transitional housing programs. This strategy includes creating housing opportunities for single adults and families with children.

The City's strategy also includes contributing funds for the operating costs of existing shelters and transitional housing providers who serve the Milpitas and northern Santa Clara County area and to continue to cooperate in Countywide approaches (funding homeless shelters, preparing fair housing study, homeless population survey, etc.) to the problem of homelessness. Working as a collaborative in the region can insure a more comprehensive approach to addressing the region-wide problem of homelessness

This strategy will consist of the following actions:

1. Continue to provide financial support to emergency shelters with outreach and assessment services;
2. Encourage social service providers to provide prevention services to reduce long-term homelessness;
3. Provide financial support for the development of transitional housing with support services.

4. Assist the homeless population in obtaining permanent housing on their own.
5. Continue to support and participate in the County of Santa Clara Task Force to End Homelessness in 10-Years.
6. Assist and support the Milpitas homeless population defined in the 2011 Santa Clara County Homeless Census & Survey Comprehensive Report.
7. Assist the chronic homeless population on special needs and services.

Anti-Poverty Needs-Milpitas anti-poverty strategy will consists of the following actions:

1. Work with non-profit housing developers to fund and provide more affordable housing opportunities to address the homeless problem and needs of very low and low income households.
2. Provide funding and support services to prevent very low income persons and families from becoming homeless and assist them in braking the cycle of homelessness.
3. Address the employment and income needs of individuals and families who are economically disadvantaged including persons who are homeless, have disabilities, and those who are participating in the County of Santa Clara Welfare-to-Work Programs.
4. Provide funding for a variety of services and referrals to assist people in obtaining access to public assistance to prevent poverty.

#### *Fair Housing Needs*

Milpitas will continue to encourage the County of Santa Clara along with other local jurisdictions to improve their overall services and delivery of fair housing by consistently reviewing and monitoring fair housing cases countywide to eliminate housing discrimination. The County and cities within Santa Clara have funded a study to address the issues of fair housing and strategies to prevent discrimination. Milpitas will continue to explore the most effective use of its resources among fair housing service providers. Milpitas will continue to fund and work with fair housing organizations such as Project Sentinel to address housing problems, rent increases, non-payment, evictions, and supporting fair housing services to the community including case investigation and outreach activities.

Continue to participate as the Co-Chairperson of the Santa Clara County Fair Housing Task Force, which has been established countywide to address fair housing issues.

#### *Strategy Development and Investment Plan*

Milpitas will continue funding non-profit organizations that provide quality programs designed to provide shelter and associated services for the homeless population and those facing homelessness and have other special needs

Community and Economic Development Needs and Plan-Non-housing community development needs are public services, infrastructure, economic development and other development needs in the community that have an important impact on the living conditions of residents. The following objectives, which have been part of the CDBG plan, guide the needs outlined below:

1. Maintain and improve public facilities and commercial areas.
2. Ensure an aesthetically pleasing work and living environment.
3. Encourage the provision of childcare for working parents.
4. Support and encourage job training programs.

The City through its Capital Improvement Projects (CIP) budget perceives these objectives as both short and long term. All objectives are designed to benefit all Milpitas residents citywide, this also benefits extremely low and low income households. Since Milpitas only receives less than \$400,000, a majority of these projects are funded through the Milpitas General Fund, the previous Redevelopment Agency, water, sewer and park funds, private development sector, and other sources of funding available.

#### *Code Enforcement Needs*

Code Enforcement is given a high priority under the plan. Substandard rental units and owner occupied housing units are high priority under the housing needs section. Code enforcement will be continued through the normal inspection program and thorough the City's service request (compliant procedure process). The city will continue to support the Milpitas Lend-A-Tool Program to assist property-owners in the care and maintenance of their property.

#### *Economic Development Needs*

The City is very active in economic development programs as well as a job search and assistance programs (NOVA Services and Joint Adventures Silicon Valley) which creates and increases opportunities for minorities, low income persons, homeless persons, and persons with disabilities to find employment.

However, the strongest link that can be made to these existing programs is to find permanent affordable housing for people in the program, as well as to encourage new businesses to locate in the City and maintain existing business during bad economic times. Over the past year, Milpitas has hired an Economic Development Manager to assist local businesses in their growth, development and retention within the city.

#### *Other Community Development Needs*

Given the current energy crisis in California, energy efficiency improvements are given medium priority under the plan. Any energy efficiency improvements will be integrated with the rehabilitation program and be a consideration of that program. Currently, insulation, energy efficient heating, double paned windows, and solar panels are examples of eligible items under the rehabilitation program.

#### *Lead Based Paint Needs*

Milpitas will continue to require testing and reduce hazards in projects that receive CDBG funding for single-family rehabilitation. Milpitas will also continue to provide educational and informational material to the public on the hazards of lead based paint. In accordance with HUD new regulations (Lead-Based Paint Rule 24 CFR Part 52) pertaining to the applicability of federal lead-based paint regulations, City of Milpitas includes a strategy and action item in the preparation of a Lead Based Paint Management Plan to be prepared with assistance from the County of Santa Clara Health Department and other applicable federal agencies. Milpitas has budgeted \$60,000 from CDBG Housing Rehabilitation Administration to implement this plan.

### **Demographics Summary**

#### *Population*

According to the California Department of Finance (DOF), the total population of the City of Milpitas in 2010 was 71,552. Since 2000, the City's population has increased by 14.1%, while the County's population has experienced an increase of 5.9%. The continued development of technological industries following the "dot-com" boom and the economic expansion of Silicon Valley largely account for the city's population growth between the years 2000 and 2010. The City ranks as the fifth largest city in the County, and accounts for 3.8% of the County's total population.

## *Age*

The population of Milpitas has aged since the previous reporting period of 1998-2003. According to the DOF, the median age of Milpitas residents in 2009 was 35.1 years old, accounting for an increase of 5.1% from the previous reporting period median age of 33.4 years old, and also more than a full year older than the Santa Clara County's 2009 median age of 34.0 years old. However, whereas the two most prominent age groups during that time ranged between 25-34 and 35-44 years old, 2009 estimates by Clarita's, Inc. present an older overall population in the City.

The two largest age groups, in terms of representation, within Milpitas are now those between 35-44 (18.2%) and 45-54 (15.6%) years old, and the aforementioned shift in the City's age demographic becomes more apparent when considering that residents aged 35 and older now comprise 53.4% of the total population. The percentage of residents aged 65 and older has increased as well, from 7.1% during the previous reporting period, to now accounting for 9.4% of the City's total population.

Correspondingly, the proportion of residents 9 years of age and younger who accounted for 14.1% of Milpitas' population during the previous reporting period now represent 13.8% of the population, and although this decrease may appear minimal, it is a further indication of the previously stated trend. The most represented age group under 35 years of age exists within those residents aged 25-34 (14%), accounting for nearly a third of the population under age 35. Whereas in the previous reporting period the trend seemed to point to a growing youth population in the City, the opposite is becoming apparent. As younger residents of Milpitas become adults, the 2009 Clarita's, Inc. estimates indicate that the trend towards an older population in Milpitas will continue.

## *Race and Ethnicity*

In the past, City of Milpitas has been comprised of a diverse population, and the 2010 Census confirmed that this trend is continuing, albeit not as broadly as the previous reporting period. Similar to Santa Clara County's population trends, Milpitas has experienced a continuing decline of White residents, and a subsequent growing proportion of Asian inhabitants. While the total amount of Hispanic residents in Milpitas also increased, their overall proportion of the City's total population decreased only minimally.

Milpitas' Caucasian inhabitants represent less than one-fifth of its total population, while the Asian populous now accounts for nearly two-thirds of the City's population. The increase of Asian residents is a trend both the City and Santa Clara County at-large are experiencing. Since 2000, the percentage of Asian residents in Milpitas has increased by 28%, whereas the percentage in the County increased by 33%. However, while Santa Clara County's White population decreased by 16% during this same timeframe, Milpitas has witnessed a dramatic decrease of 35%.

Hispanic representation within Milpitas increased by 8% in total residents; however, given the simultaneous increase in the City's population, their proportion of the City's residents increased by only .2%. All other races not mentioned experienced declines in their proportion of Milpitas' population; this includes the African American population, whose representation decreased by 14%.

Table I: Milpitas and Santa Clara County Ethnicity 2000-2010

Ethnicity	Milpitas, 2010	S.C. Co, 2010	Milpitas, 2000
White (Non-Hispanic)	14.6%	35.2%	22.5%
Black	2.9%	2.6%	3.4%
Native American	0.5%	0.7%	0.5%
Asian	62.2%	32.0%	51.8%
Hispanic	16.8%	26.9%	16.6%
Some Other Race(s)	3.0%	2.6%	5.2%

Source: U.S. Census Bureau, Census 2010

Based on the racial and ethnic demographics of Milpitas, one could presume that a substantial portion of the City’s residents are foreign-born, and that for many, English is not the primary language spoken at home. Indeed, according to 2008 Census estimates, 47.2% of the inhabitants of the City were born outside of the United States compared with 34.1% in Santa Clara County. Of the foreign born residents in Milpitas, 64% were born in an Asian country, while 10% were born in Mexico.

Because the primary language spoken at home is often one’s native language, these projections indicate that nearly half of the individuals and households living in Milpitas consider English as a second language. In fact, that figure is higher according to 2009 Clarita’s, Inc. estimates, as approximately 39.9% of the City’s populous speaks English as their primary language (compared with the County average of 54.6%), while an estimated 41.0% speak an Asian or Pacific Islander language, and another 11.0% speak Spanish primarily. The disparity between the City’s foreign-born residents and those who consider English as their primary language could potentially be due to family/household size, as members of the same household would predictably be more comfortable speaking in their native language.

Although these maps refer to data from the Census 2000, they are indicative of a trend already referenced: the lack and decline of Caucasian residents in Milpitas. The map indicating the concentration levels of this demographic within City limits was an ominous one, as the highest concentration of White residents was clearly not actually within Milpitas, but to the east of the City’s border. The remaining maps provide a precursor to the current concentration levels of other races and ethnicities within Milpitas, and given the increase in Asian and Hispanic residents as well as the decline in African Americans one could surmise the respective changes in residential concentration for each demographic group.

*Type of Households*

Results from the Census 2000 indicated that the majority of the households in Milpitas were family occupied. In comparison to Santa Clara County, the disparity between family and non-family occupied households was much wider. According to the Milpitas General Plan Housing Element (2009), 2008 estimates projected these totals to remain intact. However, the estimated median household size in the City increased minimally from 3.47 to 3.5 persons while the estimated median household size in the County also slightly increased from 2.92 to 2.94. These estimates continue to validate that the trend of larger household sizes in Milpitas are more than in the County, as well as a higher frequency of family occupied households.

**Geographic Concentration of Minority and Low Income Residents**

HUD defines low income households as households whose incomes do not exceed 50% of the median household income for the area. In 2010, the median area income in Santa Clara County was \$105,500 which translates to households that do not exceed \$52,750 are considered low income households. Low income in this context is equivalent to low income households in the Community Development Block Grant Program. An area of low income concentration shall be defined here as an income in which the percentage of low income exceeds 40%. In 2010, a total of 5% of all Milpitas families lived below the poverty level (\$22,050 for a family of four)

Minority concentration is determined to consist of those areas of the City with the highest concentration of minority groups relative to the rest of the City.

The census data reveals that Census Tract No. 5044.14 tends to have the highest concentration of Asians comprising 75.3%, Hispanics comprised 31.2% of Census Tract No. 5046.02 and Blacks comprised more than 7.8% of Census Tract No. 5045.04. The largest concentration of minorities were located in Census Tract No. 5044.14, which comprised 79.3% of the total population.

## **Special Need Groups**

### *Persons with Developmental Disabilities*

According to the 2000 Census, approximately 254,700 individuals with disabilities reside in Santa Clara County, which accounts for 16% of the County's civilian non-institutionalized population age five years or older. Within Milpitas, a total of 9,390 individuals were defined with a disability which represents 17% of the population age 5 years or older.

The majority of the disabilities identified in the age group between 16 and 64 (76.7%) with senior over the age of 65 years making up the balance of approximately 20.8%.

### *Homeless Population*

In 2011, it is estimated that there are 7,045 homeless people in Santa Clara County according to the 2011 Santa Clara County Homeless Census Survey Comprehensive Report. Of this total, Milpitas' homeless population was 139 persons (less 2% of the County's total homeless population). According to the County Report, approximately 73% of the homeless were unsheltered and 27% were sheltered, 12% families, 68% males and 31% females.

It should be noted that this does not necessarily mean that these individuals or families experienced homelessness for the entire year, but rather that they had some period of homelessness in their lives, from less than one month to more than a year.

### *Persons with HIV/AIDS*

According to the Center for Disease Control and Prevention (CDC), California has the second highest number of AIDS cases reported. California reported 148,949 AIDS cases to the CDC. More recent data from California Department of Health Services indicates that there have been 153,901 individuals with AIDS and 36,412 people with HIV in the State through April 2009. Within Santa Clara County, 4,121 cases of AIDS and 762 cases of HIV have been reported cumulatively through April 2009. Of this total, 2,008 individuals with AIDS and 755 people with HIV are alive.

### *Elderly Population (65 years and older)*

In 2010, Milpitas elderly population was 5,552 in comparison to 4,441 in 2000 census. This represents a 20% increase from 2000. Because many elderly individuals are typically on fixed incomes and in greater need for affordable housing and/or housing cost assistance, 2.7% of elderly-headed households in Milpitas earn less than \$15,000 per year. Of the 68,378 households in Milpitas, 443 elderly headed households are below the poverty level and 678 elderly households paid more than 30% of their income on rent in 2008.

### *Persons with Alcohol and other Drug Addictions*

According to a study funded by the State of California Department of Alcohol and Drug Programs, the number of individuals admitted to treatment during 2007-2008 was 174,066 and on any given day there were 115,677 clients in treatment. Within Santa Clara County, there were a total of 9,358 adult admissions to outpatient and residential treatment facilities during the 2007-2008 fiscal year.

### *Victims of Domestic Violence*

Because most battered women cases go unreported and those that are reported remain confidential, the exact number of domestic violence cases in Milpitas is unknown. However, City of Milpitas continues to provide CDBG funding for Next Door Solutions and Network for Battered Women, they provide temporary shelter and support services for battered women and their children. During 2010, a total of 75 cases of domestic violence were reported to both agencies.

### *Needs of Female Headed Households*

According to the 2010 census, 9,659 Milpitas households (13.5%) are female headed single-family households with children under the age of 18 years old. Male single-family households present 4,722 (6.6%) The mean income for female-headed households was only \$32,586 or 39% of the median family income. As a proportion of all families, female headed households represented 8% of all families.

In addition, approximately 184 single female-headed households with children are living in poverty in Milpitas. This figure had not changed much from the 2000 to 2010 census (147 in 1990). This data indicates that the average single-family female-headed household is still considered very low income.

### **Housing Needs**

Finally, Association of Bay Area Government (ABAG) has allocated their Regional Fair-Share Housing proportions for the seven year time period (2007-2014). Milpitas' proportional allocation is 2,487 units, which includes the following:

- 689 Very Low Income
- 421 Low Income
- 441 Moderate Income
- 936 Above Moderate Income

To date, Milpitas has met approximately 154% (3,838 total units/1,095 affordable units) of its regional fair share allocation. It is anticipated with proposed and future residential developments an additional 350 affordable units in Milpitas will have met its regional fair share allocation. Milpitas will make every feasible effort to meet its fair housing regional goals as established by ABAG. Milpitas' current General Housing Element has been reviewed and found to be in compliance with state general plan housing element laws by the State of California, Department of Housing and Community Development.

### **Monitoring of CDBG Funding Activities**

The City of Milpitas has established a monitoring process that meets the established financial and project management review as required by HUD for those funded activities. Quarterly Reports, consultant meetings, monitoring site visits, and submittal of audit reports are all part of Milpitas' comprehensive review of CDBG funded activities.

### *Coordination among Agencies*

The City of Milpitas continues to coordinate and collaborate with other agencies and organizations to address a variety of social and economic needs for its residents. Those programs and services that are not directly provided by the City will be

coordinated with other local government agencies, County of Santa Clara and the Housing Authority. Milpitas will also continue to work and support the network of non-profit organizations to coordinate programs and services to be delivered.

Performance Measurements will be incorporated into the Consolidated Plan to allow the City of Milpitas to determine the level services, housing activities and programs that are being provided to Milpitas residents and to establish a stable methodology of measuring the performance levels of these activities undertaken with funding and resources allocated to meet the goals and objectives outlined in the Consolidated Plan

The Performance Measurements objectives are identified in three (3) categories:

1. Creating Suitable Living Environments
2. Providing Decent Affordable Housing
3. Creating Economic Opportunities

Based on the selected performance measurement objectives stated above, the appropriate outcomes are identified below to best reflect the desired outcomes achieved through the funded of CDBG the programs and activities in the Action Plan:

- Availability/Accessibility
- Affordability
- Sustainability

The Outcomes and Objectives Codes are identified in Table 3A (Summary of Specific Annual Outcomes) and the Description of Projects attached to the Action Plan:

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Envir.	SL-1	SL-2	SL-3
Economic Opportunity	E0-1	E0-2	E0-3

In conclusion, the performance measurements used to determine the outcomes of programs and activities funded through the Action Plan will allow the residents of Milpitas, decision-makers, HUD and other interested parties obtain a better understanding on the program results that directly and indirectly impact and benefit the residents within the community.

## Chapter No. 1

### Introduction City of Milpitas Consolidated Plan

#### Purpose of the Consolidated Plan

Federal law requires each local jurisdiction receiving Community Development Block Grant (CDBG) funds to prepare a Five Year Consolidated Plan and Strategy which defines its housing needs and market conditions, establishes priorities and identifies resources anticipated to be available to address the priority needs. It also establishes a One-Year Action Plan that outlines the intended uses of the resources. Specifically, the Consolidated Plan is a comprehensive planning document that identifies the City's overall need for affordable housing and non-housing community development activities and outlines the strategy to address the identified needs.

The Consolidated Plan incorporates the following federal programs:

- The Community Development Block Grant Program (CDBG)
- The HOME investment Partnership Act Program (HOME)
- The Emergency Shelter Grant Program (ESG)
- The Housing Opportunity for Persons with AIDS Program (HOWPA)

Over the five year period of the Consolidated Plan, as selected by grantee, not less than 70 percent of CDBG funds must be used for activities that benefit low and moderate clientele. The primary objectives of the CDBG Program is the development of viable urban communities through the following provisions to benefit principally low and moderate income (LMI) persons:

- Decent housing
- A suitable living environment
- Economic opportunity

The CDBG federal regulations require that the activities undertaken must meet at least one of the national objectives:

- Benefit low and moderate income persons
- Prevention or elimination of slums and blight
- Address community development needs that have a particular urgency because of existing conditions posed by a serious and immediate threat to the health or welfare of the community for which funding is not available

The preparation of the Consolidated Plan is based on the following three major commitments and priorities identified by HUD:

1. To provide decent housing by assisting the homeless in obtaining appropriate housing; by preserving the affordable housing stock, by increasing the availability of permanent housing that is affordable to lower income households without discrimination, and by increasing the supply of supportive housing for those with special needs.
2. To provide a suitable living environment by improving the safety and livability of neighborhoods; by reducing the isolation of income groups within an area through deconcentration of housing opportunities and revitalization of

deteriorating neighborhoods by restoring and preserving properties of architectural, historic, or aesthetic value, and by conservation of energy resources.

3. To expand economic opportunities by creating jobs accessible to lower income persons, by providing access for lower income households to mortgage financing and credit, development activities that promote long term community viability, and by empowering lower income persons to achieve self sufficiency to reduce poverty in federally assisted and public housing.

In order to meet these objectives, the Consolidated Plan is required to include several major components:

1. Housing and homeless needs, assessment; inventory ,barriers to affordable housing, strategy, anti-poverty, and
2. A housing market analysis, lead based paint, special needs facilities and services, specific objectives, and
3. A strategic plan and general analysis of the priority needs and strategies and objectives to meet those needs, including both housing needs and non-housing community development needs; and
4. An Action Plan including a discussion of general priorities for the use of HOME, HOPWA, and ESG FUNDS, and a list of the proposed projects to be funded under the CDBG Program; and
5. Consultation with public and private agencies that provide services during the preparation of the plan. This includes citizen participation which summarizes the process used in the development of the plan and description of actions taken to encourage participation of all residents; and
6. Certifications; and
7. A monitoring plan.

Every five years the federal government requires that the entire document be updated and that during the intervening years only the one year plan must be submitted for approval, along with any substantial changes to the rest of the plan. The Consolidated Plan establishes the new five year strategy period; however, because census data required to be used in updating the needs section of this document has not been collected, HUD is allowing local jurisdictions to review their existing five year plan and update them only to the extent that new information and data is readily available.

Furthermore, jurisdictions are not required to develop new priorities for assistance if no new data are available to support such changes. It is anticipated that a major portion of the 2010 Census Data will be available to the City of Milpitas to update its 2012-2017 Consolidated Plans.

### **Summary of the Consolidated Plan Process and Lead Agency**

The City of Milpitas' Consolidated Plan has been prepared in accordance with 24 CFR Parts 91et al. The Planning and Neighborhood Preservation Department served as the lead agency in the preparation of the Consolidated Plan. The process for preparation of this document involved the following community outreach and activities.

- Letters send out to over 50+ housing providers, social services agencies, local groups and organizations requesting information and data on their area of expertise to support the Consolidated Plan (January- February 2011)
- Consultation meeting with Housing Authority of Santa Clara County and surrounding jurisdictions (March 2011)

- Needs Assessment meeting held to obtain input from the public about the housing and community development needs in the community and the City's proposed Citizen Participation Plan. These meetings were held prior to drafting of the Consolidated Plan. These meetings were advertised in the local Milpitas Post newspaper, Milpitas public cable television, City's website and posted in public buildings throughout Milpitas. Notices were also sent to CDBG service providers and other interested parties. (Public Consultation Meeting Dates: April 12, 18, and May 2, 2011)
- 30 Day public review and comments of the Draft Consolidated Plan (April 6-May 7, 2012)
- Consultation with outside agencies, groups and organizations to discuss comments received on Draft Consolidated Plan. (April, 2012)
- City Council first public hearing on the Draft Consolidated Plan (June 2012)
- City Council second hearing on the Final Consolidated Plan (June 2012)

### *Consultations*

A consultation meeting was held with the Housing Authority and neighboring jurisdictions in March 2011. In addition, Milpitas conducted three (3) separate Public Consultation meetings, to obtain public input and comments on the preparation of the Consolidated Plan. Prior to the public consultation meetings, Milpitas also consulted with a wide variety of social service agencies that provide housing and support services to special needs groups in an effort to update data information for the needs section of the Consolidated Plan. Finally, Milpitas along with the County of Santa Clara and other local jurisdictions held quarterly meetings during the past year to work together on sections of the Consolidated Plan which deal with regional issues such as fair housing and homelessness.

### *Citizen Participation in the Consolidated Plan Process*

Over 50 individuals, local groups, agencies, non-profits and organizations were involved in the development of the Milpitas Consolidated Plan. A listing of these individuals, groups and organizations who participated in the preparation and development of the plan is included along with citizen comments received during the public hearing process.

Also, letters were sent to housing providers, social services agencies and other interested parties during the 30 day public review period of the document. Copies were provided free of charge and were made available at the Milpitas City Hall Public Information Desk, City's Website, and at the Milpitas Public Library.

### **Source of Data**

The sources for data used in the preparation of the Milpitas Five Year Consolidated Plan include the following:

- 2000 and 2010 US Census
- CHAS Data Book
- 2009-2010 Clarita Estimates
- 2000 to 2010 State of CA-Dept. of Finance
- ABAG Projections 2007 and 2009
- 2010 Milpitas Housing Element
- Milpitas General Plan and Zoning Ordinance
- Milpitas Redevelopment Agency Five-Year Implementation Plan (2011-2015)
- County of Santa Clara Homeless Census and Survey 2009 and 2011
- Midtown and Transit Area Specific Plans (adopted: 2004 and 2009)

- Other Statistical Data, Information, and Resources provided from other Agencies, Groups and Non-Profit Organizations

However it should be noted that some of the census data was released and phased over a period of time, other sources of data were also used. However, wherever possible, this document used other types of data to give a more complete and comprehensive picture of the existing social and economic conditions in Milpitas. In some cases, only data pertaining to the County of Santa Clara as a whole was available which was useful nonetheless it described current conditions in the Silicon Valley area of which Milpitas is a part.

Also, letters were send out to 50+ different Federal, State and Local governmental, social/public services, housing providers, non-profits agencies and organizations requesting statistical data, reports, surveys and general information in the preparation of the Consolidated Plan.

As much as possible current statistics, data, projections and information was used to prepare the Consolidated Plan, however the most consistent and reliable data continues to be the 2000-2010 Federal Government Census data.

### **Summary of Accomplishments for Prior Five-Year Consolidated Plan**

As context for the Milpitas 2012-2017 Consolidated Plan, it would be appropriate to review the major projects and accomplishments for the prior five year Consolidated Plan (2007-2012). During the past five years, Milpitas as a CDBG entitlement city has received funds directly from HUD. Milpitas has received the following CDBG allocation grants:

2007-2008	\$599,777
2008-2009	\$579,009
2009-2010	\$809,215 (included \$157,293 from CDBG-R)
2010-2011	\$638,938
2011-2012	<u>\$535,770</u>
Total:	\$3,162,109

The major issue that faced the City of Milpitas during this five year time period was the lack of affordable housing, specifically to lower and moderate income households given the cost of housing in the San Francisco Bay Area. Milpitas has been able to construct over 1,000 new affordable housing units (first-time homebuyers, rental units, and senior housing) with long term restriction agreements. A summary of the major accomplishments during the five year period is provided below:

Over the past five years (2007-2012) ) Milpitas has allocated over \$42.4 million from its Redevelopment Agency 20% Low Income Housing Set Aside Funds and CDBG funds as “seed money” to assist in the acquisition of land, construction, and provide financial assistance for numerous new affordable housing developments (homeownership and rental).

The following residential projects have been approved and/or constructed over then past five years (2007-2012):

1. Milpitas has negotiated and constructed Aspen Family Apartments a 101 unit multifamily rental apartment complex with 101 affordable units. Milpitas has provided financial assistance in the form of a \$2.3 million loan for payment of developer’s impact fees (park-in-lieu, school impact, building permits and water and sewer).
2. Milpitas has negotiated and constructed the De Vries Place a 102 unit Senior Housing Development with Mid-Peninsula Housing Coalition. All 102 units are affordable to extremely low, very low and low income seniors. Milpitas has provided \$15.6 million in financial assistance for this project. Part of the financial assistance will include \$5 million from KB Homes and \$1 million from the County of Santa Clara. The developer has also received \$17+ million in tax credit with the support from City of Milpitas

3. Milpitas negotiated and constructed the Town Center Residential Development a 65-unit for sale development with 16 affordable units. Milpitas prepared long term affordability restriction legal documents approved by the City Council. Milpitas has provided \$1 million in financial assistance for this project, which includes \$800,000 in down payment assistance for First-time Homebuyers and \$200,000 for the rehabilitation of 4 units (VL) outside of the project area.
4. Milpitas has negotiated and approved Paragon Development a 147-unit for sale development with 29 affordable units. Milpitas has prepared long term affordability restriction legal documents approved by the City Council. Milpitas has provided \$1.1 million financial assistance for this project, which includes \$770,000 in down payment assistance for First-time Homebuyers and \$369,560 for developer impact fees.
5. Milpitas has negotiated and approved Murphy Ranch (Apartment and Town home) Development” a 659-units with 374 rental apartments (under construction) and 285 for sale development with 132 affordable units (88 rental and 44 for-sale). Milpitas will prepare long term affordability restriction legal documents approved by the City Council. The developer did not request financial assistance on this project.
6. Milpitas has negotiated and approved Integral Development a 1,328-unit for sale and rental project with 199 affordable units. Milpitas will prepare long term affordability restriction legal documents approved by the City Council. This project is part of the Transit Area Specific Plan to accommodate high density residential development for the future BART Station in Milpitas. Milpitas has provided \$41.3 million in financial assistance for affordable housing units (\$5.8m), commercial retail, grocery store, etc. to assist in the development of the Transit Area Specific Plan.
7. Milpitas has completed negotiations and completed the Senior Housing Solutions, acquisition and rehabilitation of two single family homes to accommodate five extremely low income seniors. Milpitas financially assisted in the property acquisition, rehabilitation and supports the application for additional funding from the County of Santa Clara Housing Trust Fund. Milpitas provided approximately \$750,000 towards both projects.
8. Since the adoption of the previous Consolidated Plan in 2002, Milpitas has approved 27 zero to low interest rate loans to very low and low income household through the CDBG Single Family Rehabilitation Loan Program. A total of approximately \$925,000 of CDBG funds were used to rehabilitate single-family homes within the community. Additional Program Income funds were also used to assist this program.
9. Milpitas has participated and providing financial assistance to the County of Santa Clara Housing Trust Fund since its conception in 2000. Milpitas has allocated \$1.1 million from its Redevelopment Agency 20% set-aside housing funds to Housing Trust Fund of Santa Clara County as part of the \$20 million goals to provide affordable housing to 5,000 families in Santa Clara County. The \$32.9 million will be leveraged with a goal of raising over \$1.32 billion to provide housing for first-time homebuyers, affordable rental homes, homeless shelters and housing support services. To date, fifty-four (54) Milpitas residents have benefited from low interest rate loans (first-time homebuyers) from the Housing Trust Fund. Trust funds have also been used to financially assist DeVries Place Senior Housing (\$500,000) and Senior Housing Solutions (\$100,000).
10. *Mobile Home Park Rent Control Ordinance:* Milpitas continues to maintain and monitor the 521 mobile home units located within three (3) mobile home parks which are regulated by the 1992 City’s Rent Control Ordinance it guarantees long term affordability. The majority of residents (72%) living in these mobile home parks are senior citizens over the age of 60+ years old.

Currently, Milpitas has 1,058 affordable housing units with long term affordability restriction agreements for low and moderate income households and senior citizens. The types of units include single family, attached town homes and multi-family rental. An additional 2,313 housing units are being proposed by residential developers with and estimated 400+ affordable units. Upon completion of construction, a total of 1,458 affordable housing units will be available for very low, low and moderate income households.

On March 15, 2011, the Milpitas Redevelopment Agency (RDA) approved the 2011-2015 Five Year Implementation Plan, which includes financial review and analysis of future funding of affordable housing programs and activities. The plan states that approximately \$56 million will have to be spent on affordable housing over the next 5 years.

**Other types of financial assistance included:**

- RDA payment of approximately \$ 5.3 million in developer impact fees to assist in the development of affordable housing projects.
- RDA payment of approximately \$18.4 million for First time Homebuyers Down Payment Assistance Program. A total of 452 first-time homebuyers has benefited from this program.
- \$925,000 of CDBG funds was spent to assist low and moderate income households in the Milpitas Single Family Housing Rehabilitation Program. Twenty seven (27) very low to zero interest rate loans were granted to low and moderate income households to provide for housing repairs and improvements.
- \$52,000 of CDBG funds was spent for Feasibility and Needs Assessment Study for Senior Housing, Facilities, Adult Day Care, Programs and Activities.
- \$150,000 of CDBG and Redevelopment Agency funding was spent to provide for Fair Housing Services and Tenant/Landlord Resolution.
- \$45,000 of CDBG funding was spent on Emergency Housing Consortium for the construction of shelters in San Jose. This facility provides shelter, transitional housing and services for homeless individuals and their family in Santa Clara County.
- \$285,000 of CDBG funding was spent on housing services that correct health and safety hazards, enhance accessibility for disabled persons and improve energy efficiency to make housing costs more affordable.
- \$50,000 of CDBG funding was spent on providing support services for battered women and their children including 24-hour toll free crisis line , emergency shelter, counseling, case management, legal advocacy and community education.
- \$87,500 of CDBG funding was spent on various minority social service organizations and youth programs and activities.
- \$85,000 of CDBG funds was spent on the Milpitas Food Pantry and Second Harvest Food Bank, to provide weekly groceries to very low and low income seniors, homeless, disabled persons, and fixed income households.
- \$7,500 of CDBG funds was spent on preparing the updated Analysis to Impediment the Fair Housing Report. The AI Report was completed and adopted by Milpitas City Council in May 2011.

- \$45,600 of CDBG funds has been allocated to implement a Lead-Based Paint Prevention Program for the Single-Family Rehabilitation program.
- \$4,000+ of CDBG funds was spent on the 2011 Santa Clara County Homeless Census and Survey in assisting the County in obtaining McKinley-Vento Homeless and Emergency Shelter Grants (ESG).
- \$58.3 million of Redevelopment Agency and General Funds on several community related projects (parks, streets, infrastructure, Sports Center improvements, new library and senior center, historic preservation and renovation, ADA sidewalk ramps, audible pedestrian signal installation, etc. etc.) to benefit low and moderate income residents.

### **Federal Entitlement Grants and Programs**

The following resources are entitlement grants that can be used for housing and community development activities which are allocated by HUD. The entitlement grants are largely allocated on a formula basis, based on several factors including, extent of poverty, population, overcrowding conditions, age, housing stock, and population growth.

#### *Community Development Block Grant (CDBG) Funds*

The CDG Program has provided one of the largest funding sources to provide a variety of support services and housing for low and moderate income households in Milpitas. These funds will be used for the following activities:

- Assist in real property acquisition
- Rehabilitation of single-family ownership and multi-family rental units
- Energy conservation and efficiency, renewable energy resources
- Public services with specific limitations
- Neighborhood improvements (parks, playgrounds community and senior centers, etc.)

*The following activities would be ineligible for CDBG activities:*

- Political activities
- Certain types of income payments
- Acquisition, construction or reconstruction of building for the general use and conduct of government
- Construction of new housing by units of general local government entity.

### *Housing Rehabilitation Loan Program*

This program funded from CDBG funds provides low interest rate loans and grants to very low and low income property owners through the Milpitas Single Family Housing and Rehabilitation Loan Program. The Housing Rehabilitation Loan Program provides up to 90% of the home equity value/per household for home improvements and repairs. Annual program income (revolving loan funds) goes back into the program to assist future low and moderate income property owners. City of Milpitas anticipates approximately \$50,000 in Program Income from the rehabilitation loan program.

### *HOME Program*

The Home Investment Partnership Program may be used to provide home purchase or rehabilitation financing assistance to eligible lower-income homeowners and new first-time homebuyers to build or rehabilitate housing for rent or ownership. The program allows for reasonable and necessary expenses related to the development of affordable housing. Funds may also be used to provide tenant-based rental assistance contracts for up to two years with the goals are consistent with the Consolidated Plan and justified under local market housing conditions.

Milpitas is currently exploring the potential to become a Home Program recipient with the State of California Department of Housing and Community Development (HCD)

### *Section 8 Rental Assistance Program*

This program provides rental assistance payments to private owners who lease their units to assist low-moderate income families. Milpitas will continue to support and encourage the Santa Clara County Housing Authority (SCCHA) efforts to obtain Section 8 vouchers for residents of Milpitas.

### *Low Income Housing Tax Credit Program (LIHTC)*

Milpitas will continue to explore financing affordable housing projects with Low Income Housing Tax Credits (LIHTC). Milpitas will work with local housing developers to seek additional funding to close any financing gap for affordable housing projects. Milpitas will also work with local housing developers on pursuing and obtaining 9% and 4 % LIHTC to finance future affordable housing projects. Milpitas will also continue to assist several of the affordable housing developers applying for low income housing tax credit to financial assist their projects.

### *Other Federal Grants and Programs*

The City of Milpitas (if qualified) will pursue several other federal funding sources to augment the CDBG funding allocation. These programs include Section 202, Section 811, the Affordable Housing Program (AHP), through the Federal Home Loan Bank and others.

In addition to the mentioned federal programs, the Housing & Economic Recovery Act (HERA) and the American Recovery and Reinvestment Act (ARRA) will also financially assist in the deliver of affordable housing and community development services.

## **State Programs**

The State of California offers a variety of financial resources through two major agencies: 1) Department of Housing and Community Development (HCD) and 2) California Housing Finance Agency (CalHFA). HCD administers a wide range of housing programs including Multifamily Housing Program (MHP), CalHome, Affordable Housing Innovation Fund (AHIF) and Building Equity and Growth In Neighborhoods Program (BEGIN). CalHFA provides numerous programs for mortgage loan, down payment assistance, funding for construction, acquisition and rehabilitation of affordable ownership units.

In November 2002, the voters of the State of California approved Proposition No. 46-a \$2.1 billion housing bond allocation for funding (grants, loans, etc.) for various types of affordable housing projects. Most of the State funding requires that each city or county have its General Plan Housing Element approved and certified (in full compliance with state housing laws) with the State of California-Department of Housing and Community and Development (HCD). The City of Milpitas Housing Element was approved and certified by HCD in September 2010.

## **Local Programs**

### ***Milpitas Redevelopment Agency (RDA)/Successor Agency (Milpitas Housing Authority)***

The City of Milpitas Redevelopment Agency provides the majority of the financial resources in support of affordable housing acquisition, construction and rehabilitation. The funding is generated from tax increment which is allocated to redevelopment agency to pay for the costs of implementing projects. State law requires that twenty percent (20%) of these tax increment revenues must be set aside for the preservation, improvement and production of affordable housing for very low, low and moderate incomes.

In addition, most Redevelopment Agencies are required to assure that at least fifteen percent (15%) of all housing units developed in a redevelopment project area by entities other than the Agency are affordable to percent of these three income categories. Furthermore, given the need of affordable housing for very low income, at least forty percent (40%) of the fifteen percent (15%) must be affordable to very affordable housing programs which have produced over 1,058 affordable housing units.

It should be noted in June 2011; the State of California adopted two legislative bills (ABx26 and ABx27) which will significantly impact redevelopment agencies abilities to finance affordable housing, capital improvement and community projects. Based on the State's annual mandated payments from local redevelopment agencies, funding for affordable housing projects could be substantially reduced in the future years. Effective February 1, 2012, State of California legislation has eliminated Redevelopment Agencies statewide.

The Milpitas Economic Development Corporation and Milpitas Housing Authority acting as the successor agencies to the previous Milpitas Redevelopment Agency will be responsible for managing future assets and liabilities. However, additional tax increment revenue will no longer available based on the dissolution of the redevelopment. These will substantially impact the ability to provide affordable and other community development improvements within Milpitas.

### *First-Time Homebuyers Program (RDA)*

The Milpitas First-time Homebuyers Program has provided over \$18.4 million in down payment assistance for over 452 very low, low and moderate income households. The down payment assistance has been in the form of grants and the majority was very low interest rate loans. The loans are secure by a Promissory Note and Subordinate Deed of Trust, along with the Resale Restriction Agreement which guarantees long-term affordability is recorded at the County of Santa Clara Office of the Recorder.

### *Rental Rehabilitation (RDA)*

The Agency has financially assisted a limited number (6) of rental rehabilitation units. In return for financial assistance, the property owner must be willing to commit a certain number of units to be affordable with recorded restriction agreements

### *Acquisition of Property (RDA)*

The Redevelopment Agency has negotiated Disposition and Developer Agreement (DDA) and Owner participation Agreement (OPA) with individual developers for the sale and acquisition of property to support affordable housing. The agreements are in the form of long-term loan to be repaid at a specific period of time. The Agency has provided over \$15.6 million on property land acquisition.

### *Developer Impact Fees (RDA)*

The Agency has financially assisted developers in reducing their costs and long-term affordable in ownership and rental projects with the payment of a portion of the developer impact fees. The impact fees are associated with 1) entitlement costs, 2) park in-lieu, 3) building permits, and sewer and water. The Agency has provided over \$12 million on paid of developer impact fees. The Agency has provided \$5.3 million to financial assists developer's on their project in return for long-term affordability. .

### *Affordable Senior Housing Projects*

The Agency has provided substantial financial assistance for to two senior housing projects: 1) Terrance Gardens (approx: \$12 million) with 155 very low and low income units and 2) DeVries Place (approx: \$9.6 million) with 103 extremely low and very low income units. Part of the DeVries Place project included the renovation (\$1 million) of the Dr. Smith House, a 1920's prairie style home with 3 senior units on the second floor.

### *Santa Clara County Housing Trust Fund*

City of Milpitas has participated and financially supported the Santa Clara County Housing Trust Fund to raise \$20 million to construct a variety of affordable housing types for: 1) first time homebuyers, 2) multi-family rental apartments and 3) housing and support services for the homeless population. Milpitas has allocated \$1.1 million for the Housing Trust Fund. The goal of the Housing Trust Fund was to raise \$20 million and leverage these funds to provide:

- 800 units for First-time Homebuyer
- 3,000 Multi-Family Units
- 1,000 units for the Homeless

Since its conception in 1999, the Housing Trust has raised approximately \$36 million and has leveraged this amount to over \$1.32 billion to create 7,237 housing opportunities for families within Santa Clara County (see Housing Trust of SCC-attachment) .This includes 451 teachers, 227 engineers and 118 healthcare professionals and 628 public employees.

To date, a total of fifty-four (54) loans in the amount of \$474,120 were approved for Milpitas first-time homebuyer residents with low-interest rates from the Housing Trust Fund of Santa Clara County. City of Milpitas has worked with the Santa Clara County Housing Trust Fund and Mid-Peninsula Housing Coalition (developer of the DeVries Place Senior Housing Project) to obtain \$500,000 in funding. Milpitas also provided \$100,000 to fund the acquisition of a 5-bedroom Single-Family Home for 5 extremely low income seniors in Milpitas.

### **Housing and Public Service-Goals, Objectives Strategies**

Milpitas' goal will be to develop and maintain long term affordable restrictions on 350+ affordable housing units for low and moderate income households. Milpitas' goals will also include development for multi-family units for large households and senior housing. The primary activities to address affordable housing needs will be through assistance to developers with the acquisition of land, rehabilitation and maintain existing housing units and new construction of housing. These efforts will include:

1. Continue involvement with the rehabilitation program, including CDBG loans for single family homes for home repairs and improvements to low income households.
2. Continue to fund a program which utilizes CDBG funds to assist elderly and disabled individuals retrofit their homes to render them more accessible and suitable for their special needs.
3. Continue its enforcement of the Neighborhood Beautification Ordinance and periodically review existing codes, ordinances, and use permits conditions to determine their current applicability to neighborhood and community preservation issues. Milpitas will continue its concentrated rehabilitation and code compliance program for residential planning areas.
4. Continue to work to implement the 'Midtown and Transit Area Specific Plan Planning'' (see attached maps) which will potentially provide 5,000-7,000 high density resident units (at maximum built-out) which will include a wide variety and types of housing units that will be affordable to various segment of the population.
5. Identify vacant or underutilized land to attempt to meet the ABAG's Regional Housing Needs Determination (RHND) 2007-2014.
6. Continue to identify, encourage, and publicize private activities and programs, which will create affordable housing opportunities, including rental and home ownership, and continue to work with non-profit community groups to create affordable housing.
7. Continue to support private participation in rental subsidy programs and such as the existing Section 8 and Supportive Programs.
8. Continue to support creative programs such as the Santa Clara County Housing Trust Fund to provide a variety of affordable housing to first-time homebuyers, large family households and homeless population.

It will also be important for all residents to maintain their properties in a manner that enhances both their own living environment and the overall aesthetic appeal of the city as a whole. Also it is important that persons with special needs are able to rehabilitate their homes in a fashion that makes them accessible and useable for them. Elderly and disabled individuals, in particular, have special needs in terms of how their housing units are configured. Rehabilitation for these

households has been designated as a high priority because there are relatively fewer of these households than there are other low income households and because the City has relatively more expertise in the rehabilitation of typical housing units.

### *Public Service Needs*

Milpitas will continue to support and provide funding to a variety of nonprofit social services agencies that provides support services to various special need groups, including:

1. Services to address the needs of the frail elderly or persons with disabilities.
2. Legal services for low income people
3. Continue to support battered women shelters and support programs.
4. Information and counseling on landlord/tenant issues and fair housing activities.
5. Counseling, shelter services employment training and general assistance to the extremely low income or homeless population.
5. Services to address youth counseling, crisis intervention and case management. Services to prevent and treat substance abuse.

### *Homeless Population*

Milpitas' goals will be to assist the homeless population to prevent homelessness and reduce the time period people are homeless through the provision of housing with supportive services and permanent employment opportunities. The homeless strategy for housing activities which the City sponsors will be to emphasize the creation of permanent housing which is affordable to the homeless and to individuals who are moving out of shelters or transitional housing programs.

This strategy includes creating housing opportunities for single adults and families with children. The City's strategy also includes contributing funds for the operating costs of existing shelters and transitional housing providers who serve the Milpitas and northern Santa Clara County area and to continue to cooperate in Countywide approaches (funding homeless shelters, preparing fair housing studies, homeless population surveys, etc.) to the problem of homelessness.

The primary goal is to prevent homelessness and shorten the time people are homeless through the provision of housing with supportive services and employment opportunities. Working as a collaborative the region can insure a more comprehensive approach to addressing the region-wide problem of homelessness.

*This strategy will consist of the following actions:*

1. Continue to provide financial support to emergency shelters with outreach and assessment services;
2. Encourage social service providers to provide prevention services to reduce long term homelessness;
3. Provide financial support for the development of transitional housing with support services; and
4. Assist the homeless population in obtaining permanent housing on their own.

*Milpitas' anti-poverty strategy will consist of the following actions:*

1. Work with non-profit housing developers to fund and provide more affordable housing opportunities to address the homeless problem and needs of very low and low income households.
2. Provide funding and support services to prevent very low income persons and families from becoming homeless and assist them in breaking the cycle of homelessness.
3. Address the employment and income needs of individuals and families who are ecumenically disadvantaged, including persons who are homeless, who have disabilities, and those who are participating in the County of Santa Clara Welfare-to-Work Programs.

Fair Housing-Milpitas will continue to encourage the County of Santa Clara along with other local jurisdictions to improve their overall services and delivery of fair housing by consistently reviewing and monitoring fair housing cases countywide to eliminate housing discrimination. Milpitas is also implementing the Updated 2011 Analysis of Impediments to Fair Housing Choice Report (AI).

The County and cities within Santa Clara County have funded a study addressing the issues of fair housing and strategies to prevent discrimination. Milpitas will continue to explore the most effective use of its resources among fair housing service providers.

Milpitas will continue to fund and work with fair housing organizations such as Project Sentinel to address housing problems, rent increases, non-payment, evictions, and supporting fair housing services to the community including case investigation and outreach activities.

#### *Strategy Development and Investment Plan*

Milpitas will continue funding non-profit organizations that provide quality programs designed to provide shelter and associated services for the homeless population and those facing homelessness that have other special needs

Non-Housing Community Development Needs and Plan-Non-housing community development needs are public services, infrastructure, economic development and other development needs in the community that have an important impact on the living conditions of residents. The following objectives, which have been part of the CDBG plan, guide the needs outlined below:

1. Maintain and improve public facilities and commercial areas
2. Ensure an aesthetically pleasing work and living environment
3. Encourage the provision of child care for working parents
4. Support and encourage job training programs.

The City through its Capital Improvement Projects (CIP) budget perceives these objectives as both short and long term. All objectives are designed to benefit all Milpitas residents citywide, which also benefits extremely low and low income households. Since Milpitas only receives approximately \$400,000 annually from CDBG, these projects are funded through the Milpitas General Fund, Redevelopment Agency or other sources of funding grants and loans available.

### *Code Enforcement*

Code Enforcement is given a high priority under the plan. Substandard rental units and owner-occupied housing units are high priority under the housing needs section. Code enforcement will be continued through the normal inspection program and thorough the City's service request (compliant procedure process).

### *Economic Development*

The City is very active in economic development programs as well as a job search and assistance program (NOVA Services and Joint Adventures Silicon Valley) which creates and increases opportunities for minorities, low incomes persons, homeless persons, and persons with disabilities to find employment. However, the strongest link that can be made to these existing programs is to find permanent affordable housing for people in the program, as well as to encourage new businesses to locate in the City and maintain existing business during bad economy times.

### *Other Community Development Needs*

Given the current energy crisis in California, energy efficiency improvements are given medium priority under the plan. Any energy efficiency improvements will be integrated with the rehabilitation program and be a consideration of that program. Currently, insulation, energy efficient heating and double paned windows are examples of eligible items under the rehabilitation program

### *Lead Based Paint*

Milpitas will continue to require testing and reduce hazards in projects that receive CDBG funding for single family rehabilitation. Milpitas will also continue to provide educational and informational material to the public on the hazards of lead based paint. In accordance with HUD's regulations (Lead-Based Paint Rule 24 CFR Part 52) pertaining to the applicability of federal lead-based paint regulations, City of Milpitas includes a strategy and action item in the preparation of a Lead Based Paint Management Plan to be prepared with assistance from the County of Santa Clara Health Department and other applicable federal agencies. Milpitas has budgeted \$60,000 from CDBG Housing Rehabilitation Administration to implement this plan.

## Chapter No. 2

### Demographics Summary

#### Population, Employment Trends, Growth and Other Statistical Data

The total population in Milpitas is estimated at 71,552 in 2010 and grew by over twelve percent between 2000 and 2010 (See Table 2). This growth rate is slightly higher than the County's growth rate of 10.5%.

Table 2: Population Information for Milpitas and Santa Clara County (2000-2010)

Population Information	Milpitas	Santa Clara County
2010 Estimated Population	71,552	1,880,876
2000 Population	62,698	1,682,585
Growth in Population (2000-2010)	8,854	198,29
Percentage Population Growth (2000-2010)	12.3	10.5

Sources: 2010 CA Dept of Finance and 2000 U.S. Census.

The distribution of Milpitas' population according to the age categories presented in Table 3 is similar to Santa Clara County's. Almost half of the population in Milpitas and Santa Clara County is below the age of 35, and about one-quarter is below the age of 18. Finally, the proportion of senior persons (65 and over) in Milpitas in 2008 is slightly lower at nine percent, in comparison to the proportion of senior persons in Santa Clara County (ten percent).

Table 3: Age of Population in Milpitas and Santa Clara County, 2009

	Milpitas		Santa Clara County	
	Number	Percent	Number	Percent
Age of Population	65,754		1,776,238	
17 and Under	16,203	24.6%	445,840	25.1%
18-34	14,990	22.8%	392,387	22.1%
35-44	11,961	18.2%	297,244	16.7%
45-54	10,122	15.4%	265,236	14.9%
55-64	6,506	9.9%	183,950	10.4%
65 & over	5,972	9.1%	191,581	10.8%

Source: 2009 Clarita's Estimates

#### *Race and Ethnicity*

In the past, the City of Milpitas has been comprised of a diverse population, and the 2010 Census confirmed that this trend is continuing, albeit not as broadly as the previous reporting period. Similar to Santa Clara County's population trends, Milpitas has experienced a continuing decline of White residents, and a subsequent growing proportion of Asian inhabitants.

While the total amount of Hispanic residents in Milpitas also increased, their overall proportion of the City’s total population rose only minimally.

Table 4 shows Milpitas’ Caucasian inhabitants represent less than one-fifth of its total population, while the Asian populous now accounts for nearly two-thirds of the City’s population. The increase of Asian residents is a trend both the City and Santa Clara County at large are experiencing. Since 2000, the percentage of Asian residents in Milpitas has increased by 28%, whereas the percentage in the County increased by 33%. However, while Santa Clara County’s White population decreased by 16% during this same timeframe, Milpitas has witnessed a dramatic decrease of 35%. Hispanic representation within Milpitas increased by 8% in total residents; however, given the simultaneous increase in the City’s population, their proportion of the City’s residents increased by only .2%. All other races not mentioned experienced declines in their proportion of Milpitas’ population; this includes the African American population, whose representation decreased by 14%.

Table 4: Milpitas and Santa Clara County Ethnicity-(2000-2010)

Ethnicity	Milpitas, 2010	S.C. Co, 2010	Milpitas, 2000
White (Non-Hispanic)	14.6%	35.2%	22.5%
Black	2.9%	2.6%	3.4%
Native American	0.5%	0.7%	0.5%
Asian	62.2%	32.0%	51.8%
Hispanic	16.8%	26.9%	16.6%
Some Other Race(s)	3.0%	2.6%	5.2%

Source: U.S. Census Bureau, Census 2010

Table 5: Job Growth by Employment Sector, City of Milpitas (2005-2015)

Employment Sector	2005	2015	Numerical Change	Percent Change
Agriculture and Natural Resources	180	180	0	0%
Manufacturing, Wholesale & Transportation	25,370	26,480	1,110	4%
Retail	4,150	4,610	460	11%
Financial & Professional Services	4,610	5,570	960	21%
Health, Educational & Recreational	8,510	10,050	1,540	18%
Other	4,830	6,000	1,170	24%
Total Jobs	47,650	52,890	5,240	11%

Source: ABAG, 2007 Projections.

Milpitas had a total of approximately 47,650 jobs in 2005 and is projected to add an additional 5,240 jobs by 2015, for a percentage increase of 11 percent.

The job sectors projected to have the highest growth rates are Other (24 percent), Financial & Professional Services (21 percent), and Health, Educational & Recreational (18 percent). Health, Educational & Recreational also will experience the highest growth in the absolute number of new jobs (an increase of 1,540 jobs).

Presently, the City of Milpitas’ level of employment exceeds the number of employed residents. ABAG projects that this trend will decline over time. The ratio of total jobs to employed residents was estimated to be 1.8 in 2005 and is

projected to decline to 1.5 by 2015. In other words, for every employed resident in Milpitas in 2005, there were 1.8 jobs, and this number is projected to decline to 1.5 jobs per employed resident by 2015.

*Projections of Population, Employed Residents and Employment*

Table 6 shows projected population, employed residents and employment for Milpitas and Santa Clara County for 2005 and 2015. As shown in the table, ABAG projects Milpitas's population to increase from 64,900 in 2005 to 74,400 in 2015, an increase of nearly 15 percent over the 10 year period. In contrast, Santa Clara County's population is projected to grow at a slightly slower rate of 12 percent from 2005 to 2015.

The 10 year percentage change in employed residents in Milpitas is projected to be 34 percent, more than twice the percentage increase in population during the same period. A similar trend is projected for Santa Clara County. Finally, the number of jobs in Milpitas is projected to increase at a lower rate than percentage increases in employed residents.

Table 6: Summary of Population, Employed Residents and Employment Projections, Milpitas Sphere of Influence (2005-2015)

	Milpitas		Santa Clara County	
	2005	2015	2005	2015
Population	64,900	74,400	1,763,000	1,971,100
% Change		14.6%		11.8%
Employed Residents	26,070	34,950	734,000	962,700
% Change		34.1%		31.2%
Jobs	47,650	52,890	872,860	1,017,060
% Change		11.0%		16.5%

Source: Association of Bay Area Governments (ABAG), Projections 2009

In summary, current and projected conditions indicate that the City's population is continuing to grow and that the population is relatively young, reflecting a growing labor force that is attracted to the jobs provided in Milpitas.

A summary of relevant trends in demographic, economic, and housing conditions based on the detailed analyses in the Chapter is presented below.

- The City continued to add population between 2000 and 2010, reaching an estimated population figure of 71,552 in 2010. The number of households also grew during the same time period.
- Almost half the City's population is below 35 years of age.

- Milpitas remains a family oriented city. For example, the average household size of 3.5 persons is higher in Milpitas than in Santa Clara County and over 80 percent of all households are family households.
- While nominal median income rose between 2000 and 2010 (from \$84,429 to \$103,500), real household incomes (adjusted for inflation) have dropped.
- About one-third of all Milpitas households pay more than 30 percent of their income on housing costs. This percentage is higher for lower-income and extremely low income households, as well as for renters.

*Employment Growth*

- Employment growth between 2005 and 2015 is expected to reach 11 percent, or an increase of over 5,000 jobs.
- The growth in employed residents will exceed growth in population or growth in employment, so that there should be a better jobs/housing imbalance by 2015

*Poverty Rate*

Table 7 shows corresponding to Milpitas’ household income distribution is the low relative percentage of residents living below the poverty threshold. According to the California Department of Finance (DOF), 6.2% of the City’s residents live below this threshold, compared with 8.6% in Santa Clara County. Although Milpitas has a lower percentage of minors and individuals under the age of 65 living in poverty in comparison to the County, the City has a higher rate of poverty within its population over 65 years old.

Table 7: Poverty Rate Percentage Living In Poverty-(2009)

Resident’s Age	% Living in Poverty, 2009	
	Milpitas	Santa Clara County
Under 18	6.3%	10.5%
Over 18	6.2%	7.9%
Over 65	8.0%	6.6%
Percent of Total Pop.	6.2%	8.6%

Poverty rates by Resident’s Age. Source: California Dept. of Finance, American Community Survey, 2005- 2009

*Education*

The overall level of educational attainment within Milpitas’ and Santa Clara County’s population aged 25 years and older has increased since the Census 2000. According to DOF statistics, Milpitas improved upon every educational attainment level, and the County reported similar figures. Yet while the City reported a higher rate of the populous with a high school diploma or some collegiate experience, it lacks behind Santa Clara County in percentages with either a Bachelor’s Degree

or a Graduate Degree. Contrary to the previous reporting period- during which Milpitas had substantial gains in population percentage that attained either degree from 1990-2000 the increase in percentage since 2000 was minimal. Santa Clara County experienced a higher growth rate in percentage regarding both of these degrees, especially regarding Graduate degrees, and the disparity between the City and County at the highest educational attainment level is the widest of any of the comparable categories.

Table 8: Education Attainment, Population over 25 Years or Older

Educational Attainment, Population 25 years and Over	Milpitas 2009	Santa Clara Co. 2009	Milpitas, Census 2000
No High School diploma	14.4%	14.2%	16.8%
High School graduate	21.2%	17.1%	17.3%
Less than 4 years of College	26.5%	24.8%	29.3%
Bachelor's degree	24.5%	25.2%	24.3%
Graduate or Professional degree	13.4%	18.7%	12.2%

Highest Educational Attainment. Source: U.S. Census Bureau, Census 2000; California DOF, American Community Survey 2005-2009

### Occupations

Relative to the previous reporting period of 1998-2003, the proportion of Milpitas residents in various occupational fields has not varied substantially. The majority (46%) of the City’s labor force holds an occupation in the “Managerial and Professional Specialty” category of occupations, while “Technical, Sales, and Office Support” professions (23.1%) comprise the next most populated occupational category.

Milpitas’ geographic location is a significant factor in the types of occupations its residents have, as it is located within the Silicon Valley. As a result, corporations such as Cisco Systems, LifeScan, and Flextronics all high-technology driven companies located within the City limits have the highest demand of employees. Although the recent economic recession has adversely affected employment opportunities in both Milpitas and Santa Clara County at large, the prominence of businesses in this industry throughout the region have a significant impact on the City’s and County’s occupational distribution.

Table 9: Occupations

Occupation	2009 (Est.)	2000
Managerial & Professional Specialty	46%	45.5%
Service Occupations	8.3%	8.3%
Technical, Sales & Office Support	23.1%	23.2%
Farming, Fishing & Forestry	0.3%	0.4%
Precision Production, Craft & Repair	6.1%	6.1%
Operators, Fabricators & Laborers	16.3%	16.4%

Occupations in Milpitas. Source: U.S. Census Bureau, Census 2000; Clarita’s, Inc. 2009

According to 2009 projections from the Association of Bay Area Governors (ABAG), there was a 1.7% increase or 790 jobs in Milpitas between 2005-2010. By comparison, ABAG projected an increase in new employment of 3.8% for Santa Clara County during the same time period. This lower proportion of new jobs has significantly impacted the City’s unemployment rate, as the California Employment Development Department reported that as of March 2011, the unemployment rate in Milpitas was 10.6% and 10.3% in Santa Clara County. Both the County (22.6%) and City (21.8%) have experienced similar increases in unemployment since the June 2003, yet the lack of employment development within

Milpitas has significantly affected the employed labor force, and the City has the sixth-highest unemployment rate within the County.

The aforementioned economic recession resulted in a large decrease of jobs across all sectors, and all but one occupational category either experienced no change in proportion or a decrease since the previous reporting period. Despite the recession, and resulting increase in unemployment among the Milpitas' labor force, the changes in occupational distribution over the last decade have been minimal, and one should anticipate similar proportions of each occupational category as long as high-technology industries retain their prominence in the region.

*Means of Transportation*

As evidenced by the 2009 Clarita's, Inc. estimates, there has not been a significant change in the distribution of commuting methods for Milpitas' labor force since the previous reporting period. The overwhelming majority of the City's residents use a vehicle to reach their jobs. While there has been a decrease in vehicle use and "other means" of transportation for commuting purposes, the changes have been minimal.

Table 10: Transportation-Method of Commuting (2000-2009)

Method of Commuting	Milpitas, 2009 Estimates	Milpitas, Census 2000
Car, truck or van	94.7%	94.9%
Public transportation	2.3%	2.3%
Walk	0.7%	0.7%
Other means	0.8%	1.1%
Work at home	1.5%	1.5%

Method of Commuting in Milpitas. Sources: US Census Bureau, Census 2000; Clarita's, Inc. 2009

*Existing and Projected Incomes*

Table 11 shows the distribution of estimated 2009 household incomes for Milpitas and compares it with actual (unadjusted) 1999 incomes reported by the 2000 Census. The percentage of households in each category up to \$150,000 does not vary significantly between 2000 and 2009. However, a slightly higher percentage of households earned above \$150,000 in 2009 in comparison to households falling into this category in 2000 (24 percent versus 17 percent). This reflects an increase in nominal incomes between these two time periods.

Table 11: Income Distribution in Milpitas (2000-2009)

Income (1)	2009 (Estimated)		2000 Census	
	Number	Percent	Number	Percent
Under \$25,000	1,328	7.4%	945	9.3%
\$25,000 to \$34,999	879	4.9%	1,764	5.5%
\$35,000-\$49,999	1,405	7.8%	3,050	10.3%

\$50,000 to \$74,999	2,773	15.5%	3,139	17.8%
\$75,000 to \$99,999	2,804	15.7%	3,716	18.3%
\$100,000 to \$149,999	4,372	24.4%	945	21.7%
\$150,000 to \$249,000	3,372	18.8%	2,943(2)	17.2%
\$250,000 to \$499,999	710	4.0%		
\$500,000 and above	258	1.4%		
Total Households	17,901	100.0%		
Median Income	\$97,870		\$84,429	

(1) The income figures reported in this table are unadjusted and reported in current dollars for the relevant time period.

(2) This category represents households earning incomes that are above \$150,000. The 2000 Census income categories are not as fine-tuned for higher income levels as are the income levels provided by Clarita's. Sources: 2009 Clarita's, Inc. and 2000 U.S. Census.

However, once household income is adjusted for inflation a different pattern emerges. Milpitas and Santa Clara County household incomes have declined in constant dollars since 2000. The Association of Bay Area Governments (ABAG) income estimates documents this trend. A comparison of the average household income in 2000 with estimated household income in 2005 indicates that Milpitas incomes dropped by about \$20,000 between these time periods. This is very similar to the drop in average income in Santa Clara County during this same time period. (See Table 12.) The most likely explanation for this drop in income is the decline in employment since 2000 in Silicon Valley industries that are located in and adjacent to the City of Milpitas and in Santa Clara County.

Table 12: Mean Household Income in Constant Dollars for Milpitas and Santa Clara County (2000-2009)

Year	Milpitas Sphere of Influence (1)	Santa Clara County
2000	\$120,000	\$118,400
2009	\$99,700	\$97,900
Difference 2000-2009	\$20,300	\$20,500

(1) Income and employment figures provided by ABAG for Milpitas cover the Sphere of Influence, a larger geographic area than the City's jurisdictional boundaries.

Source: ABAG's 2009 Projections

A final way to understand household income in Milpitas is to understand the household income categories established for state and federal housing programs. These income categories are based on estimated income in Santa Clara County. In a subsequent section of the housing element, these income definitions are used to define housing affordability.

#### Definitions of Income Categories for Milpitas and Santa Clara County, Based on State Income Limits (2009)

- Extremely Low income Households have a combined income at or lower than 30 percent of area median income (AMI) for Santa Clara County, as established by the state Department of Housing and Community Development (HCD). A household of four is considered extremely low income in Santa Clara County if its combined income is less than \$31,850 for the year 2009
- Very Low income Households have a combined income between 31 and 50 percent of AMI for Santa Clara County, as established by HCD. A household of four is considered very low income in Santa Clara County if its combined income is between \$31,851 and \$53,050 in 2009
- Low income Households have a combined income between 51 and 80 percent of AMI for Santa Clara

County, as established by HCD. A household of four is considered to be below income in Santa Clara County if its combined income is between \$53,051 and \$84,900 in 2009

- Median-Income Households have a combined income of 100 percent of AMI for Santa Clara County, as established by HCD. A household of four is considered to be median-income in Santa Clara County if its combined income is \$105,500 in 2009
- Moderate income Households have a combined income between 81 and 120 percent of AMI for Santa Clara County, as established by HCD. A household of four is considered to be moderate-income in Santa Clara County if its combined income is between \$84,901 and \$126,600 in 2009
- Above Moderate income Households have a combined income greater than 120 percent of AMI for Santa Clara County, as established by HCD. A household of four is considered to be above moderate income in Santa Clara County if its combined income is greater than \$126,600 in 2009

HCD uses the same income limits as the U.S. Department of Housing and Development (HUD) for Santa Clara County in FY 2009

Source: California Department of Housing and Community Development (HCD), State Income Limits for 2009

### **Chapter No. 3**

#### **Housing and Homeless Assessment Needs/Housing Market Analysis**

The purpose of this chapter is to summarize available data on the most significant housing needs of very low, low, moderate income households, as well as homeless persons and others with special needs and to project those needs over the

next five year Consolidated Plan period (July 1, 2012- June 30, 2017). The information in this chapter is based on numerous resources including, 2000 and 2010 Census, 2009 and 2010 Clarita’s, Inc., Milpitas Housing Element, ABAG Projections 2007-2009, Santa Clara County Association of Realtors, Countywide Homeless Study 2009 and 2011 and other sources.

Because of the high demand for housing and resulting high housing costs which has transpired in Silicon Valley over the past ten years, it is expected that the needs outlined in this chapter are still relevant and has become more criteria than those housing needs that have been identified in the Milpitas 1997-2002 Consolidated Plan.

**HOUSING PROFILE**

This section will examine the various characteristics of housing stock in the City of Milpitas. Housing costs, types of housing units, housing unit size, and the age of housing stock are all aspects that play a significant role in determining the quality of the City’s housing. Inadequate housing conditions are an impediment to fair housing, which affect a higher proportion of low income residents within the impacted group.

According to Census 2010 data, there are a total of 19,806 housing units in Milpitas; 2009 Clarita’s, Inc. estimates project that 69.3% of those units were owner occupied, while 31.7% were renter occupied. Milpitas has a noticeably higher proportion of owner occupied units, and thus a lower proportion of renter occupied units, than Santa Clara County. The City’s housing stock accounts for 3.1% of the County’s total housing stock.

Table 13: Housing Units- Milpitas and Santa Clara County-(2000-2010)

Housing Units	Milpitas	Santa Clara Co.	Milpitas, Census 2000
Total Housing Units	19,806	631,920	17,364
Owner-occupied Housing Units	69.3%	59.4%	69.8%
Renter-occupied Housing Units	30.7%	40.6%	30.2%

Housing Tenure. Source: U.S. Census Bureau, Census 2010, Census 2000

Although there has been a slight decrease in the percentage of owner-occupied housing units in Milpitas over the last decade, the decline has been minimal, and is a trend that was paralleled by Santa Clara County during the same time period. The highest concentration of renter-occupied properties is marginalized to the outskirts on the western side of the City, while the highest rate of owner-occupied housing units is located within City limits in the southeast corner. Although these maps were based on Census 2000 data, their use is applicable in explaining current trends due to the minimal change in proportions over the last decade.

*Type of Dwelling*

The Milpitas Zoning Ordinance defines a single family unit as “a detached building designed exclusively for occupancy by one (1) family”. The City’s ordinance defines a multi-family unit as “a building or portion thereof, designed for occupancy by three (3) or more families living independently of each other.”

According to 2010 estimates by the California Department of Finance, the proportion of single family homes in Milpitas decreased over the previous decade, while the proportion of dwellings with 5 or more units increased. Santa Clara County experienced similar trends, and although Milpitas continues to have a higher proportion of single family homes in comparison with Santa Clara County, the disparity gap has narrowed. Similarly, the margin between County and City percentages of dwellings of 5 or more units has also narrowed, as these types of dwellings account for 26.8% of the County housing stock, and 19.6% of the City's housing stock.

According to data from the U.S. Census Bureau, an additional 2,442 housing units were built in Milpitas between 2000-2010. Taking into account the total number of multi-family units in the City (as estimated by the DOF), 66.3% of the newly constructed units are for multi-family purposes. While Milpitas continues to construct both single family and multi-family units, this percentage indicates a concerted effort to reduce the proportion of new single family homes in construction, and increase the proportion of multi-family units built. It is important to note that not only has the percentage of new multi-family units increased, but the total number of these types of units has as well. For instance, in 2000, Milpitas had 2,181 dwellings with 5 or more units; the 2010 estimated total of 3,801 indicates an overall increase of 74.3%, a total of 1,620 new multi-family units. During this same time period, there has been a 5.6% decrease in the percentage of single family homes.

Table 14: Type of Housing Units Milpitas and Santa Clara County-(2000-2010)

Type of Dwelling	Milpitas, 2010 Estimate		S.C. Co., 2010 Est.	Milpitas, 2000
	Number	Percent	Percent	Percent
Detached Single	11,132	57.3%	53.6%	62.9%
Attached Single	2,225	11.5%	9.0%	12.8%
2 to 4 Units	1,665	8.6%	7.5%	8.5%
5 or More Units	3,801	19.6%	26.8%	12.5%
Mobile Homes	589	3.1%	3.1%	3.2%
Total Housing Units	19,412	100%	100%	100%

Type of Dwelling. Source: US Census Bureau, Census 2000; California DOF

### *Housing Cost*

Primarily due to the City's population growth and the resulting increase in demand for housing, the cost of housing in Milpitas is increasing. Despite having suffered the effects of the economic recession throughout the latter half of the previous decade, Santa Clara County and Milpitas both have begun the process of economic recovery. However, the sale prices of single family residences (SFR) and condominiums in Milpitas remain relatively high in comparison with the County. This presents a significant barrier for the City's low-income households.

The Bay Area has one of the highest costs of living in comparison to other metropolitan areas in the nation. The median price of SFRs in Milpitas increased by 21% between 2001-2009. More notably, the median price of a condominium increased by 40.6%; this increase nearly doubled the increase in median price of SFRs in the City, and the 2008 median price of a condominium in Milpitas nearly doubled that of Santa Clara County. According to the 2009 Clarita's, Inc. estimates, the median price for a home in Milpitas was valued at \$580,510. Although this figure takes both SFRs and condominiums into account, it indicates a continuing increase in the median price of both types of dwelling.

Table 15: Housing Costs and/ Dwelling Type Milpitas and Santa Clara County (2001-2009)

Dwelling Type	Milpitas 2009 Median Price	S.C. Co. 2009 Median Price	Milpitas, 2001

Single Family Residences	\$547, 675	\$447, 000	\$452,500
Condominiums	\$417, 200	\$294,500	\$370,000

Median SFR and Condominium Price. Sources: City of Milpitas Housing Element Update, 2009; City of Santa Clara Analysis of Impediments to Fair Housing Choice Report , BAE 2009

The percentage of the City’s population occupying owned units has not changed substantially, and the rising median prices for SFRs and condominiums along with the increase in median household income indicates that the proportions demonstrated below should still be applicable for both the City and Santa Clara County. Housing costs tend to be a greater burden for renter occupied households than for owner occupied households. While 31% of renter occupied households allocate more than 35% of their income on rent, only 19% of owner occupied households spend that amount of their income on housing costs.

Table 16: Monthly Housing Costs as Percentage of Household Income

Monthly Housing Costs As % of Household Income	% Of Renter Households		% Of Owner Households	
	Milpitas	S.C. Co.	Milpitas	S.C. Co.
Less than 25%	46%	47%	60%	60%
25% to 34%	23%	21%	21%	19%
35% or more	31%	32%	19%	21%

Housing Costs as percent of income. Source: U.S. Census Bureau, Census 2000

### *Age of Housing Stock*

The median age of Milpitas’ housing stock has decreased since the previous reporting period. As demonstrated below, and as previously referenced, Milpitas has substantially increased their housing inventory in the last decade. According to 2009 estimates by Clarita’s, Inc., the percentage of structures built since 1999 has increased by 10.9% in comparison to Census 2000 figures. Although much of this increase is due to the extended reporting period Clarita’s, Inc. based their estimates on the increase in newer structures which has changed the City’s overall housing profile.

While the proportions of structures built before 1999 have decreased, 53.8% of the housing stock in Milpitas is over 30 years old. Housing structures tend to begin showing signs of aging approximately 30 years after they are built, and home maintenance costs can adversely impact a household’s income, especially low-income and elderly households. Thusly, poor housing conditions can result in an impediment to fair housing.

Table 17: Year Structure Built- Milpitas-(2000-2009)

Year Structure Built, Milpitas	2009 (Estimate)	2000
1999 and later	13.1%	2.2%
1995 to 1998	5.4%	6.1%

1990 to 1994	10.2%	11.7%
1980 to 1989	17.6%	19.6%
1970 to 1979	23.9%	26.8%
1960 to 1969	21.8%	24.4%
1950 to 1959	6.7%	8.4%
1940 to 1949	0.7%	0.7%
1939 or earlier	0.7%	0.7%
Median Year Structure Built	1978	1976

Age of Housing Stock. Source: U.S. Census Bureau, Census 2000; Clarita's, Inc. 2009

### *Number and Type of Households*

The number of households in Milpitas is estimated at 17,901 in 2009, for a household growth rate of about five percent between 2000 and 2009. This growth rate is similar to the population growth rate between 2000 and 2009. In addition, average household size in Milpitas is estimated at 3.50 persons per household in 2009 and is slightly higher than the average household size in 2000 (3.47 persons per household). The average household size in Milpitas is higher than the average household size in Santa Clara County. (See Table 18.)

Table 18: Household Information for Milpitas and Santa Clara County (2000-2009)

Household Information	Milpitas	Santa Clara County
2009 Estimated Number of Households	17,901	594,361
2000 Number of Households	17,132	565,863
Household Growth (2000-2009)	769	28,498
Percentage Household Growth (2000-2009)	4.5%	5.0%
2008 Estimated Average Household Size	3.50	2.94
2000 Average Household Size	3.47	2.92

Sources: 2009 Clarita's, Inc. and 2000 U.S. Census.

### *Household Characteristics*

The U.S. Census divides households into two different categories, depending on their composition. Family households are those that consist of two or more related persons living together. Non-family households include persons who live alone or in groups comprised of unrelated individuals. As shown in Table 19, about 82 percent of Milpitas' households are estimated to be family households in 2009. In Santa Clara County, this number is lower at about 70 percent. The rate of homeownership in Milpitas (70 percent) is also higher than Santa Clara County's (59 percent) and could be due to the high proportion of family households.

Table 19: Household Composition for Milpitas and Santa Clara County, 2009

	Milpitas		Santa Clara County	
	Number	Percent	Number	Percent
Number of Households	17,901		594,361	
Families	14,990	81.7%	65.2%	69.9%
Non-Families	11,961	18.3%	34.8%	30.1%
Household Tenure				
Owner	12,532	70.0%	352,731	59.3%
Renter	5,369	30.0%	241,630	40.7%

Source: 2009 Clarita's Estimates

### *Type of Households*

Results from the Census 2000 indicated that the majority of the households in Milpitas were family occupied. In comparison to Santa Clara County, the disparity between family and non-family occupied households was much wider. According to the Milpitas General Plan Housing Element (2009), 2008 estimates projected these totals to remain intact. However, the estimated median household size in the City increased minimally from 3.47 to 3.5 persons while the estimated median household size in the County also slightly increased from 2.92 to 2.94. These estimates continue to validate the trend of larger household sizes in Milpitas than in the County, as well as a higher frequency of family occupied households.

Table 20: Type of Household Family Milpitas and Santa Clara County-(2009)

	Percent of Total Households	
	Milpitas	S.C. Co.
Family Households	81.7%	69.9%
With children under 18		
Married couple	36.0%	27.8%
Single mother	5.0%	5.9%
Without children under 18		
Married couple	29.0%	27.1%
Single mother	5.9%	4.1%
Single father	5.8%	5.0%
Non-family Households	18.3%	30.1
Living alone	11.5%	21.4
Other	6.5%	8.7%
Average Household Size	3.50	2.94

Types of Household. Sources: U.S. Census Bureau Census 2000, Milpitas Housing Element 2009 Household Income

Milpitas has historically enjoyed a higher median household income in comparison to Santa Clara County. 2009 estimates by Clarita's, Inc. indicate that this trend is not only continuing, but that the disparity between the City and County is increasing. Whereas the median household income in Milpitas exceeded the County's median household income by 12% during the last reporting period, the 2009 estimates conveyed a 14% marginal advantage. While the percentage differences between the City and County within each income bracket do not appear substantial household income is less evenly distributed within Milpitas than in Santa Clara County. The difference in median income further indicates that a greater percentage of Milpitas' population is in the upper tier of the \$75,000-149,999 income bracket the most represented category in both the City and County and that the proportion of the populous in the lower income groups continues to decline.

Table 21: Household Income Milpitas and Santa Clara County-(2000-2009)

Income (\$)	Household Income, 2009 (Estimate)		Milpitas, Census 2000
	Milpitas	Santa Clara Co.	
Less than \$35,000	11.7%	16.6%	14.8%
\$35,000 to \$74,999	22.7%	25.7%	28.1%
\$75,000 to \$149,999	40.0%	35.4%	40.0%
\$150,000 or more	25.6%	22.2%	17.2%
Median Household Income	\$100,889	\$88,430	\$84,709

Household Income. Source: U.S. Census Bureau, Census 2000; Clarita's, Inc 2009

## HOUSING MARKET ANALYSIS

### *Housing Cost Burdens*

According to state standards, a household is considered to be overpaying for housing, and therefore facing a housing cost burden, if gross monthly housing costs require more than 30 percent of gross monthly income. Households paying more than 50 percent of gross monthly income are considered to have severe cost burdens or are severely overpaying.

Table 22: Presents information on housing cost burden by tenure and household income levels as of 2009. This table is based on information provided by Clarita Inc. data. As shown, approximately 31 percent of all Milpitas households experienced high housing cost burdens in 2009. Housing cost burdens were greatest for renters – more than 40 percent of all Milpitas renters (for a total of 2,040 households) paid more than 30 percent of their incomes for housing costs in 2009. Renter households earning less than \$50,000 per year were much more likely to have high cost burdens than households with annual incomes greater than \$50,000. For households earning less than \$20,000 per year, the percentage of renters with high cost burdens increased to 87 percent. For households with annual incomes between \$20,000 and \$34,999, nearly 83 percent had high cost burdens.

A smaller percentage of Milpitas homeowners (27 percent) had high cost burdens in 2009. A total of 2,845 homeowners had high cost burdens in 2009. This included 62 percent of households earning between \$20,000 and \$34,999, and 66 percent of households with annual incomes between \$35,000 and \$49,999.

A substantial percentage of households earning close to median income also faced high housing cost burdens in 2009. For households earning between \$50,000 and \$74,999 per year, which is roughly comparable to 80 to 100 percent of area median income, a third of renter households and nearly half of homeowners paid more than 30 percent of their incomes on housing cost.

Table 22: Milpitas Housing Costs as a Percentage of Income, by Household Income and Tenure, 2009

Household Income	Total Households (1)	Percentage of Income Spent on Housing			Percentage of Households Paying 30% or More of Income on Housing
		0 to 19%	20 to 29%	30% or more	
<b>Renters</b>					
Less than \$20,000	590	11	65	514	87.1%
\$20,000 to \$34,999	718	39	87	592	82.5%
\$35,000 to \$49,999	749	57	166	526	70.2%
\$50,000 to \$74,999	1,114	141	597	376	33.8%
\$75,000 to \$99,999	875	374	469	32	3.7%
\$100,000 or more	1,009	897	112	0	0.0%
<b>Total Renters</b>	<b>5,055</b>	<b>1,519</b>	<b>1,496</b>	<b>2,040</b>	<b>40.4%</b>
<b>Owners</b>					
Less than \$20,000	294	11	57	226	76.9%
\$20,000 to \$34,999	528	133	68	327	61.9%
\$35,000 to \$49,999	775	181	80	514	66.3%
\$50,000 to \$74,999	1,623	430	403	790	48.7%
\$75,000 to \$99,999	1,966	552	821	593	30.2%
\$100,000 to \$149,999	2,968	1,359	1,305	304	10.2%
\$150,000 or more	2,434	1,940	403	91	3.7%
<b>Total Owners</b>	<b>10,588</b>	<b>4,606</b>	<b>3,137</b>	<b>2,845</b>	<b>26.9%</b>
<b>Total Households</b>	<b>15,643</b>	<b>6,125</b>	<b>4,633</b>	<b>4,885</b>	<b>31.2%</b>

(1) Excludes households for which housing costs could not be collected or computed.

Source: 2009 Clarita Estimates.

State Housing Element guidelines call for an analysis of the proportion of “lower-income” households overpaying for housing (Government Code, Section 65583(a) (2). Lower-income households are defined as those earning 80 percent AMI or below. According to HUD, the 2010 income limit for lower income households for the Milpitas area (Santa Clara County) was \$56,950.5

As shown in Table 23, Milpitas had 2,329 lower income renter households in 2009. Of those, 1,665 (nearly 72 percent) had high housing cost burdens. It is estimated that 2,147 of Milpitas' owner households were lower income in 2009 and that of these, 1,274 (59 percent) had high housing cost burdens. These data clearly show that substantial portions of Milpitas's lower income households had a problem with high housing cost burdens in 2009. This figure is based on a household size of four persons. Income limits were higher or lower for larger or smaller households, respectively.

Table 23: Housing Cost Burdens for Lower-Income Households in 2009, City of

Milpitas and Santa Clara County

	Renters	Owners	Total
Milpitas			
Total Lower-Income Households	2,329	2,147	4,476
Number Paying >30% of Income	1,665	1,274	2,940
Percentage Paying >30% of Income	71.5%	59.3%	65.7%
Number Paying >50% of Income	745	828	1,571
Percentage Paying >50% of Income	32.0%	38.6%	35.1%
Santa Clara County			
Total Lower-Income Households	101,087	71,244	172,331
Number Paying >30% of Income	68,211	40,092	108,289
Percentage Paying >30% of Income	67.5%	56.3%	62.8%
Number Paying >50% of Income	36,181	24,725	60,893
Percentage Paying >50% of Income	35.8%	34.7%	35.3%

Excludes households for which housing costs could not be collected or computed.

Source: Clarita Estimates, 2009

The incidence of high housing cost burdens in Milpitas exceeded (66 percent) comparable figures for Santa Clara County for both renters and homeowners (63 percent), as shown in Table 23. However the percentage of all households with severe housing cost burdens (35 percent) was similar in Milpitas and Santa Clara County.

*Extremely Low income Households*

Government Code Section 65583(a) (1) requires that housing elements provide documentation of projections and quantification of a jurisdiction's existing and projected housing needs for all income levels, including extremely low income households. Extremely low income households are those who earn less than 30 percent of Area Median Income (AMI). Without adequate affordable housing, these households are typically the most at risk of becoming homeless.

Eight percent of Milpitas households were extremely low income in 2009, totaling 1,302 households. About a third of these extremely low income households are one and two person senior households. Housing cost burdens for extremely low income households are the highest of any income group, as shown in Table 24.

Table 24: Housing Cost Burdens for Extremely Low income Households, City of Milpitas, 2009

	Renters	Owners	Total
Extremely Low income Households	755	547	1,302
Percentage Paying >30% of Income	84%	67%	77%
Percentage Paying >50% of Income	64%	50%	58%

Source: Clarita Estimates, 2009

Assuming extremely low income households continue to be the same percentage of households as they are today, Milpitas could add an additional 218 extremely low income households by 2015. An alternative approach to estimate the growth in extremely low income households would be to assume that half the RHNA allocation of units for very

low income households (689 units) could be required by extremely low income households. This estimation approach generates a higher number of extremely low income households (345) in comparison to the estimation approach based on ABAG and census data.

At this time, there are 128 existing and planned rent restricted units for extremely low income households in Milpitas; five units for extremely low income seniors are located at a newly developed group home (Senior Solutions), 72 units are included at the newly constructed senior development, DeVries Place, 46 family units for extremely low income households are under construction at Aspen Family Apartments, and another five extremely low income seniors will be assisted at another group homes to be developed by Senior Solutions. When these units are built, there will be a total of 128 units for extremely low income households in Milpitas. Finally, Sunnyhills Apartments is a mixed income community. It provides 149 Section 8 units for which extremely low income households would be eligible.

In addition to these resources in Milpitas, the Santa Clara County Housing Authority provides Section 8 vouchers to Milpitas households, and EHC Lifebuilders provides shelter and support services for the Milpitas homeless. Finally, the County provides direct services to the homeless. These services are discussed below in the subsection on homelessness.

### *Affordable Rental Costs and Home Prices*

Household income and household size are the bases upon which to define the ability of a household to pay for housing costs. The following section examines the ability of Milpitas households at various income levels to pay for housing. This analysis is presented by the household income categories defined in Table 25. The City of Milpitas as a whole is projected to add 2,730 households between 2005 and 2015. The estimated number of extremely low income households is projected by multiplying the percent of extremely low income households as of 2008 (eight percent) to the household growth of 2,730 projected by ABAG.

Table 25 shows maximum affordable monthly rents and maximum affordable purchase prices for extremely low, very low, low, median and moderate income households in Santa Clara County (including Milpitas). Since income categories vary by household size, information is presented for households ranging in size from one to five persons. For example: a three-person household classified as low income (or 80 percent of AMI) with an annual income of up to \$76,400 could afford to pay \$1,910 monthly gross rent (including utilities) or purchase a \$206,006 house, assuming a five percent down payment. While affordable rents are defined as requiring no more than 30 percent of income, affordable home prices for owners vary according to income level and range between 30 and 35 percent.

Later subsections of this Housing Needs Assessment Chapter show that the current rents and sales prices for much of the Milpitas housing stock is priced beyond the affordable levels defined in Table 25.

For example, the percentage of income paid for ownership costs for lower-income households is 30% of gross income, but median and moderate income households are assumed to be able to pay 35% of gross income for ownership costs.

Table 25: Ability to Pay for Housing by Income Level, City of Milpitas, 2008

Extremely Low income Households at 30% of 2008 Median Family Income
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Unit	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Number of Persons	1	2	3	4	5
Income Level (1)	\$22,300	\$25,500	\$28,650	\$31,850	\$34,400
Max. Monthly Rent (2)	\$558	\$638	\$716	\$796	\$860
Max. Purchase Price (3)	\$16,346	\$25,911	\$35,584	\$45,291	\$51,680
Very Low income Households at 50% of 2008 Median Family Income					
Unit	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Number of Persons	1	2	3	4	5
Income Level (1)	\$37,150	\$42,450	\$47,750	\$53,050	\$57,300
Max. Monthly Rent (2)	\$929	\$1,061	\$1,194	\$1,326	\$1,433
Max. Purchase Price (3)	\$69,347	\$86,407	\$103,753	\$120,955	\$133,411
Low income Households at 80% of 2008 Median Family Income					
Unit	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Number of Persons	1	2	3	4	5
Income Level (1)	\$59,400	\$67,900	\$76,400	\$84,900	\$91,650
Max. Monthly Rent (2)	\$1,485	\$1,698	\$1,910	\$2,123	\$2,291
Max. Purchase Price (3)	\$148,758	\$177,240	\$206,006	\$234,630	\$256,009
Median-Income Households at 100% of 2008 Median Family Income					
Unit	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Number of Persons	1	2	3	4	5
Income Level (1)	\$73,900	\$84,400	\$95,000	\$105,500	\$113,900
Max. Monthly Rent (2)	\$1,848	\$2,110	\$2,375	\$2,638	\$2,848
Max. Purchase Price (3)	\$244,469	\$286,334	\$328,901	\$370,909	\$403,173
Moderate income Households at 120% of 2008 Median Family Income					
Unit	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Number of Persons	1	2	3	4	5
Income Level (1)	\$88,600	\$101,300	\$113,900	\$126,600	\$136,700
Max. Monthly Rent (2)	\$2,215	\$2,533	\$2,848	\$3,165	\$3,418
Max. Purchase Price (3)	\$305,678	\$356,704	\$407,599	\$458,767	\$498,110

(1) Based on HCD Income Limits.

(2) Monthly rent and utilities are no more than 30% of income.

(3) Housing costs are no more than 30% of income for extremely low-, very low- and low income households, and 35% of income for median- and moderate income households. Total housing costs include mortgage payment, HOA dues, property taxes and utilities. Mortgage terms assume a 95% loan @ 6.5%, with a 30-year term.

Sources: California Department of Housing and Community Development (HCD); City of Milpitas, and Vernazza Wolfe Associates, Inc.

3 CHAS data tables are compiled by the US Department of Housing and Urban Development, based on a special tabulation derived from the U.S. Census.

4 Monthly homeownership costs calculated by the US Census include mortgage payments; real estate taxes; fire, hazard and flood insurance; utilities (electricity, gas, and water and sewer); and heating fuels (oil, coal, kerosene, wood, etc.). It also includes, where appropriate, monthly condominium fees or mobile home costs such as ground rents.

#### *Extremely Low income Households*

Government Code Section 65583(a) (1) requires that housing elements provide documentation of projections and

quantification of a jurisdiction’s existing and projected housing needs for all income levels, including extremely low income households. Extremely low income households are those who earn less than 30 percent of Area Median Income (AMI). Without adequate affordable housing, these households are typically the most at risk of becoming homeless.

Eight percent of Milpitas households were extremely low income in 1999, totaling 1,302 households. About a third of these extremely low income households are one and two person senior households. Housing cost burdens for extremely low income households are the highest of any income group, as shown in Table 25.

8 For example, the percentage of income paid for ownership costs for lower-income households is 30% of gross income, but median- and moderate income households are assumed to be able to pay 35% of gross income for ownership costs.  
 Wolfe Associates, Inc.

*Overcrowding*

The Census defines an overcrowded unit as one with more than 1.0 person per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded. In total, 19 percent of Milpitas housing units were overcrowded in 2000, as shown in Table 26. This represents 3,334 households, 1,632 of whom were renter households and 1,702 were homeowners.

Approximately 9 percent of housing units in Milpitas were severely overcrowded. Proportionally, overcrowding was a greater problem for the City’s renter households than its homeowners in 2000.

Overcrowding was worse for both homeowners and renters in Milpitas than for Santa Clara County as a whole.

Table 26: Overcrowding by Tenure, City of Milpitas and Santa Clara County, 2008

	Owners	Renters	Total
<b>City of Milpitas</b>			
Total Households	11,951	5,186	17,137
<b>Persons Per Room</b>			
One or Fewer	10,249	3,554	13,803
1.01 to 1.50	1,702	1,632	3,334
More than 1.50	742	768	1,510
Percent Overcrowded	14.2%	31.5%	19.5%
Percent Severely Overcrowded	6.2%	14.8%	8.8%
<b>Santa Clara County</b>			
Total Households	338,636	227,227	565,863
<b>Persons Per Room</b>			
One or Fewer	310,725	174,234	484,959
1.01 to 1.50	27,911	52,993	80,904
More than 1.50	13,216	33,048	46,264
Percent Overcrowded	8.2%	23.3%	14.3%

Percent Severely Overcrowded	3.9%	14.5%	8.2%
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Source: Clarita Estimates, 2008.

### *Housing Stock Characteristics information Sources*

There are three sources of information for 2008 housing unit counts. These include the State of California Department of Finance Population and Housing Estimates (DOF); Clarita's, Inc., a private company that provides housing and population estimates and projections, and the City of Milpitas' building records. However, information provided by these sources differs.

For example, the lowest count of housing unit growth between 2000 and 2008 is the DOF estimate of 1,709 housing units. In comparison, Clarita's estimate for growth in the number of housing units is higher during the same period at 1,917 units (a difference of 208 units). Finally, according to the City, a total of 3,318 housing permits were issued between 2004 and 2008. All three sources of information are used in the Housing Element.

- DOF is the source of information for 2008 housing unit counts by type of housing (single family, multifamily, etc.), and occupancy status.
- Clarita's estimates are used for 2008 tenure and age of housing information.
- City of Milpitas records are used in describing the number and type of units that have been permitted since January 1, 2007.

Finally, a targeted housing condition survey was conducted to supplement the information provided by these other data sources. Results from this survey are presented below.

### *Housing Types and Occupancy Levels*

Table 27 presents information on the housing stock of Milpitas and Santa Clara County in 2000 and 2008. In 2008, single family detached units accounted for the majority of housing in Milpitas, comprising nearly 58 percent of the total. When detached and attached single family units are considered together, they make up more than two-thirds of the total existing housing stock. While single family units constitute a slightly larger proportion of the total housing stock in Milpitas than in Santa Clara County as a whole, single family units declined as a percentage of total housing units in Milpitas between 2000 and 2008.

In contrast, multifamily properties represent a growing percentage of total housing units in Milpitas. As shown in Table 27, multifamily properties with more than five units grew from 12.6 to 18.5 percent of the total housing stock between 2000 and 2008. With few exceptions, all housing built in Milpitas since 2000 has been multifamily.

In 2000, a majority of five-plus unit properties had between 5 and 20 units, and just over a third of all five plus unit properties had more than 50 units.<sup>10</sup> While information provided by the California Department of Finance (DOF) for 2008 does not provide details about how many units are presently in large multifamily properties, a recent market study prepared for the City found that of the 3,492 housing units that were under construction or had been recently approved as of February 2008, the average density was 34 units to the acre. In fact, 98% of new housing in Milpitas is multifamily; this trend reflects the City's policy to develop denser housing in the Midtown and Transit Area Specific Plan Areas.

The percentage of mobile home units in Milpitas' housing stock has remained relatively constant between 2000 and 2008, at just over three percent of total housing stock. These units have been governed by rent control since 1992.

Table 27 also shows the number of occupied units and the percentage of vacant units. It is important to note that these counts include all vacant units, including those units held vacant for seasonal use; not all of the vacant units are actually offered for sale or for rent. Milpitas is shown as having a very low vacancy rate of 1.34 percent in 2008, which is slightly lower than the vacancy rate for Santa Clara County.

Table 27: Housing Stock by Type and Vacancy for Milpitas and Santa Clara County (2000-2009)

	City of Milpitas				Santa Clara County			
	2000		2009		2000		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Units	17,369		19,073		579,329		622,779	
Single family								
Detached	10,918	62.9%	11,061	58.0%	323,923	55.9%	336,196	54.0%
Attached	2,226	12.8%	2,225	11.7%	52,736	9.1%	55,834	9.0%
Multifamily								
2 to 4 units	1,472	8.5%	1,665	8.7%	46,371	8.0%	46,932	7.5%
5 plus units	2,181	12.6%	3,533	18.5%	136,628	23.6%	164,151	26.4%
Mobile Homes	550	3.3%	589	3.1%	19,102	3.4%	19,666	3.2%
Occupied Units	17,137	98.7%	18,818	98.7%	565,863	97.7%	608,652	97.7%
Vacancy Rate		1.34%		1.34%		2.32%		2.27%

Sources: 2000 U.S. Census; and California Department of Finance (DOF), E-5 Population and Housing Estimates, 2009.

### *Overall Housing Conditions*

The U.S. Census provides only limited data that can be used to infer the condition of Milpitas' housing stock. For example, the Census reports on whether housing units have complete kitchen and plumbing facilities. With the exception of 46 housing units, all Milpitas housing units had complete plumbing facilities, and only 38 units had incomplete kitchen facilities as of 2000. These census indicators reveal little about overall housing conditions.

In most cases, the age of a community's housing stock is a better indicator of the likely condition of the housing stock, particularly in communities like Milpitas where a large proportion of housing units are relatively new. As shown in Table 28, over 98% of the City's housing stock was built after World War II. Nearly half (45 percent) of all units have been built since 1980, and a comparable percentage (46 percent) was built in the 1960s and 1970s. However, since approximately 31 percent of the City's housing stock is more than 40 years old, it is possible that some of the housing in Milpitas could be substandard.

Table 28: Age of Housing Stock, City of Milpitas, 2009

Year Structure Built	Number of Units	Percentage of Housing Stock
1999 to 2008	1,917	10.5%
1990 to 1998	2,984	16.4%
1980 to 1989	3,315	18.2%
1970 to 1979	4,443	24.4%
1960 to 1969	4,052	22.3%
1950 to 1959	1,248	6.9%
1940 to 1949	120	0.7%
1939 or Earlier	118	0.6%
Total Units	18,197	100.0%

Source: 2008 Clarita's, Inc.

The Senior Housing & Neighborhood Preservation Specialist provided statistics on code enforcement activity during the past three years. Code enforcement activity relates to both housing and neighborhood conditions. In the last three fiscal years, starting in 2005/2006 and ending in 2007/2008, resolved violations and complaints were primarily connected to enforcement of the Neighborhood Beautification Ordinance.

- In 2008/2009, there were a total of 2,431 resolved violations and complaints, of which 402 were vehicle related.
- In 2009/2010, the number of violations and complaints was lower at 2,103 of which 261 were vehicle related.
- Finally, in 2010/2011, there were 1,895 violations and complaints, of which 207 were vehicle related.

These violations covered a range of violations, including those related to signs, zoning, junk cars, graffiti, solid waste and animal regulations. Most of these violations are related to the City's Neighborhood Beautification Ordinance, which was adopted in December 2000. The Ordinance specifies certain actions as unlawful, outlines procedures for abating the problem, and establishes a schedule of fines to apply if necessary. The Ordinance covers the following areas:

- *Outdoor Storage* – The accumulation of junk, discarded objects, furniture, etc. that are a threat to health or safety of any person or that are visible from the public right-of-way. Includes vehicles in disrepair.
- *Landscaping/Vegetation* – Dead, decayed, diseased or hazardous trees, weeds, shrubs or other vegetation. Overgrown vegetation likely to harbor rats, vermin and other similar nuisances.
- *Buildings and Structures* – Includes abandoned and boarded up buildings.
- *Fences and Gates* – Severely sagging, leaning, fallen or decayed fences or other structures.
- *Parking in Residential Front Yards* – Includes vehicle parked on the lawn or residential front yard.
- *Residential Vehicle Repair* – Prohibits major vehicle repairs, such as pulling an engine block, repair and replacement of transmissions and similar work associated with automobiles, boats or other motorized vehicles.

- *Miscellaneous* – Any other condition or use of property that represents a threat to the health and welfare of the public by virtue of its unsafe, dangerous or hazardous nature.

The City’s Code Enforcement Program responds to complaints from residents through a Service Request format, which investigates complaints. If the condition is a violation of the Neighborhood Beautification Ordinance, the property owner is given notice to comply and, if necessary, is cited for the violation.

*Targeted Housing Condition Survey*

A windshield survey of housing conditions was conducted for the 2002 Housing Element. Similarly, a windshield survey of housing conditions was conducted for the Housing Element update. However, the 2009 windshield survey was more targeted.

The following two neighborhoods were surveyed in 2009:

- The Selwyn Park neighborhood, including Selwyn, Shirley, and Edsel Drives as well as Dempsey Road. (This area is south of East Calaveras Boulevard.)
- The Cardoza Park area, bordered to the north by Kennedy Drive, to the south by Calaveras Boulevard, to the east by North Park Victoria and to the west by North Temple Drive.

These neighborhoods were chosen based on staff recommendations of areas that could potentially have more housing problems than other areas in the City. While these neighborhoods were not intended to represent the City’s overall housing stock, they were chosen as areas that could have housing rehabilitation needs.

A total of 128 properties were randomly sampled. Surveyed properties included the following housing types:

- Single family homes (54 percent),
- Duplexes (nearly 13 percent),
- Tri- and quad-plexus (nearly 20 percent), and
- Five-or-more-unit buildings (14 percent).

Three quarters of all surveyed properties received a rating of either sound or excellent. Only 23 percent received a rating that suggested the need for minor rehabilitation, and only two properties appeared to require moderate rehabilitation. (See Table 29.) No properties were assessed to be dilapidated or in need of substantial rehabilitation.

Table 29: Overall Property Conditions, Housing Survey

Condition	Number of Properties	Percent of Total
Excellent	25	20%
Sound	71	56%
Needs Minor Rehab	30	23%
Needs Moderate Rehab	2	2%
Needs Substantial Rehab	0	0%
Dilapidated	0	0%
Total Surveyed	128	

Source: Vernazza Wolfe Associates, Inc, August 2008.

Generally, properties needing some form of rehabilitation received this rating due to the need for repairs in multiple categories, such as foundation, siding, roofing and/or windows and doors. Multifamily buildings with three or more units were the buildings are most likely to need some form of rehabilitation, while single family structures were the least likely. (See Table 30.)

Table 30: Property Condition by Structure Type

Structure Type	Excellent or Sound	Need Some Form of Rehab
Single family	84%	16%
Duplex	81%	19%
3-4 Units	60%	40%
5+Units	56%	44%

Source: Vernazza Wolfe Associates, Inc, August 2008.

With regard to specific housing conditions, the housing survey found the following:

- Siding disrepair was the most common housing problem; 62 percent of surveyed properties needed some form of siding improvement. Usually a structure’s siding only needed repainting, though 20 percent of the properties had siding that was cracked or broken in spots, and two percent needed outright siding replacement.
- Windows and doors were generally in the best condition – only 20 percent had some form of problem requiring repair.
- Twenty-eight percent of properties showed cracks at the foundation, though none of these currently require partial or full replacement.
- About 27 percent of properties had cracked, broken or curled shingles, but only one property needed partial re-roofing or more serious repairs.
- Few blighting conditions were evident at surveyed properties. However a total of eight surveyed properties had trash accumulations in their front yards, one property had fence graffiti, and one property was fronted by an unsafe sidewalk.

A block assessment was conducted in tandem with the housing condition survey, in part to record issues missed through random sampling. The block assessment took a broader look at conditions on each surveyed street. This assessment identified additional code and clean-up issues, but found limited evidence of major problems. Trash accumulation was observed on eight of the 19 street segments surveyed. A handful of blocks had properties with cars parked on front lawns. Several multifamily buildings in the survey area had carports in disrepair. Overall, properties whose conditions might be characterized as poor were rare. Only four street segments contained a property meeting this description. The majority of blocks assessed were rated in good condition, and one was rated excellent.

## Rental Housing Costs, Trends, and Affordability

Thus far, this Housing Needs Assessment has addressed the types of housing and housing conditions in Milpitas. A final consideration is the cost of both rental and for-sale housing. Table 31 presents two indicators of existing rent levels in Milpitas. One indicator relies on HUD-defined, fair market rents (FMRs) for Santa Clara County (including Milpitas). Fair market rents represent the 40th percentile of rents in the County. In other words; sixty percent of rents in the County are above the figures shown and forty percent below. In general, the FMR for an area is the amount that would be needed to pay the gross rent (rent plus utilities) of privately owned, decent, safe, and sanitary rental housing of a modest, non-luxury nature with suitable amenities

The second indicator shows average advertised rents in Milpitas as of August 2008. These advertised rents would be expected to be higher than FMRs for two reasons. First, FMRs are at the 40th percentile, as described above, and the advertised rents reported in Table 31 are averages.

Secondly, FMRs are based on the countywide rental market, and Milpitas is a higher priced market than some areas in Santa Clara County, including parts of San Jose.

The 40th percentile rent is drawn from the distribution of rents of all units that are occupied by recent movers. Adjustments are made to exclude public housing units, newly built units and substandard units.

Table 31: Fair Market Rents and Average Advertised Rents, City of Milpitas, 2008

	Number of Bedrooms in Unit				
	Studio	1 BR	2 BR	3 BR	4 BR
Fair Market Rent – 2008 (1)	\$928	\$1,076	\$1,293	\$1,859	\$2,047
Average Advertised Rents (2)	NA	\$1,380	\$1,748	\$2,025	\$2,476

(1) 40th percentile of market rents for Fiscal Year 2008 for San Jose-Sunnyvale-Santa Clara (Santa Clara County).

(2) Based on a survey of 86 non-duplicative rental listings found on Craisglist.org and Apartments.com for the period of August 1-15, 2008.

Source: U.S Department of Housing and Urban Development (HUD) (24 CFR Part 888), Oct. 2007 and Vernazza Wolfe Associates, Inc.

As shown previously in Table 25, a low income, three-person household with an annual income of up to \$76,400 could afford to pay a monthly gross rent (including utilities) of \$1,910. Comparing Table 25 to Table 31, such a household could afford the fair market rent of \$1,293 for a two-bedroom unit, assuming such a unit was available in Milpitas. This household would also be able to afford the average advertised rent of \$1,748. However, a very low income household of the same size, earning \$47,750 per year, could only afford to pay a monthly rent of \$1,194, and would therefore be unable to afford the FMR for a two-bedroom unit or pay the average advertised rent for a two-bedroom unit.

Generally, low income households (between 51% and 80% AMI) of one to four persons are able to afford the average priced rental units appropriate to their household sizes in Milpitas. However, affordable rental options are scarcer for larger, low income households. For example, neither five-person nor six-person, low income households would be able to afford the average rents for four-bedroom units (\$2,476). Also, very low income and extremely low income households earn just below what would be necessary to afford the fair market rent for units matched to their household sizes, with the single exception of studio apartments. Average advertised apartment rents are even less affordable for very low- and extremely low income households, at all apartment sizes.

Average rents in Milpitas have been steadily increasing during the second half of this decade. After falling on an annual basis between 2001 and 2005, rents began to increase again in 2006 as demand for homeownership started to decline, and rental housing became more appealing. According to rent data derived from listings posted at apartmentratings.com, the average two- bedroom apartment rent (unadjusted for inflation) rose from approximately \$1,350 in 2005 to \$1,550 in 2007. In 2008, two-bedroom apartment rents averaged approximately \$1,750, an increase of 13 percent over 2007 rents.<sup>13</sup> While rents have not yet reached 2001 rent levels, when an average two-bedroom rented for approximately \$1,900, rents appear to be steadily increasing. It is likely that recent trends in the housing market, such as lack of credit and relatively high prices, have encouraged households to continue renting.

#### *Homeownership Costs, Trends, and Affordability*

Home prices in Milpitas have followed the inverse pattern of apartment rentals over the past decade. After dipping slightly during the dot-com bust in 2002, home prices in Milpitas rose rapidly to new highs in the middle part of the decade. Tables 32 and 33 show a year-to- year comparison of median and average sales prices from 2001 through the first part of 2008 for both single family homes and condominiums in Milpitas. As shown, single family home prices rose 60 percent between 2001 and 2006, reaching a peak average price of \$768,912, but then fell with the onset of the housing downturn. Average prices in 2008 are now 25 percent below their peak in 2006, with a 21-percent drop in home prices recorded between May 2007 and May 2008.

Table 32: Changes in Single Family Sales Prices in Milpitas (2001-2008)

Date	Average Price	Percent Change	Median Price	Percent Change	Number of Sales
May-01	\$479,075		\$452,500		32
May-02	\$563,038	17.5%	\$523,500	15.7%	52
May-03	\$511,571	-9.1%	\$470,000	-10.2%	45
May-04	\$572,111	11.8%	\$532,500	13.3%	48
May-05	\$710,619	24.2%	\$650,000	22.1%	62
May-06	\$768,912	8.2%	\$730,000	12.3%	40
May-07	\$722,000	-6.1%	\$715,000	-2.1%	17
May-08	\$573,002	-20.6%	\$547,675	-23.4%	22

Source: Intero Real Estate Services; Multiple Listing Service (MLS), August 2008.

The City's condominium market has been less volatile during the recent housing market crisis. Since peaking in 2005 at approximately \$536,000, average prices for condominiums sold in the month of May have only dropped six percent, falling to \$504,000 in 2008. Information was downloaded from [www.apartmentratings.com/rate/CA-Milpitas-Pricing](http://www.apartmentratings.com/rate/CA-Milpitas-Pricing) in September 2008. Data used to calculate average prices by floor plan over time were gathered from renters' disclosure of monthly rental rates at 15 apartment complexes.

Table 33: Changes in Condominium Sales Prices in Milpitas (2001-2008)

Date	Average Price	Percent Change	Median Price	Percent Change	Number of Sales
May-01	\$386,926		\$370,000		9
May-02	\$350,589	-9.4%	\$318,500	-13.9%	20
May-03	\$384,105	9.6%	\$397,000	24.6%	19
May-04	\$467,602	21.7%	\$480,000	20.9%	24
May-05	\$536,071	14.6%	\$575,000	19.8%	28
May-06	\$532,952	-0.6%	\$522,000	-9.2%	14
May-07	\$503,000	-5.6%	\$535,000	2.5%	11
May-08	\$504,000	0.2%	\$520,000	-2.8%	7

Source: Intero Real Estate Services; Multiple Listing Service (MLS), August 2008.

The City of Milpitas is not significantly impacted by recent foreclosure activity. For example, in March 2009, 426 homes were listed as being at some point in the foreclosure process (from notice of default through bank sales) according to RealtyTrac, a private firm that tracks foreclosures. This number represents about two percent of all housing units in Milpitas.

Despite the overall downturn of the past few years, 2008 median sales prices are still well above 2001 levels. Median single family home prices have increased 21 percent since 2001, and median condominium prices have increased by more than 40 percent. This has had important impacts on housing affordability.

Based on the sales price assumptions presented in Table 25, low and moderate income households would be unable to afford the average priced single family home in Milpitas (\$573,002 in May 2008) or even the average priced condominium unit (\$504,000). In order to afford to purchase a single family home, a household would need to be above moderate income; with an annual income of approximately \$137,000 (130 percent of area median income). Only 30 percent of Milpitas households presently meet this threshold, based on the 2008 income distribution data presented earlier in Table 11.

To afford the average priced condominium unit, a household would need to earn \$120,000 annually (or 114 percent of AMI). Presently about 34 percent of Milpitas' households earn enough to afford the average priced condominium unit. This assumes that buyers spend 35% of their incomes for housing payments, provide a 20 percent down payment, and obtain a 6.5%, fixed rate, 30-year mortgage. Insurance and property taxes are included in the computation of affordable sales prices.

### *Special Housing Needs*

Within the general population there are several groups of people who have special housing needs. These needs can make it difficult for members of these groups to locate suitable housing. The following subsections discuss the special housing needs of the six groups identified in State housing element law (Government Code, Section 65583(a) (6)). Specifically, these include elderly households, persons with disabilities, large households, female headed households, farm workers, and the homeless. Where possible, estimates of the population or number of households in Milpitas falling into each group are presented.

## Elderly Households

The total population of residents over the age of 65 in Milpitas grew by more than 1,500 persons between 2000 and 2008 to reach an estimated total of 5,972 in 2008. This represents an increase of nearly 35 percent since 2000, significantly higher than the growth rate of the City's non-senior population. As shown in Table 34, the much of the absolute growth in the senior population was among adults 65 to 74 years of age, and the fastest growth rate was experienced by seniors 75 years and older. Finally, the senior population of Milpitas grew at a faster rate than Santa Clara County's senior population (35 percent compared with 20 percent).

Table 34: Growth in Senior Population in Milpitas and Santa Clara County (2000-2008)

	2000	2008	Overall Percentage Growth 2000-2008
Milpitas Senior Population			
Ages 65 to 74	3,039	3,730	22.7%
75 and Older	1,390	2,242	61.3%
Total Senior Population	4,429	5,972	34.8%
Total City Population	62,714	65,754	4.8%
Non-senior Population	58,285	59,782	2.6%
Santa Clara County Senior Population			
Ages 65 to 74	87,624	105,245	20.1%
75 and Older	71,639	86,336	20.5%
Total Senior Population	159,263	191,581	20.3%
Total County Population	1,682,585	1,776,238	5.6%
Non-senior Population	1,523,322	1,584,657	4.0%

Sources: 2000 U.S. Census and 2008 Clarita's.

While Clarita's provides information on growth in the senior population, it does not provide information on growth in senior-headed households. Consequently, Table 35 estimates growth in senior households by tenure by combining information from the 2000 Census with information from Clarita's. Table 35 provides estimates for the total number of senior households in 2008, as well as estimates for renter-occupied and owner-occupied units headed by seniors. The majority of senior households (76 percent) were homeowners.

Table 35: Estimated Growth in Senior Households by Tenure in Milpitas (2000-2008)

	2000	2008 (1)	Growth
Total Senior Households	1,808	2,438	632
Senior Renter Households	436	588	152
Senior Owner Households	1,372	1,850	478
Percent Renter Households	24.1%	24.1%	NA
Percent Owner Households	75.9%	75.9%	NA

(1) To estimate the total number of senior households for 2008, the average size of senior-headed households was assumed to be the same in 2008 as it was in 2000.

(2) The 2008 senior population was then divided by the average senior household size to generate an estimate of the number of households headed by seniors. Senior household tenure was estimated also using ratios from the 2000 Census. In this case, the percentage of senior-headed households renting or owning their homes in 2000 was applied

to the total estimated number of senior households in 2008.  
 (3) Sources: 2000 U.S. Census and 2008 Clarita's, Inc.

*Senior Households' Housing Cost Burdens*

Senior households typically live on fixed incomes, thus potentially increasing their needs for affordable housing. This is supported by information provided in Table 36. As shown in Table 36, one to two person senior-headed households were more likely to have high housing cost burdens in 1999 than households in general, since 38 percent paid more than 30 percent of their income for housing, and 18 percent paid more than 50 percent of their income for housing costs. The cost burdens faced by senior renters were particularly high, with nearly 61 percent of senior renter households experiencing a high housing cost burden in 1999 compared to 37 percent of all renter households. Senior homeowners were also more likely than their non-senior counterparts to experience a high housing cost burden; nearly 33 percent were burdened by high housing costs in 1999 compared to 26 percent of homeowners overall. Although senior homeowners are generally more likely to have owned their homes long enough to pay off mortgages, their higher rate of housing cost burden may result from having to pay other ownership costs such as utilities, maintenance, and insurance on fixed incomes.

Table 36: Housing Cost Burdens for One-to-Two Person Senior-Headed Households, City of Milpitas, 1999

	Total Households	Households with Cost Burdens (>30% of income)		Households with Severe Cost Burdens (>50% of income)	
		No.	Percentage	No.	Percentage
Senior Renters	351	213	60.7%	80	22.8%
Senior Homeowners	1,363	443	32.5%	234	17.2%
All Senior Households	1,714	656	38.3%	314	18.3%
Total Renters	5,151	1,921	37.3%	747	14.5%
Total Owners	11,951	3,083	25.8%	1099	9.2%
All Households	17,102	5,011	29.3%	1847	10.8%

Senior households examined here are 1-2 person households. The CHAS Data Book defines senior households as being headed by an individual over 62 years of age (as opposed to 65 years and above – the definition used in other sections of this chapter). The number of total senior households in this table, therefore, differs from the total number of senior households reported in Table III-23.

Source: HUD, 2000 CHAS Data Book.

The housing burdens described above partly reflect the large percentage of senior households that are lower-income in Milpitas. As Table 37 shows, more than half of all one-to-two- person senior households were low, very low or extremely low income in 1999. Finally, senior renter households were much more likely to be lower income than were senior homeowners.

Table 37: One-to-Two Person Senior Headed Households, by Income and Tenure, City of Milpitas, 2009

	Senior Households		
	Renters	Homeowners	Total
Total Senior Households (1)	351	1,363	1,714
Extremely Low income	56.7%	18.0%	25.9%
Very Low income	20.8%	21.9%	21.7%
Low income	7.1%	10.9%	10.2%
Moderate income and Above	15.4%	49.2%	42.2%

(1) Senior households examined here are 1-2 person households. The CHAS Data Book defines senior households as being headed by an individual over 62 years of age (as opposed to 65 years and above – the definition used in other sections of this chapter).

The number of total senior households in this table, therefore, differs from the total number of senior households reported in Table III-23

Source: Clarita Estimates, 2009

Finally, Table 38 shows how the problem of high cost burdens is exacerbated for lower income senior headed households. Over 50 percent of all lower income senior households had high housing cost burdens in 2009 and 30 percent had severe housing cost burdens. While a higher percentage of renters faced high cost burden than homeowners, in absolute numbers, more homeowners have high cost burdens.

Table 38: Incidence of High Cost Burdens among Lower-Income, Senior Headed Households with One to Two Persons, City of Milpitas, 2009

	Lower Income Senior Households (1)		
	Renters	Owners	Total
Total	297	693	990
Cost Burden >30%	67.0%	44.4%	51.2%
Cost Burden >50%	26.9%	31.0%	29.8%

(1) Lower income includes households earning up to 80% of area median income.

Source: Clarita Estimates, 2009

### *Housing Options for Seniors*

There is increasing variety in the types of housing available to the senior population. This section focuses on three basic types.

- Independent living – housing for healthy seniors who are self-sufficient and want the freedom and privacy of their own separate, apartment or house. Many seniors remain in their original homes, and others move to special residential communities which provide a greater level of security and social activities of a senior community.
- Group living – shared living arrangements in which seniors live in close proximity to their peers and have access to activities and special services.
- Assisted living – provides the greatest level of support, including meal preparation and assistance with other activities of daily living.

Each of these options is discussed below. It is clear that there is a lack of housing resources for low income seniors in Milpitas. This situation is not unique to Milpitas and reflects national trends.

### *Independent Living*

The greatest need for some lower-income seniors is to receive support services in order to remain in their own homes as long as possible (15). Santa Clara County provides some services to help lower income seniors live independently, but these services are insufficient to meet all needs.

The primary, affordable in home service in Santa Clara County is provided by In-Home Health Services (IHHS), and the Multi-Service Program (MSP). IHHS provides help with cooking, housekeeping, and transportation. MSP offers teams of professionals who provide services like medication monitoring. The Council on Aging coordinates both service providers, and operates with limited state funding. These services meet a very small portion of the need (16). Since the senior population is projected to nearly double by the year 2020, demand for these in-home services can be expected to increase dramatically as well (17).

An alternative to receiving support services in one's own home is to live in an independent living development designed for seniors. Presently there are two affordable housing developments for lower-income seniors in Milpitas. The newer of the two, Devries Place, was completed in February of 2008. It was fully occupied in January 2009. All 102 units are priced to be affordable to very low and extremely low income seniors. The development is located in a mixed-use district at the north end of the Midtown Specific Plan Area.

The new Valley Health Center is built next door to Devries Place, and a new Milpitas Public Library across the street has been completed and is open. Retail and transit are also within a short walking distance. Terrace Gardens, built in 1989, provides 148 units for very low income seniors. A meal program is included. The development is located behind a shopping center, providing residents with easy access to retail goods, groceries and services.

Waiting lists at each of these developments are substantial, providing strong evidence of unmet need. More than 150 people are on the waiting list for Devries Place, and new applicants are reportedly added to the list on a daily basis. Terrace Gardens also maintains a waiting list. This list ranges between several months to two years, depending on the affordability category and unit turnover.

Additionally, in Fall 2008, there were 330 seniors from Milpitas on Santa Clara County's Housing Authority's Section 8 voucher waiting list. This is in addition to 116 Milpitas senior households that already have vouchers.

Finally, the Barbara Lee Senior Center located in Milpitas reports that it receives between 30 and 40 inquiries from seniors for low income housing per month. This request level remained steady during 2008. The City has built a new Senior Center completion in late 2010.

### *Affordable Group Living*

Senior Housing Solutions is a leading developer in Santa Clara County of shared senior housing, in which older adults share large, single family homes. Presently this non-profit operates a total of nine houses countywide, providing rooms for 37 seniors. Another three homes were under construction in the County in 2008. Four to five extremely low income residents live in each house. In 2007 Senior Housing Solutions located its first shared home in Milpitas near Abel Street and Marylyn Drive., as of mid-2008, 130 people was on their waiting list. Ten of these individuals live in Milpitas. Senior Housing Solutions expects its waiting list to double once it advertises its new homes (18).

The City of Milpitas has authorized another grant of \$750,000 to Senior Housing Solutions for the development of another group house that will serve five extremely low income seniors. Finally, the City supported request for funding by Senior Housing Solutions to the Housing Trust Fund of Santa Clara County. Milpitas has pledged an additional \$100,000 in support for this funding request to the Housing Trust Fund.

*Assisted Living*

Residential care facilities for the elderly (RCFE’s) offer state licensed assisted living for people who need minimal assistance with personal care such as bathing, dressing, and grooming, and who need or want communal meals and social contact. Presently, there are a total of five licensed residential care homes for the elderly in Milpitas, with a combined capacity of 30 beds (19). The City provides CDBG funds to Catholic Charities of Santa Clara County Long Term Care Ombudsman Program to seek resolution to problems of seniors, to advocate for the rights of residents in long-term care facilities, and to investigate complaints.

RCFE’s in Santa Clara County cost typically between \$1,200 and \$10,000 per month, with relatively few facilities at the low end of the price scale (even assuming shared rooms and minimal personal care), and more options in the \$3000 to \$4000 range (20). For those seniors who receive Supplemental Security Income (SSI), their benefit levels would cover only a small portion of this cost. In addition, neither Medical nor Medicaid assistance can be used to pay for rooms at RCFE’s. This mismatch between income and residential costs underscores a need for more affordably priced residential care facilities.

*Persons with Disabilities*

In 2000, 17 percent of Milpitas residents over five years of age had some form of disability. This totaled 9,390 residents. The highest rate of disability was among persons over the age of 65 (44 percent). (See Table 39.)

Table 39: Disabled Population Five Years and Older, City of Milpitas, 2000

Age	With a Disability	Total Population(1)	Percent with a Disability
5 to 15 years	225	9,462	2.4%
16 to 64 years	7,211	41,187	17.5%
65 years and older	1,954	4,429	44.1%
Total Population 5 years and older	9,390	55,078	17.0%

(1) Non-institutional civilian  
Source: U.S. Census 2000

Table 40 provides more detailed information on the nature of these disabilities. The number of disabilities in this table (16,296) exceeds the number of individuals with disabilities (9,390), since a person can have more than one disability. Of the general population over the age of five who reported disabilities, the most common disabilities were related to employment or difficulty going outside the home.

Table 40: Types of Disabilities for Persons Five Years and Older, Milpitas, 2000

Type of Disability	TOTAL		Age Group					
			5-15 years		16-64 years		65 years+	
	Number	%	Number	%	Number	%	Number	%
Sensory	1,080	7%	78	32%	485	4%	517	13%
Physical	2,408	15%	31	13%	1,194	10%	1,183	30%
Mental	1,452	9%	122	50%	732	6%	598	15%
Self-care	744	5%	12	5%	245	2%	487	12%
Go-outside-home	5,041	31%	NA	NA	3,863	32%	1,178	30%
Employment	5,571	34%	NA	NA	5,571	46%	NA	NA
Total Reported Disabilities	16,296		243		12,090		3,963	

Source: 2000 U.S. Census.

Not all disabled persons require special housing. Many disabled individuals live independently or with family members. A small proportion of the City’s disabled population may actually require housing that is specially adapted to accommodate their disabilities. However, there is unmet need for affordable housing for disabled adults. For example, the Santa Clara County’s Housing Authority’s waiting list for Section 8 vouchers in 2008 included 191 Milpitas residents with disabilities.

To understand the special housing needs of the City’s disabled population, this subsection provides information on three categories of disabled adults. These include housing for individuals with mental illness, the developmentally disabled, and the physically disabled.

*Disability*

According to the 2000 Census, 17.0% of Milpitas’ population identified themselves as disabled, though the “institutionalized population” did not account for any of this data. Given the previously referenced age distribution of the City’s residents, the percentages shown below are applicable even when compared to more current population figures. Considering the decrease in the youth population and the subsequent increase in the percentage of residents over 65 years of age the proportions of disabled residents within each age group parallel Milpitas’ population trends in regards to age.

Disabilities often develop and worsen as one gets older, explaining the high proportion of disabled residents over the age of 65. The aging of the City’s population supports the notion that those between 15-64 years old would then comprise the next highest proportion of disabled residents, as it should be noted that this age group represents the majority of Milpitas’ population. The City’s median age in comparison to Santa Clara County further explains why Milpitas has a higher rate of disabled residents aged 15 and older.

Table 41: Percentage of Civilians with a Disability Milpitas and Santa Clara County

Age of Population	% of Civilians with a Disability	
	Milpitas	Santa Clara County
5 to 15 years	2.4%	3.7%
16 to 64 years	17.5%	16.2%
65 (+) years	44.1%	39.3%

Disability Status of non-institutionalized population. Source: U.S. Census Bureau, Census 2000

### *Housing for Individuals with Mental Illness*

The typical housing need for individuals with mental illness includes one-bedroom units, single room occupancy units (SRO's), or shared housing. Each type of housing also requires supportive services. With the passage of the Mental Health Services Act in 2004, Santa Clara County Mental Health received \$19 million to buy and build units for severely mentally ill individuals who are homeless or nearly homeless. The County's Housing Plus Fund has also given the Mental Health Department \$4 million for this purpose. County Mental Health expects to build about 150 units of supportive housing with these combined funds.

Two affordable projects that provide supportive services are in the pipeline. These projects are funded through Mental Health Services Act and will be located in Santa Clara and San Jose. Other projects are being considered for Sunnyvale and San Jose. No housing developments for mentally ill homeless individuals are currently planned for Milpitas.

However, according to the Mental Health Department, these resources are inadequate to meet the total need for affordable, supportive housing. According to the most recent census of the homeless, it is estimated that 23% of the 7,202 sheltered and unsheltered homeless individuals in Santa Clara County are mentally ill (21). Thus, the planned 150 housing units will fall short of the need represented by more than 1,600 estimated mentally ill homeless in the County.

Private organizations like InnVision operate a continuum of supportive housing options for homeless mentally ill individuals in Santa Clara County. These services are based in San Jose. For example, Julian Street Inn provides 70 emergency shelter beds to clients diagnosed with a mental illness. Stevens House provides transitional housing for eight "graduates" of the Julian

Street Inn. A third housing development operated by InnVision provides permanent supportive housing for mentally ill single women. The information on the percent of the homeless population that is mentally ill is from the 2007 Homeless Census and Survey. Also, the estimate of the number of mentally ill homeless is likely to be conservative, since it is based on surveyed homeless who identified themselves as mentally ill.

### *Housing for the Developmentally Disabled*

Developmentally disabled individuals live with mental retardation, cerebral palsy, autism or other forms of learning or cognitive disabilities. According to the San Andreas Regional Center in Santa Clara County, there is a growing need for housing for the developmentally disabled in Milpitas. The Center estimates that 310 developmentally disabled individuals presently live in Milpitas, the vast majority live with a parent, relative or legal guardian.

The Housing Choice Coalition is the affordable housing arm of the San Andreas Regional Center and works with non-profits throughout Santa Clara County to develop special needs affordable housing coupled with supportive services that can allow developmentally disabled adults live independently. In 2008, there were a total of 1,400 developmentally disabled individuals on the Housing Choice Coalition's waiting list for affordable housing.

The Coalition has helped create 200 units in the past 11 years, and has five more projects in the pipeline. None of these developments is located in Milpitas.

There are presently 10 residential care facilities in Milpitas for developmentally disabled adults, with a combined

capacity to serve 57 individuals. Most operate to serve non-ambulatory disabled adults.

### *Housing for the Physically Disabled*

The Silicon Valley Independent Living Center (SVILC) receives more than 245 requests each year for the placement of disabled persons in accessible housing. Only a small percentage of these persons can actually be placed because of the shortage of special housing and its cost. Since most of the individuals contacting SVILC are extremely low income, they cannot afford market rate rents.

According to SVILC, twenty Milpitas residents contacted the Center for services in 2009. Out of the sixteen individuals who contacted the Center for housing, only four were actually placed. This low placement rate is due to a lack of accessible, affordable housing.

### *Large Households*

Large households, defined as households with five or more members, require housing units with three or more bedrooms in order not to be overcrowded. Since large households are frequently family households with children, suitable housing should also provide safe outdoor play areas, and be located with convenient access to schools and child-care facilities. These types of needs can pose problems particularly for large families that cannot afford to buy or rent single family houses, since apartment and condominium units are often designed for smaller households.

It is estimated that in 2008, the City of Milpitas had 4,325 households with five or more members. This accounted for 24 percent of all households. Most of these larger households were homeowners; only one-third or 1,309 households were renters. (See Table 42.)

Table 42: Large Households in Milpitas, 2008

Household Size	Percentage of All Households	Total	Renters	Owners
1-Person Household	11.5%	2,066	702	1,364
2-Person Households	24.0%	4,290	1,123	3,167
3-Person Households	20.3%	3,634	1,249	2,385
4-Person Households	20.0%	3,586	1,048	2,538
5-Person Households	11.4%	2,048	686	1,362
6-Person Households	6.3%	1,120	252	868
7-or-more-Person Households	6.5%	1,157	361	796
<b>Total Households with 5+ Persons</b>	<b>24.2%</b>	<b>4,325</b>	<b>1,309</b>	<b>3,016</b>

Tenure by household size was estimated based on the ratio of renters to homeowners for each household size in 2000, using Census data. Total households by household size were derived from 2008 Clarita's data. Sources: 2000 U.S. Census and 2008 Clarita's, Inc.

As of 2010, over half of the housing stock in Milpitas (10,675 units) consisted of larger units, defined as those with three or more bedrooms. (See Table 43.) However, when renter household size information is compared with the availability of units with four or more bedrooms, it appears that there is a slight shortage of housing units for the 613 very large renter households (those with six or more persons). As of 2010, there were only 540 rental units with four or more bedrooms.

Table 43: Number of Bedrooms in Milpitas Housing Units, by Tenure, 2010

	Number	Percentage of All Housing Units
<b>Owner-Occupied</b>		
Studio	347	2.0%
1 Bedroom	493	2.9%
2 Bedrooms	2,080	12.1%
3 Bedrooms	4,596	26.8%
4 Bedrooms	3,823	22.3%
5 or more Bedrooms	612	3.6%
Total Large Units (3+ Bedrooms)	9,031	52.7%
<b>Renter-Occupied</b>		
Studio	344	2.0%
1 Bedroom	1,529	8.9%
2 Bedrooms	1,669	9.7%
3 Bedrooms	1,104	6.4%
4 Bedrooms	496	2.9%
5 or more Bedrooms	44	0.3%
Total Large Units (3+ Bedrooms)	1,644	9.6%
<b>Total Occupied Housing Units</b>	<b>17,137</b>	<b>100%</b>

Source: 2000 U.S. Census.

A final assessment of the situation for large households is to consider household income levels. Table 44 provides data on the income levels of the City's larger households. As shown, 1,042 large households (26 percent of the total) were lower income in 2009. The majority of these were renters.

Table 44: Income Levels of Large Households with Five or More Related Persons, by Tenure, Milpitas, 2009

	Large Households (1)		
	Total	Renters	Owners
<b>Income</b>			
Extremely Low income	197	118	79
Very Low income	408	279	129
Low income	437	228	209
Moderate Income and Above	2,915	550	2,365
Total	3,957	1,175	2,782
Total Lower-Income (2)	1,042	625	417

(1) Excludes households for which housing costs could not be collected or computed. Consequently, total household figures are lower than the numbers reported in Table III.29.

(2) A lower-income household is defined as a household earning less than 80% of AMI.

Source: Clarita Estimates, 2009

When planning for new multifamily housing developments, therefore, the provision of housing for the largest households is an important consideration. The new and proposed units in the City of Milpitas are not large, primarily because they are multifamily units. Over half of the new units recently built or under construction have an average size below 1,050 square feet. In contrast, of the approximately 530 re-sales of existing single family homes in 2006, the median size was 1,588 square feet, and the average size was 1,712 square feet, significantly larger than new multifamily housing units.

The number of bedrooms in the new multifamily units also reflects the size difference between existing single family housing stock and new housing development. In new developments, the median number of bedrooms is two; in comparison the median number of bedrooms in existing single family units that sold in 2006 was three. Finally, out of 2,662 new housing units built since 2000, there are only 11 four-bedroom units, and less than half of all units (1,068 units out of 2,662) consist of three or more bedrooms.

The need for an adequate supply of rental units for very large renter households (mentioned above) is magnified for lower income, very large renter households whose limited incomes may preclude them from renting single family homes with four or more bedrooms.

**Female Headed Households**

Female headed households are households of at least two persons (related or unrelated) headed by a woman. As of 2008, it is estimated that there are 1,940 female headed households in Milpitas, representing 11 percent of all households in 2008 (22).

(See Table 45.) A very small proportion of female headed households in Milpitas (approximately one percent) fall below the poverty level. This is lower than overall poverty rate among Milpitas’ households in 2008 (estimated at three percent). A female headed household is defined as a family or non-family household, headed by a female, consisting of at least two persons.

Table 45: Female Headed Family Households in Milpitas (2000-2009)

	2000		2009	
	Number	% of Total Households	Number	% of Total Households
Female Householder, No Husband Present	1,768	10.3%	1,940	10.8%
With Children under 18 years	949	5.5%	898	5.0%
Without Children under 18 years	819	4.8%	1,042	5.8%
Female-Headed Households under Poverty Level	154	0.9%	163	0.9%
With Children under 18 years	141	0.8%	150	0.8%
Without Children under 18 years	13	0.1%	13	0.1%
Total Families under Poverty Level	470	2.7%	534	3.0%

Sources: 2000 U.S. Census and 2009 Clarita’s.

Due to lower incomes, female headed households often have more difficulties finding adequate, affordable housing than families with two adults. Also, female headed households with small children may need to pay for childcare, which further reduces disposable income. As an indication of unmet need for affordable housing, there are presently 1,120 female-headed households in Milpitas on the Section 8 waiting list at the Santa Clara County Housing Authority. This special needs group will benefit generally from expanded affordable housing opportunities.

## Homeless

According to the 2011 Santa Clara County Homeless Census and Survey, there are at least 5,169 unsheltered homeless people in Santa Clara County and an additional 1,876 sheltered homeless individuals at any point in time (24) (See Table 46.) This is a conservative estimate, since it excludes people staying in rehabilitation facilities, hospitals and jails. The total number of the County's estimated homeless population for 2009 (7,086) was slightly lower than the total estimated in 2007 (7,202). However, a greater number of persons (18,272) were estimated to have been homeless at any point in time during the course of the previous year.

Table 46: Estimated Homelessness in Santa Clara County, 2011

	No.	Percent
Total Homeless Estimate	7,045	100%
Unsheltered Homeless Population	5,169	73%
Individuals	1,876	26%
People in Families	874	12%
People Living in Encampments, Cars, RVs, or Vans	1,902	26%
Sheltered Homeless Population	1,876	27%
Individuals	1,058	14%
People in Families	818	15%

Source: Applied Survey Research, 2011 Santa Clara County Homeless Census and Survey.

Of the homeless population surveyed in the Homeless Census and Survey, approximately 19 percent were chronically homeless, while 54 percent of respondents had been homeless only once within the past year (25)

Within the sheltered homeless population, 46 percent of single individuals (862) were male adults, 7 percent (131) were female adults and four percent (48) were single youth. Among the sheltered family homeless population, 31 percent (309) were females, 10 percent (95) were males and 59 percent (592) were youth.

Sheltered homeless stay overnight in emergency shelters, transitional housing, domestic violence shelters, or institutional housing. Chronically homeless is defined as having a disabling condition and having either been homeless for a year or more or having four or more episodes of homelessness within the past three years.

Additional information about specific homeless subpopulations is provided in Table 47. According to the information presented in this table, the largest groups are persons with severe mental illness those with chronic substance abuse, and homeless veterans.

Table 47: Estimated Homeless Subpopulations in Santa Clara County, 2011

	Sheltered	Unsheltered	Total
Severely Mentally Ill	225	2,295	2,520
Chronic Substance Abuse	139	874	996
Veterans	152	515	667
Persons with HIV/AIDS	39	244	283
Victims of Domestic Violence	1033	601	704
Unaccompanied Youth	44	122	1166

Source: Applied Survey Research, 2011 Santa Clara County Homeless Census and Survey.

The Homeless Census and Survey counted a total of 139 unsheltered homeless in Milpitas in 2011. Roughly half of these unsheltered homeless were living in encampments, RV's or vans. The Santa Clara County Collaborative on Housing and Homeless Issues reports there were 164 adults and 19 children from Milpitas who utilized homeless services somewhere in the County between July 1, 2008 and June 30, 2010. While Milpitas represents around 4 percent of the total Santa Clara County population, only 1.9 percent of the County's homeless population had a last permanent address in Milpitas.

The City of Milpitas is home to a relatively small percentage of the County's homeless population, which can be explained, in part, by the absence of shelters operating in the City. While EHC Lifebuilders (EHC) is a primary provider of shelter and support services for the Milpitas homeless population, it operates these services out of a central location in San Jose. The City of Milpitas provides EHC with CDBG funding to cover the cost of 900 Person Shelter Days (PSD) for 25 unduplicated Milpitas residents at EHC's Reception Center on Little Orchard Street in San Jose. This is the closest overnight shelter that serves Milpitas' homeless population. The City of Milpitas also operates a "cooling and warming" shelter for the homeless in the City's Sports Center, but does not provide overnight housing there. In addition, during the winter, the City provides daytime warming centers at the City's Community and Senior Centers.

The Santa Clara County Homeless Management Information System (2008), operated by the Community Technology Alliance on behalf of the Santa Clara Collaborative on Homelessness and Housing Issues, provided these numbers. These figures do not include segments of the chronically homeless population that elect not to receive assistance as well as short term homeless families and individuals that were quickly re-housed without assistance. Santa Clara County Homeless Management Information System, 2008.

Despite its relatively small homeless population, however, the City of Milpitas has been collaborating with other jurisdictions in Santa Clara County to address the homeless problem regionally, due to the shifting nature of homelessness in Santa Clara County and the tendency of people to move between cities to find work or housing. This collaboration includes supporting regional efforts to build additional transitional and permanent housing with supportive services.

As of January 2010, Santa Clara County provided the following resources:

- 744 year-round shelter beds (320 for families, 424 for individuals);
- 250 seasonal shelter beds;
- 1,445 transitional housing beds (1,064 for families, 381 for individuals), and
- 1,170 permanent supportive housing beds (724 for families, 446 for individuals).

An additional 283 beds of permanent supportive housing were under development as of early 2009. Unmet need for 203 transitional housing beds and 2,317 permanent supportive housing beds remains, according to the Santa Clara Collaborative on Housing and Homeless Issues. The need for emergency shelter beds is harder to gauge. Emergency shelters for individuals in the County tend to be full, and shelters for families are almost always full, though this does not necessarily suggest a need for more shelter beds at present time according to the County Collaborative (29).

The Santa Clara County Housing Authority sets aside two types of vouchers for chronically homeless individuals, totaling 235 Section 8 vouchers. The waiting list for these vouchers is lengthy and closed. Additionally, the Housing Authority offers Shelter Plus Care vouchers for people with disabilities. These are coupled with case management and supportive services. The waiting list for these is closed as well.

## *Opportunities for Energy Conservation*

The purpose of assessing opportunities for energy conservation is to document how the City assists residential development to conserve energy and secondly to understand how energy conservation can reduce overall housing costs by reducing PG&E bills.

The City of Milpitas primarily facilitates energy conservation through its residential development and zoning policies. These policies are reflected in the Midtown and Transit Area Specific Plans which recommend that the City undertake rezoning of many underutilized parcels to higher densities. The Specific Area Plans also recommended the use of a Transit Oriented Development Overlay District that provides for higher building heights for the R3, R4, MXD, and MXD3 districts. Through the adoption of higher densities near transit, the City encourages the use of transit which reduces reliance on private automobiles and associated carbon emissions.

In addition, the City's Transit Area Specific Plan (TASP) promotes walking and biking for short internal trips. For example, the TASP requires new development to install sidewalks, and the City intends to provide pedestrian bridges over major streets, such as Great Mall Parkway, Capitol Avenue, and Montague Expressway.

The City continues to enforce California Energy Commission's Title 24 standards for energy efficiency. Finally, in 2008, the City adopted Resolution No. 7735 for Green Building Policies. A summary of the key provisions of this Resolution which covers both residential and non-residential building is as follows:

- The U.S. Green Building Council's LEED rating system for non-residential buildings and Built It Green's GreenPoint Rated system for residential buildings have been adopted as the official green building standards for the City of Milpitas.
- Planning applications for new buildings submitted after March 1, 2008 must include a completed LEED or GreenPoint Rated checklist for informational purposes.
- New city buildings and renovation projects over 5,000 square feet initiated after March 1, 2008 are now required to be evaluated for feasibility to achieve at least a LEED Silver certification.
- Finally, the City will be adopting a Green Building Ordinance by the end of 2009.

In addition, the City provides outreach on an ongoing basis to residents about the Pacific Gas and Electric Energy Partners Program. This program provides low income customers with free weatherization services and energy-efficient appliances to reduce gas and electricity uses. This is the principal way in which the City currently promotes energy conservation opportunities unrelated to new development or renovations.

## Affordable Housing and at Risk Projects

### *Inventory of Existing Affordable Units*

The City of Milpitas is home to six affordable housing developments (including an acquisition/rehabilitation of a four-plex), and ten mixed-income developments, including four that are under construction. Additional mixed-income developments have been approved.

Table 48 presents the inventory of affordable housing units in the City of Milpitas. There are 1,162 affordable housing units in Milpitas. One of these units is a group home serving five extremely low income seniors; there are 730 units available to very low income households, 172 units available to low income households, and finally, there are 182 units earmarked for moderate income households. This table also indicates the earliest dates of termination of affordability restrictions for each of the listed projects. Of the 16 affordable and mixed-income projects listed in Table 48, six have affordability restrictions which are not subject to expiration, and nine have restrictions which will expire beyond the planning horizon of this Housing Element. However, affordability restrictions for 149 affordable units at Sunnyhills Apartments are due to expire in 2011.

Table 48: Subsidized and Restricted Affordable Housing in Milpitas, 2010

Name of Development/ Address	Year Built	Tenure	Total Units	Sr. Fa	Affordable Units	Target Affordability (1)	Expiration Date
<b>Affordable Projects</b>							
Terrace Gardens 186 Beresford Court	1989	Rental	148	Senior	148	148 VL (Section 8)	None
Parc West 950 South Main Street	2005	Rental	68	Family	68	35 L, 33 M	2045
Summerfield Homes Great Mall Pkwy. and S. Abel St.	1999	Ownership	110	Family	22	22 L	2029
Devries Place Senior Housing 163 North Main St.	2008	Renter	103	Senior	103	102 VL, 1 M	None
Aspen Family Apartments 1666 South Main St.	Under Constructi on	Renter	101	Family	101	100 VL, 1 M	None
Senior Solutions SRO-type units 751 Vasona	2007 (rehabbed)	Renter	5	Senior	5	5 ELI individuals	None
Senior Solutions SRO-type units 1170 N. Park Victoria Dr.	2010 (rehabbed)	Renter	5	Senior	5	5 ELI individuals	None
Scattered Sites on Edsel Court (1129 and 1143) and Shirley Drive (1116 and 1124) Acquisition and Rehabilitation	2008 (rehabbed)	Rental	4	Family	4	4 VL	2063
<b>Mixed-Income Projects</b>							

Montevista Apartments 1001 South Main Street	2001	Rental	306	Family	153	77 VL, 76 L	2040
Sunnyhills Apartments 1724 Sunnyhills Drive	1971	Rental	171	Sr. + Fa	149	Section 8	2011
Crossing at Montague 755 E. Capitol	2003	Rental	468	Family	94	94 VL	None
Parc Metro S. Main St. and E. Curtis	2005	Ownership	382	Family	28	10 L, 18 M	None
Centria East Great Mall Parkway and Main St.	2008	Ownership	137	Family	26	9 VL, 7 L, 10 M	2053
Paragon 1696 South Main St.	2009	Ownership	147	Family	29	9 VL, 20 M	2044

Name of Development/ Address	Year Built	Tenure	Total Units	Sr. Fa	Affordable Units	Target Affordability	Expiratio n
Parc Place E. Curtis Ave. and Hammond Way	2006	Ownership	258	Family	58	18 VL, 6 L, 34 M	2051
Murphy Ranch Murphy Ranch Road	Under Constr.	Rental	374	Family	88	20 VL, 30 L, 38 M	2064
Town Center Villas 300 Shaughnessy Drive	2009	Ownership	65	Family	16	16 M	2054
Terra Serena E. and W. Sides of Abel St., N. of Curtis Ave.	2008	Ownership	683	Family	65	21 L, 44 M	2062
Total Units			3,535		1,162	10 ELI, 730 VL, 172 L, 182 M	

- 1) Income Target Groups: ELI = Extremely Low income, VL = Very Low income, L = Low income, Moderate income  
Sources: City of Milpitas and Vernazza Wolfe Associates, Inc.

### *At-Risk Projects*

State law requires that housing elements include an inventory of all publicly assisted multifamily rental housing projects within the local jurisdiction that are at risk of conversion to uses other than low income residential during the current planning period and the subsequent five years (2009 through 2019). 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.

Since Sunnyhills Apartments is the only development at risk of market rate conversion, this subsection of the Housing Element provides information on preservation and replacement costs for the Sunnyhills at-risk units.

Originally financed under the Section 236 and Section 8 programs in 1981, the project owner attempted to prepay their mortgage in 1990 under Sections 220 and 221 of the Low Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA). 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. Currently, the subsidy provides averages of \$950 per unit monthly. According to the owner, HUD has not yet discussed the continuation of the project based Section 8 subsidies.

The total subsidy amount annually is \$1,698,600 for the project or \$11,400 per unit annually. According to the current owner, rents for the affordable units are low compared to market rate rents. The owner anticipates that, if HUD elects to renew the contract, the subsidy per unit will be increased substantially. One possibility is that the owner could decide to continue receiving Section 8 subsidies on a year-to-year basis.

*Preserve Affordability*

While it is difficult to estimate the exact cost to preserve the 149 affordable units, this analysis uses an annual subsidy amount of \$1.7 million (a rounded amount of the current annual subsidy in 2010 dollars) as the basis for the estimate of preservation costs. This assumes that the property owner is willing to enter into a rental subsidy agreement with HUD, the Housing Authority of Santa Clara County, the City of Milpitas, or some other entity. Based, on this assumption, the cost to preserve these units for a 30 year period (assuming an inflation rate of three percent) would be approximately \$80.9 million in 2008 dollars. (See Table 49.)

Table 49: Comparison of Costs to Preserve or Replace 149 Affordable Units at Sunnyhills Apartments

	Preservation Costs	Replacement Costs
Required Costs	\$1.7 million Annual Subsidy	\$58 million Permanent Financing
Financing Assumptions	30 years, 3% inflation rate	30 year amortizing loan @6% interest rate
Total Project Costs	\$80.9 million	\$126.4 million

Source: Vernazza Wolfe Associates, Inc.

*Acquisition/Rehabilitation of Sunnyhills Apartments to Preserve Affordability*

An acquisition strategy first requires that the current property owner is interested in selling the property to another entity, such as a nonprofit housing developer. Secondly, this nonprofit organization would need to obtain funds to purchase the property. The advantage of an acquisition/rehabilitation strategy is that the nonprofit developer does not need to go

through the entire development process including locating a suitable site and obtaining necessary entitlements. However, funding requirements are similar and costs are generally comparable to new construction.<sup>30</sup>

### *Replace Affordable Units*

As an alternative to providing ongoing monthly rent subsidies or attempting to acquire Sunnyhills Apartments, the City or another entity could develop replacement housing units that could be rented to the displaced households at lower income rent levels. Based on the development costs of an affordable family project under construction in Milpitas in 2008, per unit construction cost is approximately \$388,000 per unit or approximately \$58 million for 149 units. Since rents affordable to lower income households cannot support this mortgage, it would be necessary for the affordable housing developer to obtain subsidies for permanent financing. Assuming that all rental income is applied to operating expenses, then, the entire development costs would need to be financed. A loan in the amount of \$126.4 million would be needed to replace the 149 units, assuming a six percent, 30 year, amortizing loan. (See Table 49.) Since costs are comparable to new construction, acquisition/rehabilitation cost estimates are not provided here.

The City must consider what resources are available to help replace these units so that lower income tenants would not be displaced in the event that Sunnyhills Apartments is redeveloped as a market rate development. The City could provide some financing from the City Redevelopment Agency and its CDBG Entitlement Funds. In addition, nonprofit developers in Milpitas have access to a range of funding options that could also be used to pay for the replacement of the Sunnyhills apartments. These sources include the following:

- Milpitas Redevelopment Agency (if funding available)
- 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

If the owners of Sunnyhills Apartments decide to convert the project to a market rate use in late 2011, the City will need to develop a strategy to replace the 149 affordable units. In most situations this entails collaboration with an affordable housing developer. The City is experienced in collaborating with affordable housing developers. The DeVries Place Senior Housing development and Monte Vista Apartments are two examples of the private/public partnership that would be needed to replace the at risk units at Sunnyhills Apartments.

## *Barriers and Opportunities to Affordable Housing*

Listed below are some of the barriers which have been identified to the development of affordable housing in Milpitas.

### *Federal Barriers to Affordable Housing*

1. Inconsistencies between the Federal, State, and local underwriting standards, such as affordability restrictions, and foreclosures rules, and increase costs and time.
2. Requirements for relocation benefits discourage funding for rehabilitation of rental housing.
3. Reporting requirements such as the Consolidated Plan, Action Plan CAPER, Analysis of Impediments, Lead Based Paint Management Plan, etc. tie up scarce staff time and resources, which moves the focus away from production to report writing.
4. Mandatory cost containment policies necessitate local subsidies to achieve local design approvals.
5. Federal requirements to mitigate toxics such as (lead based paint) in affordable housing may prohibitively increase cost of development and/or rehabilitation,
6. Davis Bacon wage requirements increase the cost of providing affordable housing and make it difficult to find contractors in this competitive construction market.
7. The declining purchasing power of CDBG and HOME funds, which have remained the same or decreased over the years while housing costs have skyrocketed, have made it difficult to address the City's many affordable housing needs.
8. Requirement to meet the FHA price ceiling for ownership housing assistance automatically excludes many Milpitas neighborhoods and other high cost housing markets.
9. A number of Federal requirements involve duplication of process and efforts in meeting State requirements. Processes such as NEPA (federal) and CEQA (state) are two similar environmental review conducted for the same project. Also, the preparation of the Consolidated Plan, while the State requires the preparation of a Housing Element (like the Consolidated Plan every five years) and Redevelopment Agency requirement for the Implementation Plan. All three of these documents address many of the same topics.

### *State Barriers to Affordable Housing*

1. Inconsistencies between the State, and local underwriting standards, such as affordability restrictions, increase costs, etc.
2. Relocation laws discourage property owners from participating in rental rehabilitation.
3. The State requirement to produce a Housing Element duplicates the federal requirement for the preparation of the Consolidated Plan.
4. State requirements often overlap with federal and local strategies, adding extra burden to the implementation process.

5. The State has implemented changes in both the MCC and LIHTC Programs that have shifted scarce housing resources away from high cost urban areas like Milpitas to rural low cost areas like the Central Valley.

### *Local Barriers to Affordable Housing*

1. Development standards may contribute to the cost of affordable housing; however, these development standards are necessary in order to preserve the quality of life in the community.
2. The high cost of land in Milpitas is another impediment to the development of affordable housing. The high demand for land coupled with the lack of available sites has resulted in high land costs.
3. The high demand for land and active real estate market makes it difficult for non-profit housing developers to compete and secure sites for affordable housing. The current real estate market requires that potential purchasers be able to act quickly and outbid other purchasers, which is a difficult market for non-profit and government entities to compete in.
4. NIMBYism continues to be a barrier to the development of affordable housing. As with other communities, neighbors are sometimes opposed to affordable housing developments for fear that the development will affect property values or result in crime or other problems.
5. The City's development fees increase the cost of producing affordable housing, however, these fees are necessary to help cover the staffing costs involved in processing the building and planning permits for the development.
6. Since Milpitas is almost completely built out, the lack of available vacant land is a major impediment to the production of affordable housing. New development is therefore limited to in-fill types of projects, which result in higher costs due to the need to demolish existing structures and relocate existing uses/tenants.

### *Housing Opportunities*

1. With the decrease in the amount of vacant land available that can be developed, higher densities in housing may become more acceptable. This will increase the number of Below Market Rate units in Milpitas. Milpitas Density Bonus Ordinance allows for greater densities than permitted in the underlining zoning district. There are also density bonus incentives to developers to provide low income affordable units and units for seniors.
2. The difficult housing market and lower interest rates have encouraged developers to target the first time homebuyers and provide home ownership opportunities for low income households.
3. Milpitas contracts with Project Sentinel for Fair Housing to encourage and promote equal opportunities in housing for all people. Services include information and referral, community outreach and education, discrimination complaint checking, and investigation, legal referrals and assistance in resolving complaints. As part of FY 2000-01 fair housing contract was funded by Milpitas to provide educational opportunities for landlords, property managers, owners and non-profits.
4. If the vacancy rate increases and incomes either remain stable or decrease, the rental rates will either stabilize or decrease. Landlords will also be more willing to rent to lower-income families as well as participate in government programs such as the Section 8 Program.

5. Creative financing and collaborative strategies such as the Santa Clara County Housing Trust Fund (Milpitas has contributed \$1,100,000) which combines public and private financing and partnership to create affordable housing units for all segments; first time homebuyers, multi-family rental units and shelter for the homeless.

## **CHAPTER NO. 4 STRATEGIC IMPLEMENTATION PLAN**

The City of Milpitas five year Housing and Community Development Strategy addresses the resources, strategies, and identifies the priorities and funding to implement the Consolidated Plan This following housing and community development strategies will be addressed in this chapter:

1. Available resources to implement the proposed strategies
2. Affordable housing needs
3. Homeless needs and objectives
4. Other special groups needs
5. Anti-poverty strategy
6. Fair housing and services needs
7. Youth needs and services
8. Lead-Based paint reduction strategy
9. Institutional structure for implementing strategies
10. Reduction of barriers to affordable housing
11. Housing Authority
12. Community and economic development needs
13. Coordination among various agencies

The Milpitas Housing and Community Development Strategy Plan identify activities that will be funded with the Community Development Block Grant entitlement funds. Whenever appropriate, Milpitas will use other funding sources (general funds, redevelopment agency funds, outside grants, housing trust fund, leveraging, etc.) to address the needs that will be discussed in this chapter to provide a comprehensive assessment of the City's overall housing and community development strategy.

This chapter outlines the City's plans and priorities to be pursued over the five year period of the Consolidated Plan (July 1, 2012-June 30, 2017), for addressing the housing needs identified in Chapter II, Housing and Homeless Needs Assessment and Chapter III, Housing Market Analysis.

### *Available Resources to Implement Strategies*

The City of Milpitas will use a combination of Federal, State, City, Local and Private resources to accomplish this goal of providing affordable housing.

*Federal Resources*-The City will continue to use Community Development Block Grant funds, Section 8 Rental Assistance, Low income Tax Credit, Section 202 and Section 811 (if eligible), and Affordable Housing Program through Federal Home Loan Bank along with any other eligible federal grants to implement the housing and community development goals of the Consolidated Plan

*State Resources*-The City will continue to apply for grants pursuant to Proposition 46 to financially assist affordable housing projects. Milpitas will also provide support and technical assistance to developers in applying for State Low income Housing Tax Credit Program, loans from CalFHA for first time homebuyers and other types of state funding for affordable housing opportunities for low and moderate income households.

*City Resources*-The City will continue to use its Redevelopment Agency required 20% set aside housing funds for the development and acquisition of affordable housing. Additional funds resources (general fund, waiver of development impact fees, and other financial and development incentives) will also be used to provide affordable housing opportunities.

*Local Resources*-Since its conception in 1999, City of Milpitas has participated in the County of Santa Clara Housing Trust funds which provide local assistance for homeownership, rental, and homeless supportive temporary and permanent housing opportunities. To date, Milpitas has contributed over \$1.1 million to support the trust fund and 54 Milpitas first time homebuyers have obtained loans. Milpitas will continue to support the Housing Trust Fund. Milpitas will assist other local efforts (such as Emergency Housing, dba EHC Lifebuilders Youth and Teen Runaway Shelter project) in leveraging local resources.

*Private Resources*-The City will continue to work with non-profit developers to help them obtain private financing available for projects. The City will support affordable housing applications for the Federal Home Loan Bank's Affordable Housing Program and Federal, State and local financial lending institutions to secure construction and bridge financing for projects.

The City of Milpitas will use a variety of Federal, State, City, Local, and Private resources to implement housing and community development goals. The specific funding sources will be based on the opportunities and constraints of the review of each project and or program.

Table 4 identifies the lists of sources of funding that could be available to the City and its subrecipients that may be used for implementing the housing and community development goals. Please note that Table 4 is not all inclusive but provides a summary of some of the traditional funding sources and uses for which Milpitas and other agencies and organizations may qualify.

#### *Priorities for Allocating Resources*

The Priority Needs Summary Table and the Priority Housing Needs section are separated into renters and owners categories. The renter's category is further divided into different household's categories including small family, large family and elderly. The priority needs levels are listed for extremely low, low and moderate income households for each of the housing problems identified in the Housing and Homeless Needs Assessment of this Consolidated Plan.

These housing problems include cost burden, and serve cost burden, overcrowding, and substandard units. HUD as the following defines priority needs levels:

- (1) High Priority- Activities that are expected to be funded with CDBG entitlement grant and other funding sources during the five years time period (July 1, 2012- June 30, 2017) of the Milpitas Consolidated Plan.
- (2) Medium Priority-If funds are available activities to address this need may be funded, if sufficient entitlement and other funding sources are available.
- (3) Low Priority-Activities that will not be funded with entitlement grant during the five year period. Milpitas will support and encourage outside agencies and organizations for funding from other sources (i.e. low income housing tax credits), when these projects and programs are deemed to be consistent with the goals of the Consolidated Plan.
- (4) No Such Need-The City finds that there is no need or this need is already substantially addressed. Milpitas will not support or encourage these types of applications for funding, where no such need has been identified in the Consolidated Plan.

Priorities among the different housing and community development needs were established by reviewing the housing needs of households by income and tenure and giving the highest priority to those needs that have the greatest urgency, affects the largest number of people or involve the provision of basic life necessities such as food and shelter.

The needs identified throughout this chapter establishes the priorities for housing and community development, and special needs populations for the Milpitas five year Consolidated Plan.

These priorities were based on the assessment of the demographic and housing information attained from service providers, ABAG Projections for 2007-2009 and Regional Housing Needs Determination (RHND) views with sub recipients, and requests for data, information, studies and reports from outside agencies and organizations and consultation with these groups. The proposed strategies in this chapter only addresses those priorities that have been identified as high or medium priorities for Milpitas residents

*The highest priorities will be given to the provision of:*

1. Short-term shelter and other necessities for homeless persons and families.
2. Permanent affordable housing for very low and low income renters.
3. Affordable housing for low income homeowners.
4. Public services, which provide very low and low income persons and families with the basic life necessities.
5. Special Need Populations such as female-headed households, seniors, victims of domestic violence, drug and alcohol abuse, HIV/AIDS and disabled persons.

*The medium priorities will be given to the provision of:*

1. Institutional Structure Strategy
2. Community and Economic Development Needs
3. Housing Authority Strategy
4. Coordination Among Other Agencies

The Medium Priorities stated above are deemed as “secondary priorities” based on the primary needs for food, shelter and other social related issues (fair housing, domestic violence, drug and alcohol, assisting disabled persons, etc.) which needs warrant the highest priorities.

The Low Priorities as stated above will not be funded with entitlement grant and will be reviewed on a case-by-case basis to determine the needs and availability of financial resources. Activities such as collaboration, leveraging of limited resources, and support services will be given consideration within this category.

The No Such Need category will be given the lowest priority given the limited financial resources and the lack of urgent needs.

#### *Rationale for Consolidated Plan Priorities*

Priorities were established by reviewing the needs of various households by income groups and tenure and focusing on available resources to assist those most in need. Based on the information available from the 2000-2010 Census, the following groups are given the highest priority for the provision of affordable housing:

1. Renter with income levels between 31% and 50% of the area media income (\$103,600 in 2011) also experience the greatest significant levels of cost burden and housing problems. Also, senior households in this category have the highest percentage of households experiencing a significant cost burden (50% or more of their income).

2. Overall, renters with incomes of 30% of the area media income or less have experienced the greatest cost of burden and various housing problems.
3. Renter Households and large families (5 persons or more) have the highest percentage of housing problems with elderly households having the highest incidence of households paying more than 50% of their income for rent.
4. Overall minority renters and homeowners have a much higher incidence of housing problems than other households in the same income groups.
5. Homeowners with incomes levels between 51% and 80% of the area median income. Despite the high area median income in Santa Clara County, the costs of housing is approximately \$585,000, which make housing unattainable to many households of this segment of the population
6. In general, owner households fare much better than their renter counterparts. Among owner households, non-elderly households have experienced the most server impacts from housing costs and the overall quality of housing.
7. Persons below the poverty level, households that live alone (especially seniors) make of the largest portion of this population.
8. The lack of affordable housing continues to be a major need for persons with homeless population, physical and mental disabilities, drug and alcohol addictions, HIV/AIDS, battered women, and other special needs groups
9. Within the County of Santa Clara the homeless population, there continues to be a need for additional shelters, transitional and permanent housing and vital support services.
10. Among the County-wide homeless population, there is a need for additional shelter, transitional housing and permanent housing and support service.

Although these needs are based on the 2000-2010 Census and other current related data, affordable housing continues to be the most significant need in the City as well as the County as whole, and if anything, the need for affordable housing has become even more significant over the past ten years. In particular, it is expected that the 2010 Census will show that housing costs are an even more significant problem for low income persons and households now then they were several years ago.

Based on these identified needs, the following groups are given the highest priority for the provision of affordable housing and support services.

1. Renter households with income of 30% or less of the area median income, especially small and large households, seniors, Asian, Hispanic and Black households.
2. Renter households with incomes of 31% to 50% of area median income, especially elderly households on limited
3. Renter's households with incomes of 51% to 80% of area median income.
4. Owner households with incomes of 30% of area median income or less especially non-elderly households.
6. Owner households with incomes of 51% to 80% of area median income, especially, Asian, Hispanic and Black households.

7. Black and Hispanic moderate income households with incomes between 51% and 80% of area median income.
8. Homeless persons and those individuals at-risk of being homelessness.
9. Provide housing and support services for persons such as female-headed households, female headed households, seniors, victims of domestic violence, drug and alcohol abuse, and disabled persons.

A description of the basis for assigning priority needs levels for very low, low and moderate income renter and owner households' follows:

### *Renter and Homeownership Households*

As discussed in the Housing and Homeless Assessment chapters, cost burden, serve cost burden overcrowding and substandard units affect a large number of very low, low and moderate income households in Milpitas having housing needs; furthermore, a high priority has been assigned for addressing their needs. During the next five years, Milpitas will continue to fund programs and activities in order to address the housing needs of renter households using CDBG and Redevelopment Agency funds.

*Milpitas will pursue the following actions to address major housing issues:*

1. *Milpitas Midtown Specific Plan*-Implementation of the plan will include the potential development of approximately 3,000-4,000 new dwelling units, in which it is anticipated that 20% of the units (600-800) will be affordable to very low, low and moderate income households. This plan was adopted by City of Milpitas in March of 2002.
2. *Milpitas Transit Area Specific Plan*-Implementation of the plan will include the potential for 7,000+ new dwelling units in which it is anticipated that 20% of the units (1,400) will be affordable to very low, low and moderate income households. The plan also calls for approximately 300,000 square feet of commercial retail and 1 million square feet of professional office space to create jobs. The project area is located with ¼ mile of the VTA Light Rail Station and the proposed Milpitas BART Station. This plan was adopted by the City of Milpitas in June of 2009.
3. *Strengthen Relationships with Non-Profit Housing Developer and Organizations to Increase the Supply of Affordable Rental Housing*-Nonprofit housing developers and organizations are able to utilize a variety of funding resources. Milpitas will explore the possibility of working with non-profit Community Housing Development Organizations (CHDO's) to develop affordable housing.
4. *Maintain Existing Affordable Housing Rental and Ownership*-Milpitas will continue to monitor and support long term affordability restriction agreements to maintain affordable housing for the longest period possible. When appropriate the long term affordability of 45-55 years will be assigned to project to preserve the affordable housing stock.
5. *Continue Financial Assistance*-Milpitas Redevelopment Agency Funds will continue to provide various forms of financial assistance to housing providers including the use of CDBG and Redevelopment Agency 20% Low income Housing Set-Aside Funds, payment of a portion of development impact fees, assist and encourage the use of low income housing tax credits and other leveraging of funds to support affordable housing projects.
6. *Review of Existing Policies and Internal Procedures*-such as the Density Bonus Ordinance to encourage high density residential developments, expedite affordable housing applications, waiver of development fees, marketing program and identification of appropriate site to accommodate affordable housing projects.

7. Participate with regional partners and local non-profit organizations to support programs and for emergency rents and utility payment assistance and security deposits.
8. Provide rental assistance to extremely low and very low income households.
9. Work with the Santa Clara County Housing Authority and other jurisdictions in the county to implement rental assistance programs.
10. Provide flyers, brochures and other types of information to the residents of Milpitas to inform them about various affordable housing opportunities (rental, for-sale, rehabilitation and support housing services).
11. Provide community outreach regarding housing opportunities through the use of the Milpitas local public cable TV and the City's website.
12. Continue to work with non-profit and for-profit developers to increase the supply of affordable housing.
13. Conduct reviews and site inspections every 2-years to determine the status of the Milpitas housing stock and identify areas of concern and needs to be addressed.
14. Consider land acquisition request from non-profits by the Milpitas Redevelopment Agency to assist in development and redevelopment of housing through joint partnership with other agencies, non-profit housing providers and provide sector developers.
15. Support non-profit developers in their applications to obtain Low income Housing Tax Credits from the State of California financing agencies.
16. Continue to support the Santa Clara County Housing Trust Fund to finance construction of affordable housing project. Non-profit, private developers, public sectors, including the Silicon Valley Leadership Group, Housing Collaborative Santa Clara County, and other cities in the county to contribute to the Housing Trust Fund.
17. Implement the Milpitas Analysis of Impediments to Fair Housing Report recommendations including increasing the distribution of fair housing pamphlets and brochures in multiple languages.
18. Continue to support Project Sentinel efforts addressing housing discrimination, tenant-landlord mediation/resolution, landlord training workshops, community outreach, foreclosure prevention, housing counseling, and other fair housing activities to protect renters and homeowner's rights.

Because many of the properties assigned to these programs required some form of major repair, this was given a High Priority for very low and low income levels of owner households. It is anticipated that this program will continue to be funded over the next five years.

#### *San Francisco Bay Area-Housing Market Influence*

Because of the extreme shortage of affordable housing in the San Francisco Bay Area and particular Santa Clara County, the housing needs of low income households, available resources will continue to be targeted to the provision of additional affordable rental housing opportunities and the preservation of existing affordable housing stock

The City will also continue efforts to identify potential opportunities to develop affordable ownership housing. Up to now the development of ownership housing has not been feasible due the extremely high cost of housing (average price in Santa Clara County is approximately \$585,000/2011) and the large amount of subsidies that would be require to allow lower income households to afford a home.

Based on the City’s limited resources, it has not been possible to structure a homeownership program that would be able to assist more than just a few households. The City will continue to explore financial and other opportunities to work with developers and leverage funds to develop homeownership opportunities for lower income households.

**AFFORDABLE HOUSING NEEDS (High Priority)**

Addressing affordable housing needs is the main purpose of the Strategic Plan. In response to both the need and the City’s resources to address the problem, renters and owners below the moderate income level receives the highest priority under the plan. The primary activities to address the affordable housing needs will be through acquisition, rehabilitation and new construction of housing. All of the City housing programs and support activities will be available citywide.

The City of Milpitas Regional Housing Need Determination (RHND) as established by the Association of Bay Area of Governments (ABAG) identifies City of Milpitas Regional Fair Share of Housing (2007-2014) as the following:

Table 50: Milpitas Regional Housing Needs Allocation by Income, 2007-2014

	Very Low	Low	Moderate	Above Moderate	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), Regional Housing Needs Allocation

To date, Milpitas has approved 3,485 (or 140%) of the total allocated number of dwelling units (2,487) stated above. A total of 695 affordable housing units (or 20% of required affordable housing stated above very low, low and moderate income) has been approved. It is anticipated that with several major housing projects that are being reviewed in house, Milpitas will meet its regional housing needs.

Table 51: The following housing projects has been approved by City of Milpitas during this time period (2007-2012):

Projects	Total # of Units	Total # of Affordable Units	Tenure
DeVries Pl. Senior Housing	103	102	Rental
Town Center	65	16	For-Sale
KB Homes	685	64	For-Sale
Paragon	147	9	For-Sale
Aspen Family Apts.	101	100	Rental
Fairfield	659	132	For-Sale/Rental
S. Main St.-Senior Lifestyles	387	63	Rental
Senior Housing Solutions (*)	10	10	Rental
Integral	1,328	199	For-Sale
Total:	3,485	695	

(\*) Acquisition and rehabilitation of two single-family homes for ten (10) extremely low income seniors.

Approximately twenty percent (20%) of all residential units built during this time period were affordable to very low, low and moderate income households. Currently, Milpitas has approved 1,142 affordable housing units. Presently, there continues to be a need for affordable housing for very low and low income households. Milpitas objectives for

affordable housing during the next five years will be to continue through existing programs to support and address the cost burden and overcrowding housing needs of renters and owners with income less than 80% of the area median. A high priority is assigned to rental housing for both large and small very low and low- income households.

The primary need for very low income households (except for existing homeowners) is for rental assistance or home ownership cost assistance for first time homebuyers. All households in the rental housing with physical defects are assigned a high priority as Milpitas has consistently funded programs, which are directed toward maintaining the quality of the housing stock.

Owners with high cost burden and owners of moderate income and below are assigned a medium to high priority need. Through the Single Family Rehabilitation Loan Program, Milpitas can assist these homeowners in maintaining their home in a decent and safe condition. Owners with overcrowded conditions are assigned a low priority as it is not a high need in the community and there are few resources available to address this problem.

The lack of units affordable to low income households compounds the other problems as such overcrowding and deterioration of housing units. In addition, low income households suffering from cost burden are unlikely to have sufficient funds to maintain their property in a safe and aesthetically pleasing condition.

Milpitas has given a high to medium priority to very low income renter's households with a high cost burden. This priority is given because these households will need a substantial on going rental assistance, which is administered by the County of Santa Clara Housing Authority and not a program under the City's control. Also, given the on-going financial level of commitment required by this type of subsidy and limited financial resources, Milpitas is unable to meet this demand alone.

The other rental assistance program is through the City's Below Market Rate program, which addresses the needs of low income rather than extremely low income renters. A medium priority need level is assigned to existing homeowners which tend to have the least cost burden because the majority of these households are elderly households in which mortgages and other housing costs and expenses have been reduced over many years.

### *Housing Trust Fund*

Non-profit, private and public sectors including the Housing Collaborative, the Silicon Valley Manufacturing Group, Santa Clara County, and local cities came together to develop the Housing Trust Fund as an innovative response to the housing shortage. Milpitas proposes to leverage \$1,100,000 from the Redevelopment Agency 20% set-aside for affordable housing.

### *Strategies*

The following strategies will be implemented and ongoing until 2017 unless otherwise specified:

1. Continue to implement the City of Milpitas policy, which requires 20% of all new residential development units shall be affordable to very low, low and moderate income households. Development will continue to be reviewed on a project-by project basis as City staff negotiates with developers to provide affordable housing opportunities. Both non-profit and for-profit housing developers may take advantage of these policies, which include providing tax increment from the Milpitas Redevelopment Agency to offset some of the costs to the development community.
2. Continue to provide down payment assistance for first-time low and moderate income homebuyers with funds from Milpitas Redevelopment Agency.
3. Leverage funds from the Housing Trust Fund of Santa Clara County when available. Milpitas will also continue to contribute (\$1,100,000) to the Housing Trust Fund to finance construction affordable housing.

4. Continue to participate in the Santa Clara County’s Mortgage Credit Certificate (MCC) for first-time homebuyers, which allow first-time homebuyers to receive a federal income tax credit up to 15% of the mortgage interest they pay annually on their first loan.
5. Continue to provide assistance and support to affordable housing developers in their pursuit of federal, state and other financing sources for affordable housing developments.
6. Continue to monitor and implement the Milpitas Midtown Specific and Transit Area Plans to encourage high-density residential developments with affordable housing requirements.
7. The City will continue to identify, encourage and publicize private activities and programs, which will create affordable housing opportunities, including rental and home ownership, and continue to work with non-profit housing developers and organizations to create affordable housing. The City will also continue to encourage and assist non-profit housing developers and the Santa Clara County Housing Authority to develop new very low and low rental units, by identifying sites and potential sites in Milpitas and supporting development on these sites.
8. The City will continue to support and promote its Density Bonus Ordinance to allow for higher densities to accommodate affordable housing projects. Projects in the Midtown Specific and Transit Area Plans are encouraged to develop high-density residential projects within close proximity to public transportation.
9. The City will continue to provide CDBG funding to a variety of support housing programs and activities in Santa Clara County and Milpitas to provide assistance to local residents.
10. The City will continue to support private participation in the rental subsidy programs such as the existing Section 8 and Supportive Housing Programs. The City will continue to encourage greater participation by local property owners such as publicizing and providing information to owners, contacting apartment owners, sending letters and working with organizations that promote such participation.
11. Work with the Santa Clara County Housing Authority to support and encourage more Section 8 vouchers for residents of Santa Clara County.

<b>(High Priority)</b>
Planned Activity: Expand Supply of Affordable Housing Rental and Homeownership
Five Year Objective (2012-17): 150 new affordable housing units by 2017.
Anticipated Funding Sources: Private Funds, Housing Authority, CDBG and Low -Income Housing Tax Credits (\$8-10,000,000 Housing Agency, CDBG and LIHTC).

The age of housing units and level of deterioration are directly related and disorderly appearance detracts from the aesthetic image and the general perception of safety in any neighborhood. By the year 2017, approximately 86% of housing units in Milpitas will be at least 20 years old. A windshield survey of Milpitas neighborhoods conducted in 2009 noted deficiencies such as cluttered junkyards, unkempt landscaping and broken fences. The City of Milpitas recently adopted a Neighborhood Beautification Program (2000) that is dedicated to preserving its neighbors and quality of its housing stock.

Rental units seem to deteriorate more quickly than owner-occupied units because of high construction cost and many absentee landlords. As a result, many absentee landlords tend to invest less money on the general maintenance of their properties. When occupants of units are low income individuals, they may have less ability to finance the maintenance of their units. Accordingly, a high priority need level will be assigned to rehabilitation of all income levels of rents.

Efforts such as Milpitas Neighborhood Beautification Program allocate resources to ensure that all residents maintain their properties in a manner that embraces both their own living environment and the aesthetic appeal of the city as a whole.

Also, it is important that persons with special needs are able to rehabilitate their homes in a manner that makes them accessible and useable for themselves. Elderly and disabled individuals, in particular, have special needs in terms of their housing units are configured. Rehabilitation for these households has been designated as a high priority because as a high priority because there are relatively fewer of these households than there are other low income households and because the City has relatively more expertise in the rehabilitation of typical housing units.

*Strategies*

The following strategies will be implemented and ongoing until 2017 unless otherwise specified:

12. The City will continue involvement in the rehabilitation program, including CDBG loans for single-family loans and seek other service providers to address citywide rehabilitation housing needs. The City will also continue to work with non-profit groups to rehabilitate affordable rental complexes, independent living situations and group homes for persons with special needs.
13. The City will continue its Neighborhood Beatification Program and periodically review existing codes; ordinances and use permit conditions to determine their current applicability to neighborhood and community preservation issues. The City will continue its concentrated rehabilitation and code compliance program for residential planning areas and defined areas having in which a majority of the structures are over thirty years old. Staff will identify target areas, recruit strong community participation (such as the Milpitas volunteer Graffiti Removal Program) and use both code enforcement powers and rehabilitation resources.
14. The City will continue to support and monitor the Mobile home Park Rent Control Ordinance, which provides a means of affordable housing to 530 tenants in three separate mobile home parks within Milpitas. The majority of these tenants are senior citizens, many on fixed or limited incomes.
15. The City will continue to use CDBG funds to assist elderly and disabled individuals retrofit their homes to render them more accessible and suitable for their special needs.
16. Continue to concentrate Code Enforcement Programs including citywide enforcement of zoning laws and regulations, property maintenance regulations to enhance the quality of life in existing neighborhoods.
17. Continue to provide financial assistance for minor home repairs and access lift to increase accessibility for residents with physical disabilities.
18. Continue to increase awareness of housing rehabilitation programs by private and non-profit property owners for rental housing including marketing on the Milpitas City website and Cable TV.
19. Continue to provide CDBG funding to address any rehabilitated units with lead based paint, pursuant to HUD lead-safe work practices. Grant up to \$5,000 will be provided for homeowners to address any potential problems.
20. Identify housing units that maybe at risks and work with property owners and developers to provide financial assistance to preserve units and maintain reasonable rents for low and moderate income households.
21. Fund CDBG Service Providers to provide home repairs and improvements to older housing units, which require minor improvements to prevent further deterioration to structures.

<b>(High Priority)</b>
Planned Activity: Rehabilitation and General Maintenance of Existing Housing Stock and At-Risk
Five-Year Objective (2012-17): 25-30 units rehabilitated and 20-25 units retrofitted
Anticipated Funding Sources: CDBG, Housing Authority and Private Funds (\$500,000)

## *HOMELESS NEEDS AND OBJECTIVES (High Priority)*

The homeless needs range from outreach to emergency shelters to permanent housing and supportive services. In the priority needs table are all a priority for the City. As the homeless survey illustrated, the length of time individual or family faces homelessness appears to be increasing and the number of working homeless is also increasing. Within the coordinated services of outreach, shelter, transitional and permanent housing the problems faced by the homeless cannot be overcome. The City participates either directly or through supporting other agencies in the delivery of services to the homelessness.

### *Homeless Strategy*

The City's homeless assistance strategy, for housing activities which the City sponsors directly, are to emphasize the creation of permanent housing which is affordable to the homeless and to individuals who are moving out of shelters and transitional housing programs. The strategy includes creating housing opportunities for single adults and families with children. The City's strategy also includes contributing funds for the operating costs of existing shelter and transitional housing which serve the Milpitas and northern Santa Clara County area and also to cooperate in Countywide approaches to the problem of homelessness.

The City plans to continue its participation in the Santa Clara County Collaborative on Housing and Homeless Issues. The Collaborative represents homeless shelter and service providers, housing advocates, non-profit developers, and local governmental jurisdictions. Over 120 agencies have formed the Collaborative to attract more funding for housing and homeless services in the area. The main purpose of the Collaborative is to help prepare its member agencies to respond to the annual McKinney Homeless Funding request for proposals in hopes of attracting more funding for innovative programs to the region.

The Collaborative has adopted a Continuum of Care approach to alleviate the problems of homelessness. The primary goal is to prevent homelessness and shorten the time people are homeless through the provision of housing with supportive services and employment opportunities. The Continuum of Care strategy includes: 1) Permanent housing, 2) Emergency shelter with outreach and assessment services, 3) Transitional housing with support services, and 4) Prevention services. These services exist in Santa Clara County, but not in sufficient numbers to address the need. The County of Santa Clara, in collaboration with the entitlement jurisdictions, believe that strengthening the Continuum of Care on a regional basis will effectively address the needs of homeless people in individual cities and avoiding duplication of services, and increase the cost effectiveness.

### *Needs of Households At-Risk of Homelessness (High Priority)*

As essential element of the City's homeless strategy is the provision of services and affordable housing to prevent low income residents from becoming homeless. The following elements are key towards the prevention of homelessness:

- Preserving the existing supply of affordable housing in order to prevent the displacement of low income residents.
- Continuation of emergency rental assistance programs to help prevent persons from losing their housing due to temporary inability to pay their rents.
- Continuation of the tenant/landlord information/referral and mediation program, which helps, prevents unnecessary evictions.
- Continuation of emergency assistance programs to provide case management and a variety of services to prevent persons on the verge of homelessness from becoming homeless.

- Continuation of Section 8 rent subsidy program in order to provide affordable housing for persons with extremely low incomes.
- Increasing the supply of affordable housing opportunities to the homeless population.
- Continue to support programs that assist individuals and families in obtaining stable housing and assist to be self-sufficiency. The supportive services include emergency services, crisis intervention, clothing assistance, transportation vouchers, money management, and counseling and medical assistance.
- Continued financial support of emergency shelters including the Collaborative Continuum Care Plan, which serve Milpitas residents and offer emergency shelter transitional housing and permanent housing.
- Continue to work with local non-profit organizations to provide shelter and other related programs and activities to the homeless population in Santa Clara County.
- Provide financial assistance in the development of new housing for individuals and families graduating from transitional housing to permanent housing.

*Actions to be Taken to Address Emergency Shelter and Transitional Housing Needs*

Once an individual becomes homeless, the goal shall be to provide some shelter and support services and to assist that individual to address any other problems (employment training, drug/alcohol, moving into transitional/permanent housing, etc.) The following elements will be key to assisting homeless persons to break the cycle of homelessness:

- Provisions of necessary support services such as case management, food, clothing, transportation, health care, etc.
- Provision of sufficient shelter beds to accommodate the need for shelter.
- Continuation of funding for Emergency Housing Consortium to operate emergency and transitional shelters for homeless individuals and families.
- Continuation of funding for Support Network for Battered Women for emergency shelter and supportive services to battered women and their children.
- Continuation of funding for Project Match that provides senior independent-living arrangement for shared housing.
- Continuation of funding for Project Sentinel to provide landlord and tenant mediation services to prevent evictions.
- Continuation of funding for County of Santa Clara Nutritional Program at the Milpitas Senior Center.
- As required by State Housing Element Law, Milpitas will amend its Zoning Ordinance to permit home shelters, transitional housing, permanent supportive housing and single room occupancies (SRO's) by right.
- Provide flyers and outreach information on Milpitas Food Pantry and Clothes Closet to assist in providing basic food and clothes necessities to the homeless.
- Continue to provide support for the Emergency Assistance Network (EAN) to address the homeless issues in the community.

- Continue to support County of Santa Clara Office of Affordable Housing in their application and submittal of HUD’s McKinley-Vento and Emergency Shelter Grant (ESG) to address homelessness countywide.
- Completion of Zoning Ordinance Amendments as required by State of California, Department of Housing and Community Development (HCD)/State Housing Element Law as it pertains to allowing homeless shelters, transitional/permanent supportive housing, and Single Room Occupancies (SRO’s) by “right” (instead of required conditional use permit).

<b>(High Priority)</b>
Planned Activity: Provide financial assist to non-profit organizations to provide monthly Supplemental food stock to very low and low income households and homeless individuals
Five-Year Objective (2012-17): To provide food, clothing, and shelter for 50 homeless persons and 2,500 families (food).
Anticipated Funding Sources: CDBG, private donations and grants to Non-Profit Organizations, Housing Trust Funds (\$250,000).

*Addressing Obstacles in Meeting Undeserved Needs*

As in the past years, the most significant obstacle to addressing the underserved needs is the lack of sufficient funds to carry out all the necessary projects. In particular, Milpitas affordable housing needs are much greater than can be addressed by the available funds. This situation has become especially problematic as the cost of developing, acquiring or rehabilitating housing has become extremely expensive and the CDBG funds have not increased. In an effort to address this situation, Milpitas has been supplementing CDBG funds with Redevelopment Agency funds and General Funds. Unfortunately, all of these various funding sources are still not sufficient to meet the demand for affordable housing needs, particularly in the San Francisco Bay Area, which has the highest costs of housing within the country.

In addition, where feasible, Milpitas has provided CDBG and Redevelopment Agency funds in the form of a low interest rate loan in an effort to have funds paid back to the City in the future so that they can be used for additional affordable housing developments.

Another obstacle is the uncertainty surrounding the future availability of the Section 8 rental subsidy program. This situation is making it difficult for housing developments to determine the amount of reserves needed to cover potential rent shortfalls and prevent the massive displacement of Section 8 tenants. The uncertainty about the future finances has made it difficult for these developments to budget for needed maintenance work, since it is not clear from year to year if the funds might be needed to cover Section 8 shortfalls.

Another obstacle, which Milpitas is facing in terms of meeting the undeserved needs, is the requirement that the unexpected balance of CDBG funds not exceed 1.5 times the annual entitlement amount. Milpitas is in the process of trying to develop a second senior housing development, which will require \$15-\$18 million. Milpitas has allocated approximately \$8.5 million for this project. However, based on the entitlement of \$708,000, the most CDBG funds the City can hold onto without violating this requirement is \$1,062,000, which is not enough to fund this project. The City is exploring a variety of ways to structure this project (and other CDBG housing related projects) so that some of the CDBG funds can get paid out early on, however, there may be a need to exceed the 1.5 threshold in order to carry out these projects. Milpitas has submitted a revised schedule plan to meet the 1.5 threshold requirement.

**Other Special Needs Groups (High Priority)**

There is also a need for supportive housing and services for elderly individuals, the frail elderly, and persons with mental or physical disabilities, persons with substance abuse and persons afflicted with HIV/AIDS. Persons with special needs are

generally in the extremely low income groups and would require both rental subsidy and ancillary services. Key elements in addressing the supportive housing needs of special needs groups shall be the following The City will continue to fund non-profit organizations that provide quality programs designated to provide shelter and associated services for special needs groups.

- The City will continue to support the County of Santa Clara Homeless Collaborative, the Housing Authority of Santa Clara County, and other capable organizations, in their pursuit of federal grants under the Shelter Plus Care Program, McKinney Homeless Assistance Act, the Congregate Housing Program, the Family Self- Sufficiency Program, HOPE for the Elderly and other potential programs to assist special need groups.
- The City will continue to support with CDBG funds, the acquisition and rehabilitation of a number of group homes for the developmentally disabled and independent living situations for the psychiatrically disabled. As new projects emerge the City will continue to support them. Most recently is the support by Milpitas of transitional and permanent housing solutions for the homeless and special needs groups through the Emergency Housing Consortium Sobrato Family Living Center which will have 51 units for homeless families. Construction of this project is due to start this year.
- Continue to provide CDBG funds for the Safe Place Program or similar program which helps identify and assist homeless or at-risk youths Continue to provide CDBG funds for Asian American Recovery Services or similar program that provides substance abuse prevention for youths and families.
- Continue to provide CDBG funds Alum Rock Counseling Center or similar program to assist in crisis intervention with youth and their families.
- Continue to support Milpitas Unified School District-Family Literacy Program to assist low income residents and female headed households who are parents of preschoolers, support kindergarten readiness skills, second language acquisition for both parent and their children and vocabulary-based activities.
- Continue to support the Health Trust to provide nutritionally balanced, home delivered hot daily meals and increase social interaction and additional wellness services to home bound Milpitas seniors
- Continue to support Santa Clara Family Health Foundation to provide comprehensive medical, dental, vision, and mental health coverage to low income, uninsured children in Milpitas.
- Continue to provide CDBG funds Senior Adult Legal Assistance or similar program to provide free legal services for seniors.
- Provide flyers, brochures and general information to inform the residents of Milpitas of the support services and programs that are offered to assist special need groups. Milpitas will advertise this information on its cable TV and City's website to provide a greater opportunity to inform the general public of these services.
- Continue to provide CDBG funding for supportive services to families and individuals who have developmental or other disabilities to allow persons with disabilities to live independently as possible.
- Continue to support youth mentoring programs and match at risk youth with adults or big brothers to help mentor them to improve their life learning skills.

- Continue to support programs such as the mobile wellness and meals on wheels to deliver meals to homebound seniors and disabled persons.
- Work with non-profits to coordinate workforce training and development through the NOVA Workforce Board to assist on job training, employment opportunities and job development skills.
- Continue to financial participate in the Santa Clara County Nutrition Program, which provide meals to special need groups.

<b>(High Priority)</b>
Planned Activity:
Five-Year Objective (2012-17): To provide support services, programs and activities to 300 seniors, 35 persons with disabilities, 400 youths “at-risks”, 40 individuals with substance abuse, 15 persons with HIV/AIDS and assist 25 individuals with job training skills.
Anticipated Funding Sources: CDBG, General Fund private donations, grants to Non-Profit Organizations (\$350,000)

*Anti-Poverty Strategy (High Priority)*

The Milpitas Anti-Poverty Strategy describes the programs and policies for reducing the number of households with incomes below the poverty line. For the purpose of this plan, the extremely low income category (below 30% of the area median of \$103,600) will be used to define poverty. For Fiscal Year 2011, that figure is a maximum annual income for \$21,780 for a single person and \$44,700 for a four person household.

The population below poverty is the most at risk of becoming homeless. In order to afford any type of housing, this population must pay 50% or more of their monthly income for rent and must obtain other basic needs such as food, and clothing from the food banks and other non-profit organizations, in order to make ends meet. Most of these individuals or households are just one paycheck away from homelessness. One major component of the anti-poverty strategy, therefore, is to prevent extremely low income persons from becoming homeless, and if they do become homeless, to assist them to break the cycle of homelessness. The City programs and services to prevent and alleviate homelessness will therefore also benefit persons with incomes below the poverty level and are a major aspect of the anti-poverty strategy.

Another aspect of the anti-poverty strategy will be the provision of more affordable housing options, since the lack of affordable housing is one of the main reasons of homelessness. Householders living alone represent the largest segment of the population below the poverty level. The provision of more affordable housing options for this group, such as provide more housing opportunities, shall be a major part of the City’s anti-poverty strategy.

The third aspect of the City’s anti-poverty strategy shall be to address the income and employment needs of persons who are economically disadvantaged, including persons who are homeless, who have disabilities, and those who are participating in the Welfare-to Work programs. Although Milpitas has a relatively low poverty rate (5.4% % per the 2000 Census), there are still a need to address the employment needs of extremely low income persons who are struggling with housing cost and other needs. The City of Milpitas, along with other neighboring jurisdictions, participates in the NOVA employment program. NOVA is a public/private partnership comprised of representatives from local governments, businesses and industry, labor, education, training systems, employment services and community support organizations. Formed in 1983, the mission of NOVA is to provide low cost and efficient job training and employment programs. Their strategic goal includes the elimination of the “Digital Divide” as a key anti-poverty strategy for this region.

In fiscal year 2010, NOVA received a total of \$17,867,522 in federal funds through the federally funded Job Training Partnership Act (JTPA). These funds will be used to address the needs of businesses, job seekers, and workers through a

string of partnerships. Supported programs include job training and placement, workshops on interviewing techniques and career advancement, vocational and remedial education case-management and counseling.

<b>(High Priority)</b>
Planned Activity:
Five-Year Objective (2012-17): To provide support services to 40-50 individuals and 20 families from becoming homeless by provide housing opportunities, job training and employment skills and other support services.
Anticipated Funding Sources: CDBG, private donations and grants to Non-profits Organizations (\$250,000).

**Fair Housing Needs and Services (High Priority)**

As required by federal regulations, in May 2011, the City of Milpitas completed its Updated Analysis of Impediments (AI) to Fair Housing Choice, which reviewed the impediments to fair housing choice in the public and private sector. This analysis involved the following: 1) a comprehensive review of the State and local laws, regulations and administrative policies, procedures, and practices; 2) an assessment of how these laws, etc. affect the location availability and accessibility of housing; and 3) an assessment of conditions, both public and private, affecting fair housing choice. The AI was prepared as part of the City’s Consolidated Plan and is intended to serve as a tool for the City of Milpitas in establishing and maintaining, and furthering local housing policies.

The AI shows that the main impediment to fair housing choice is the lack of available and affordable housing. The lack of affordable housing restricts people in their ability to purchase or rent housing. The primary groups affected by this situation are low and moderate income persons, people of color, families with children and disabled persons. The high cost of housing has also resulted in some landlords imposing occupancy restrictions, which make it difficult for families with children to find housing they can afford. Project Sentinel, the City’s fair housing service provider, has identified the top three bases for housing discrimination complaints in Milpitas to be disability, national origin, and familial status.

Milpitas will continue to fund fair housing services for its residents, which includes education and training workshops, printing of flyers, brochures to explain fair housing laws, community outreach with advertising on discrimination in the Milpitas Post newspaper, City’s Website and Cable TV, tenant landlord resolution, investigation of housing discrimination cases and complaints, and support of outside agencies and organizations that addresses these issues.

*Milpitas comprehensive strategies will include the following:*

- Work with Project Sentinel to provide educational seminars and workshops on fair housing laws and discrimination.
- Provide public information at the public counter on housing discrimination laws, tenant landlord resolution, renters and landlords rights as they pertain to fair housing laws
- Use of media such ad Milpitas Post newspaper, Milpitas City’s website and Cable TV to inform the general public on fair housing and discrimination laws
- Continue to participate in the countywide Fair Housing Task Force to address the provisions of fair housing services on a regional basis. The Task Force will continue to gather information on fair housing issues and meet with the cities and County of Santa Clara to implement a regional approach. City of Milpitas serves as co-chair on the Fair Housing Task Force along with Project Sentinel.

- Implementation of the Updated 2011 Analysis of Impediments to Fair Housing Choice Report recommendations adopted by Milpitas City Council.
- Provide legal and financial assistance when appropriate to address housing discrimination complaints and participate in Fair Housing Month.
- Continue to support the Countywide Collaborative Fair Housing Task Force, which establishes priorities and goals aimed at reducing fair housing problems.

*County of Santa Clara: Fair Housing Study*

The CDBG entitlement cities of Gilroy, Milpitas, Mountain View, Palo Alto, Santa Clara, San Jose, Sunnyvale and the urban County of Santa Clara, individually and collectively, have worked together to increase the supply of affordable housing, preserve the existing housing stock and units at risk of being converted to market rate units, and provide emergency housing in the County of Santa Clara. The Cities and County currently contract, typically through their individual CDBG Programs or General Funds with organizations to provide services related to fair housing. Typical sub-recipients of funds include Senior Adults Legal Assistance (SALA), Legal Aid Societies, organizations representing immigrant community, and fair housing testing agencies. In preparing the AI's it becomes apparent that fair housing concerns are a regional issue and not specific to each local jurisdiction.

The Cities and County will continue to improve on the delivery of fair housing services by studying the overall fair housing needs of the County and determining the most efficient use of resources among the existing and future service providers. This strategy calls for the completion of a study over the next few months that would examine the following issues:

- The County's fair housing needs, including potential jurisdictions specific needs.
- The effectiveness of the fair housing services that is currently provided to meet those needs.
- Recommended modifications to the delivery of these services, given available funding and capacity of the service providers.
- Recommended additions to the kinds of service providers that should receive funding.
- Participate in the Countywide Fair Housing Task Force (annually hosted by the City of Milpitas). Although the Cities and the County currently contract with service providers on the individual basis, the jurisdictions would additionally be interested in recommendations regarding the appropriateness of providing services jointly, Countywide.

Upon completion of the fair housing study during the next few months, Milpitas will use the information from this study to update its AI and determine the most appropriate use of the City's limited fair housing resources.

The City of Milpitas will continue to strongly support actions to address fair housing needs, while the fair housing study is being conducted. The following actions are planned to be carried out. It should be noted that these actions might require to be modified depending on the outcome of the fair housing study noted above.

- Milpitas has increased its fair housing funding from the previous \$15,000 a year of CDBG funds to \$25,000 per year. The additional \$10,000 per year has been allocated from the Redevelopment Agency 20% low income housing set aside funds.
- Continue to monitor the provision of fair housing services to ensure that adequate services are being provided and that services are being provided in the most cost effective manner.

- Continue efforts aimed at developing a better working relationship between Project Sentinel and the local apartment associations and to encourage these groups to work more closely together in furthering the goal of fair housing.
- Continue to budget available financial resources for provision of fair housing services and supplement federal funding with local resources. Services to be provided will include information/referral case investigation and public outreach.
- Increase community awareness of fair housing services and rights/responsibilities by increasing community outreach through advertising, distribution of brochures and holding training and informational community meetings.

Milpitas will continue to financially support fair housing service providers such as Project Sentinel who provides rental information and mediation services and promotes fair housing and investigates complaints of housing discrimination. The City will continue to fund non-profit organizations that provide fair housing services and landlord/tenant mediation services in order to provide stability in the rental market.

<b>(High Priority)</b>
Planned Activity:
Five-Year Objective: Provide 50-60 tenant-landlords resolution sessions, continue to provide public information including the use of media to inform the general public on fair housing services, continue participation in the Fair Housing Countywide Task Force and Fair Housing Month, continue to report complaints and cases of fair housing discrimination to Project Sentinel, and hold at least 3 fair housing seminars and/or workshops for mobile home park tenants.
Anticipated Funding Sources: CDBG (\$125,000)

*Youth Needs and Services (High Priority)*

The City of Milpitas provides a variety of programs, services and activities for youths. Milpitas has opened a Teen Center within the Sports Center Complex to provide a safe and positive environment for youths to participate in after school (after school homework, computer lab, etc.) and social activities. The Milpitas Police Department also participates in the County of Santa Clara DARE programs. The goals and objectives of these programs and activities are to create a stable educational, social and recreational environment to support youths. Milpitas continues the following support as they relate to youths:

*Strategies*

- Continue to provide financial assistance to support social and recreational programs and activities at the Milpitas Sports Center for youths and teens.
- Continue to provide financial assistance to the Milpitas Recreation Assistance Program (RAP) to subsidize low and moderate income families.
- Continue to provide CDBG funding for youths “at-risk”, crisis management, gang prevention, family intervention, and counseling.
- Support the Milpitas Police Department DARE anti-drugs programs.
- Continue to support and assist the Milpitas Teen Center, which provides social and educational opportunities for Milpitas youths.
- Continue to provide financial assistance and shelter for runaway youths who are at risk of being homeless.
- Continue on going coordination and cooperation with the Milpitas Unified School District to provide a variety of sports and educational programs and activities supported by the City of Milpitas.
- Continue to financial assistance low and moderate income teen mothers with supportive services.

- Continue to participate and support countywide programs that address the needs of Milpitas youth.

<b>(High Priority)</b>
Planned Activity:
Five-Year Objective: Provide funding for 150 youths for family intervention, crisis management, gang prevention, counseling and youths “at-risks of being homeless. Continue to support programs at the Milpitas Teen Center, Sports Center.
Anticipated Funding Sources: CDBG, General Fund and Grants (\$150,000)

*Lead-Based Paint Reduction Strategy (High Priority)*

The County of Santa Clara has received funding from State of California Department of Health Service and Federal Government for the Center for Disease for Control to implement a Childhood Lead Poisoning Prevention Program. To address these problem, local lead prevention programs and activities have been carried out under the direction of the County Department of Public Health. The lead hazard evaluation program known as the Childhood Lead Poisoning Prevention Program (CLPPP) involves community outreach, screening, case management and public education to inform communities that contain concentrations of older housing and low and moderate income communities. This project involves environmental testing, lead hazard education, blood lead testing for children, hazard reduction grants and follow up monitoring and testing.

Milpitas will include information about lead based paint hazards and specific information about how to survey a building for such hazards and how to abate them with outreach efforts for rehabilitation programs. Through the rehabilitation program the City will continue to offer technical assistance to homeowners to aid them in maintaining, upgrading and improving their homes. Such assistance will include information on lead based paint abatement. In addition, Milpitas will continue to work with the County of Santa Clara Environmental Health Department, as funding becomes available, in the design and implementation of programs related to the detection, abatement, prevention and education of the incidence of lead based paint in the housing stock.

Milpitas will continue to provide financial assistance to low and moderate income homeowners and rental property owners to abate lead based hazardous paints as part of the City’s housing rehabilitation loan program. The Milpitas Building Department and Code Enforcement Division also identifies any older residential projects at may have lead based hazardous paints. Milpitas has adopted a Lead Based Paint Management Plan, which complies with HUD Lead Based Paint regulations, which require various stages of remediation for rehabilitation projects using HUD funds.

<b>(High Priority)</b>
Planned Activity:
Five-Year Objective (2012-17): Identify and reduce lead-based hazardous paint for 15 older or rehabilitated homes continue to provide building and code enforcement inspections to identify any potentially problems, and continue to provide community outreach and information on lead-based hazardous paint within the community.
Anticipated Funding Sources: CDBG and Local Grants (\$80,000)

*Institutional Structure Strategy (Medium Priority)*

The City of Milpitas has worked well with Federal, State, local jurisdictions, outside private agencies and non-profit organizations to coordinate strategies and resources to address the community needs. Milpitas continues to support efforts

by the County of Santa Clara and surrounding cities, Valley Transportation Authority (VTA), County Housing Authority, local non-profits organizations in their efforts to provide sufficient level of services and affordable housing opportunities.

The City of Milpitas will be carrying out the goals and objectives identified in the Consolidated Plan through the Department of Planning and Neighborhood Services. The Housing and Neighborhood Services Divisions with P&NS, consisting of the Principal Housing Planner and Senior Housing and Neighborhood Specialist, will be responsible for the implementation of the five year strategy of the Consolidated Plan.

The majority of the five year strategies will be accomplished by supporting non-profit organizations and other housing service providers who will be responsible for carrying out the programs and developing the affordable housing identified in the Strategic Plan.

Milpitas will also work with private industry, in particular financial institutions to provide potential financial resources, to encourage the development of affordable housing opportunities in the City.

Based on the assessment of the institutional structure for carrying out the City's five year housing strategy, the major shortfall appears to be the need to rely on a variety of different funding sources, all with different constraints, requirements and time lines. All too often it takes over a year or longer just to obtain all the varied funding required for affordable housing developments. Some funding sources are so competitive (i.e. 9% low income housing tax credits) that all the planning approvals need to be in place by the time the project funding is requested. The costs for holding land for a year or longer while financing is finalized can be cost prohibitive. Also, in today's active real estate market, it is extremely difficult to find sellers that are willing to wait this long.

The major strength of the institutional structure for carrying out the City's housing strategies that the City has access to a large number of very capable non-profit organizations in Santa Clara County who are highly competent in using and leveraging available sources to the maximum extent possible in order to achieve the desired housing and services. The other major strength of the institutional structure is the close working relationship between the various cities and the County, which has made it possible to carry out joint projects (Fair Housing Study, Homeless Study, etc.) and to address various regional issues in a coordinated and comprehensive manner.

### ***Removing Barriers to Affordable Housing (High Priority)***

The primary barriers to provide affordable housing in Milpitas continues to be: 1) the high cost of housing, 2) the lack of land for new development and 3) the limited amount of public funding to financially assistance in the development of affordable housing units. The City of Milpitas limited abilities to significantly address and reduce these barriers to affordable housing opportunities.

Land costs in Santa Clara County can be as high as \$2-2.5 million per acre. In an effort to address this situation, Milpitas has begun the process of exploring ways that City owned land (such as the proposed senior housing development stated above) might be used for the development of housing for low and moderate income households.

Milpitas will continue to work with agencies involved in carrying out affordable housing developments and will encourage and assist them, as appropriate, in the holding of neighborhood meetings and tenants meetings. The purpose of these meetings will be to inform the public about the proposed housing developments and to help prevent NIMBYISM, misinformation and opposition to the developments.

Milpitas will continue to assist non-profit organizations by providing waiver of costs of permits where appropriate and also to provide assistance with costs of other development fees where appropriate.

However, there are several factors described below in which the City of Milpitas can continue to implement that can reduce barriers affordable housing and creating housing opportunities:

### *Strategies*

- *Regulation of Land Use Controls*-Milpitas will annually review its General Plan and Zoning Ordinance documents to make sure that the policies, procedures and implementation does not negatively prohibit or impact the production of affordable housing. Milpitas has adopted The Midtown Specific Plan and adopted the Transit Area Plan in the fall of 2007; both land use policy documents permit densities up to 60 dwelling units per acre. Milpitas will continue to support these policies to encourage development of affordable housing.
- *Financial Assistance to First-time Homebuyers*- Milpitas will continue to provide down payment assistance for first time homebuyers to reduce their costs and incentive to participate in the Milpitas Affordable Housing Programs. Low interest loans and requiring 5 years before loans are required to be paying back to the City are just some of the incentives Milpitas uses to benefit low and moderate income first time homebuyers.
- *Developer Impact Fees*-Milpitas will continue to financially assist developers on their impact fees (traffic, school, park in-lieu and building permit) to reduce their costs in the development process and to allow the City to negotiate for a greater percentage of affordable housing in their development projects.
- *Permit Streamlining and Expedite the Approval Process*-Milpitas will continue to stream and expedite the review of affordable housing projects to reduce unnecessary delay in the approval process. The development review process can affect overall housing costs. The Department of Planning and Neighborhood Services (P&NS) process all proposals in an efficient, but thorough manner through expediting of affordable housing development. Affordable housing developments are given the high priority in regards to the permit and approval process. The P&NS and Building Department regularly evaluate its delivery of services in terms of quality. The fees are related to the cost of recovery for services performed by the City and are evaluated to verify that they are similar to other jurisdiction. Milpitas has an on going policy of waiving a portion of development impact fees for affordable housing developments
- *Site Improvements*-Milpitas will continue to monitor and review all housing development projects to make sure that ADA accessibility requirements are being complied with and accessibility and the necessary improvements are incorporated into projects that benefits disabled persons. Milpitas will also give some consideration to necessary special conditions of approval that could potentially burden affordable housing development projects.
- *State Density Bonus Law*- Wherever possible, Milpitas will encourage developers to consider using the State Density Bonus Law which grants 35% increase in the underlining density permitted by the City's provided that the developer agree to: 1) 11% of the units affordable to very low income households, 2) 20% of the units affordable to low income households or 3) 40% of the units affordable to moderate income households. The law also requires that City's consider granting concessions and/or incentives to assist the projects. Concessions and incentives can be financial, reduction of development standards, etc. If the developer agrees to provide the affordability in the project, the developers get to select the type of concession or incentive that would benefit the project.

Given the limited resources and lack of available land, the adequate supply of affordable housing to all income segments of the population continues to create challenges. Low income housing homeownership is extremely difficult given the average costs of housing in the San Francisco Bay Area (approximately: \$750,000) and the ability to obtain financing. Milpitas will continue to implement the stated policies above to encourage and support the supply of affordable housing for low and moderate income households and reduce the unnecessary barriers to affordable housing opportunities.

<b>(High Priority)</b>
Planned Activity:
Five-Year Objective: Continue to support and implement General Plan, Zoning Ordinance, Redevelopment Agency 20% Low income Housing Fund, State Density Bonus, Permit Streamlining, Developer Impact Fees, and Site Improvement policies to reduce the barriers created. To encourage and support affordable housing opportunities to low and moderate income households.
Anticipated Funding Sources: CDBG, General Fund, and Housing Authority, Developer Impact Fees (\$300,000).

***Community and Economic Development Needs (Medium Priority)***

The City of Milpitas works with the Local Chamber of Commerce and the private sector to create job opportunities for minorities, low income persons, homeless persons, and persons with disabilities to find employment. The strongest link that can be made to these existing programs is to find permanent affordable housing for people who earn minimum or below minimum rate, as well as to continue to encourage new businesses to locate in the City. Any future economic development program with federal funds would be in partnership with the existing programs to supplement and leverage existing resources.

The City of Milpitas supports neighborhood beautification and provides code enforcement services to preserve and enhance the quality of life in its residential neighborhoods. The City preservation involves the commitment to public improvements in areas of high concentrations of low and moderate income households. This priority will be identified through the block group area that qualifies as having concentration of low and moderate income households with census block groups.

Milpitas has several on going projects that are being or have been constructed such as the new senior housing, senior center, public library, County of Santa Clara Medical Facility, installation of new playground equipment in city parks, improvements to the Milpitas Sports Center and economic development strategic plan to attract and retain high paying employment jobs. With regards to code enforcement and neighborhood beautification

Code Enforcement is given a high priority under the strategic plan. As part of maintaining a safe and high quality of life environment, it is important that the existing housing stock remains in reasonable good condition. Code Enforcement will be continued through the Fire and Building Departments in regards to identifying substandard housing conditions. Milpitas has adopted a Neighborhood Beautification Program to address many of the aesthetics issues within local neighbors.

<b>(Medium Priority)</b>
Planned Activity:
Five-Year Objective (2012-17): Provide public improvements to concentration of low and moderate income minorities groups, including park improvements, Milpitas Sports Center improvements, ADA sidewalks and ramp improvements for disabled persons and replacements or sewer and water lines as needed.
Anticipated Funding Sources: CDBG and General Fund (\$2,000,000)

***Housing Authority Strategy (Medium Priority)***

The Housing Authority of Santa Clara County provides housing opportunities for low and moderate income households including the residents of Milpitas. To date, 668 Milpitas residents have received Section 8 vouchers Milpitas will continue to work with the Housing Authority to implement the following strategies:

*Strategies*

- *Improve quality of housing choices for low and moderate income households*-Continue to work with the Housing Authority to advertise and promote the variety of housing opportunities that are available to countywide residents.
- *Expand the supply of affordable housing*-Continue to support Section 8 Voucher Program, support Housing Authority’s request for funding to HUD and other Federal and State government agencies, require leveraging of private and other public funding to increase the supply of affordable.
- *Support fair housing services and activities*-Continue to support the Housing Authority policies of affirmative measures to ensure that access to housing opportunities are provided regardless of race, color, national origin, sex, familial status, disability, religion, support efforts to ensure a suitable living environment for all tenants and property owners, support efforts for housing opportunities for special need populations.
- *Promote self-sufficiency programs and services*-Continue to support programs such as Cal Works, WIA Program, Home-Safe, and TANF to provide supportive services to improve assistance, employment opportunities, and other services to improve independence for low and moderate income households, disabled persons and other special need populations.

<b>(Medium Priority)</b>
Planned Activity:
Five-Year Objectives (2012-17): Continue to support the Housing Authority programs and activities to benefit the residents of Santa Clara County.
Anticipated Funding Sources: Federal and State and Housing Trust Fund (\$1,000,000)

***Coordination Among Other Agencies (Medium Priority)***

As part of the development process of the Consolidated Plan, staff from the CDBG entitlement cities as well as the County of Santa Clara meets on an on-going basis to discuss data resources, to address regional issues, and to coordinate obtaining information from both the public and private County wide agencies. These meetings have been extremely beneficial in obtaining information and sharing knowledge and resources as well as providing staff with a better understanding of the county and non-profit social services structure.

Milpitas will continue to work and participate with other cities and the County to address issues of homelessness and other regional issues and concerns. Also as stated above, the cities of Santa Clara County have cooperated in the joint funding of a number of projects that are regional issues such as homelessness and fair housing. This joint funding of projects will continue in order to leverage available resources and carry out projects, which have a regional benefit in a coordinated and equitable manner.

*Strategies*

The City of Milpitas will take the following as they relate to institutional structure with the Consolidated Plan:

- Continue to collaboration with several joint projects within Santa Clara County including but not limited to Fair Housing Task Force, 10-Year Plan to End Homelessness, Youth Homeless Shelter, Housing Trust Fund and Home Safe Housing Project.
- Continue to participate and provide funding for countywide studies to address homelessness, fair housing issues, and other social services, which impacts Milpitas residents.
- Continue to participate in the CDBG quarterly coordination meeting to share knowledge and work collectively with HUD
- Continue to share data, information, reports, studies, demographic and geographic data to benefit the residents of Santa Clara County.
- Continue and support on-going partnership in the public and private sector to address a variety of community needs and objectives.
- Participate in regional efforts to leverage private and local government resources with federal resources for affordable housing and supportive housing and other services for residents of Santa Clara County.
- Continue to provide community outreach and public information about a variety of housing opportunities and social services provided with the county.
- Continue to encourage and support Federal, State, County and local efforts to increase funding opportunities for affordable housing and other types of services.

<b>(Medium Priority)</b>
Planned Activity:
Five-Year Objective (2012-17): Continue coordination and collaboration with local and regional agencies to address a variety of social and economic issues for low and moderate income households.
Anticipated Funding Sources: CDBG, General Fund, State Grants, and Private Sector
(\$100,000)

## CHAPTER 5

### ACTION PLAN 2012-2013

CITY OF MILPITAS  
Community Development Block Grant (CDBG) Annual Action Plan  
(FISCAL YEAR 2012-2013)

Pursuant to the Department of Housing and Urban Development (HUD) funding requirements and in conformance with 24 CFR Part 91-Consolidated Submission for Community Planning and Development Programs, City of Milpitas has prepared and will be adopting its 2012-2013 Action Plan. The Action Plan is submitted annually and describes the eligible programs, projects and activities to be undertaken with funds that are expected to be made available during the Fiscal-Year 2012-2013 and their relationship to the City's priorities for housing, homelessness and community development needs.

In June 2007, City of Milpitas submitted its Five Year Consolidated Plan (2007-2012) to HUD. The Milpitas Consolidated Plan has been reviewed and approved by HUD. The Consolidated Plan identifies the long term goals and objectives achieved and consistent with the annual Action Plan Report. Included with the submission of the Action Plan is the Standard Form 424, Proposed Projects and Certifications as required by Community Development Block Grant (CDBG) Program regulations. The goals and objectives identified in the Milpitas Action Plan are in full compliance with the approved and adopted policies and procedures outlined in the Milpitas CDBG Citizen Participation Plan.

Currently, Milpitas is in the process of preparing its Five Year Consolidated Plan for 2012-2017. It is anticipated that the Consolidated Plan be submitted to HUD by June 30, 2012. Also, City of Milpitas General Plan Housing Element (2009-2014) was previously certified by State of California Department of Housing and Community Development (HCD) in September 2010.

#### *Response and Comments on the Milpitas Draft Action Plan*

Any comments on the City of Milpitas Draft Action Plan should be sent to the following address before April 16, 2012 (all mail must be postmarked by this date):

Felix J. Reliford, Principal Housing Planner  
City of Milpitas-Planning and Neighborhood Services  
455 E. Calaveras Blvd.  
Milpitas, CA 95035  
E-mail address: [freliford@ci.milpitas.ca.gov](mailto:freliford@ci.milpitas.ca.gov)  
(408) 586-3071

#### *Part I: Resources*

Milpitas will continue to pursue and encourage local non-profit housing and support service agencies to pursue all available public and private funding to achieve the Consolidated Plan goals. It is expected that funding from a combination of federal, state, and local sources will be used to pursue the majority of the identified public services and housing strategies. Milpitas will also encourage non-profit entities to work with financial institutions and develop plans for leveraging private and public funds to the maximum extent possible considering the specific project involved. Funding resources will be coordinated and leveraged whenever possible to maximize their potential.

Before awarding funds for projects to be carried out by other entities, Milpitas will review the project financing plan to ensure that all agencies are utilizing all available funding and are leveraging funds to the maximum extent possible. Milpitas will not adhere to any specific matching requirements for use of the City CDBG funds. Milpitas will continue to require organizations to make the maximum effort to match City's funds through other public and private sources on a minimum one to one ratio (whenever possible).

Where this matching standard is not achieved, the non-profit organization will be required to provide a detailed listing of the resources pursued and the reasons and rationale for the lack of matching funds. Milpitas CDBG funds will only be awarded for a project, if Milpitas determines the non-profit entity pursued all available resources for the project and due to the nature of the project, the matching standard could not be achieved.

The following sections identify some of the major resources to be pursued by Milpitas, local non-profits, County of Santa Clara and other eligible resources. Milpitas will continue to encourage local non-profit agencies to pursue all available funding resources, which may be applicable to their particular project. Milpitas will also continue to monitor these programs, projects and activities to promote its housing and community development goals and objectives through active policy development and use of available federal and non-federal funding sources.

### *Federal Programs*

#### *Community Development Block Grant (CDBG) Funds*

The CDG Program will provide the largest funding source to provide a variety of support services and housing for low and moderate income households in Milpitas. City of Milpitas receives its own grant through the CDBG program. It is estimated that Milpitas' 2012-2013 CDBG allocation will be \$390,716 Milpitas will also receive a substantial amount from the repayment of loans in the amount of approximately \$50,000 in Program Income from the Single Family Housing Rehabilitation Loan Program.

The loans from the rehabilitation program serve as a revolving loan fund that will go back into the program. Also, Milpitas has \$5,352 to be reprogrammed from the CDBG prior year. The total estimated CDBG funding for FY 2012-2013 would be approximately \$446,068 (\$390,716 CDBG Grant, \$50,000 Program Income and \$5,352 CDBG prior year funding).

### *HOME Program*

Milpitas may be seeking other financial resources to assist in financing affordable housing projects. This process may include the formation of a consortium with other cities in Santa Clara County (including Cupertino, Gilroy, Palo Alto and County of Santa Clara) Because Milpitas' has never received a direct allocation of HOME funds from HUD, funding will be requested from the State of California under its competitive HOME Investment Program. Milpitas staff has attended several HOME Program seminars and workshops to become familiar with the regulations and requirements of the program.

### *Section 8 Rental Assistance Program*

This program provides rental assistance payments to private owners who lease their units to assist low moderate income families. Milpitas will continue to support and encourage the Santa Clara County Housing Authority (SCCHA) efforts to obtain Section 8 vouchers for residents of Milpitas. Milpitas is negotiating with affordable housing developers to obtain their participation in accepting Section 8 vouchers in future affordable housing projects. Currently, a total of 613 Milpitas families have Section 8 vouchers. Another 1,866 families are on the Housing Authority waiting list. It should be noted that when the Housing Authority has opened up their Section 8

Voucher Waiting (again), Milpitas residents will be notified of this housing opportunity with notices on the City's Website and Cable TV.

*Section 220 and 221 (Low Income Housing Preservation and Resident Homeownership Act of 1990 -LIHPRHA)*

Milpitas has worked with the property owner, Santa Clara County Housing Authority and HUD to maintain long term affordability for the 171 units at Sunnyhills Apartments. Under the current agreement the units will remain affordable. City of Milpitas will continue to monitor the status of this project to maintain affordable housing opportunities for its residents and to ensure long-term affordability.

*Low Income Housing Tax Credit Program (LIHTC)*

Milpitas will continue to explore financing affordable housing projects with Low Income Housing Tax Credits (LIHTC). Milpitas will work with local housing developers to seek additional funding to close any financing gap for affordable housing projects. Milpitas will also work with local housing developers on pursuing and obtaining 9% and 4 % LIHTC to finance future affordable housing projects. Milpitas will also continue to assist several of the affordable housing developers applying for low income housing tax credit to financial assist their projects.

Milpitas has worked with and supported Mid-Peninsula Housing Coalition on obtaining \$20 million in tax credits to finance the 103 unit senior affordable housing project. The City of Milpitas Redevelopment Agency also provided \$15.6 million to financially assist the project. Milpitas has also worked with and supported Global Premier Development on obtaining \$24 million in tax credits to finance the proposed 101-unit apartment 100% affordable rental housing project. The City of Milpitas has provided a \$2.3 million loan and payment of developer impact fees to support this project.

Milpitas will continue to work with and support housing developers that are seeking funding from the Low income Housing Tax Credit Programs

*State Programs*

*Proposition No. 46*

In November 2002, the voters of the State of California approved Proposition No. 46-a \$2.1 billion housing bond allocation for funding (grants, loans, etc.) for various types of affordable housing projects. Most of the State funding requires that each city or county has its General Plan Housing Element, approved and certified (in full compliance with state housing laws) with the State of California-Department of Housing and Community and Development (HCD). The City of Milpitas Housing Element was approved and certified by HCD in September 2010

The Transit Area Specific Plan is based on the Transit Oriented Development (TOD) planning concepts and designs that are consistent with the City of Milpitas Transit Area Plan which consists of permitting higher densities within ¼ miles of transit stations, encourage pedestrian friendly walkable community and include approximately 5,500 new dwelling units and 280,000 square feet of commercial retail (See Attached Map-Transit Area Plan).

*California Housing Finance Agency (CHFA)*

Milpitas will continue to explore a series of affordable housing programs offered by the California Housing Finance Agency. This agency was created in 1975 to help meet the State's need to provide affordable housing to low and moderate income persons and families. CHFA provides below market interest rate mortgage capital through the sale of tax-exempt notes and bonds. This agency provides below market rate financing for single family and multi-family housing as well as multi-family rehabilitation loans. CHFA has also recently offered funding through their Help Program.

Milpitas has also has it's Property Values Resale and Restriction Agreement and Option to Purchase affordable housing documents reviewed and approved in July 2005 by CHFA, which provide an opportunity to leverage Milpitas funds with additional financial resources from this state agency. To date, approximately 68 Milpitas first-time homebuyers have been assisted with the use of CHFA funding.

#### *State Allocated Tax Credits- (Low income Housing Tax Credit)*

Milpitas will continue to work with and assist developers in applying to the State for allocation of tax credits to finance low income rental housing developments. The tax credits are syndicated to corporations in exchange for project equity.

#### *HOME Program*

The City of Milpitas in conjunction with USA Properties submitted a HOME Program funding application for \$2 million for financial assistance for Apton Plaza- 91 units of multi-family affordable housing for very low and low income households. Milpitas also allocated \$3.75 million from the City's redevelopment agency 20% housing funds to support the project. Unfortunately, do to the extremely competitive nature of the HOME and Tax Credit funding programs, the project did not receive the HOME funds and the project was later determined to be economically infeasible based on the downturn in the housing market.

Milpitas is currently considering joining a consortium of cities in Santa Clara County (Gilroy, Cupertino and Palo Alto) to apply for Home Funds.

#### *Mortgage Revenue Bonds*

Milpitas can apply to the state for authority to issue tax-exempt mortgage revenue bonds for the purpose of funding affordable housing development. Milpitas has authorized tax-exempt mortgage revenue bonds to assist the developer at the Milpitas DeVries Place Senior Housing Project which provides 102 extremely and very low income housing units.

#### *Mortgage Credit Certificates (MCC's)*

Milpitas has participated with the County of Santa Clara in its application to the state for an allocation of Mortgage Credit Certificates, which provides a tax credit to subsidize the mortgage interest rate for qualified first-time homebuyers. However, the overall number of MCC's in Santa Clara County has been substantially reduced over the past several years.

#### *Local Programs*

##### *Redevelopment Agency*

Since its existence, Milpitas Redevelopment Agency (RDA) has allocated approximately \$60 million to acquire, construct, and develop affordable housing within the City of Milpitas. To date, Milpitas' Redevelopment Agency has assisted in financing 1,050 affordable housing units.

Previously Approved and Constructed Affordable Housing Units and Funding Allocation

The Crossing Apartments at Montague	94 rental units	\$2 million
Parc Metropolitan	28 for sale units	\$1.5 million
Parc Metropolitan	68 rental units	\$1 million
Summerfield Homes	22 for sale units	\$3 million
Montevista Apartments	306 rental units	\$3 million
Terrace Garden	150 rental senior units	\$16 million
DeVries Place (*)	103 rental senior units	\$15.6 million
Parc North	58 for sale units	\$3.7 million
Edsel Court	4 existing rental units	\$200,000
Town Center	16 for sale units	\$1 million
KB Homes	100 units (for sale/rental*)	\$4.2 million
Centria Development	93 for sale units	\$1.2 million
Paragon Development	29 for sale units	\$1.2 million
Aspen Apartments	101 rental units	\$2.4 million

The following residential projects have been approved by City of Milpitas and will include affordable housing units:

<b>Approved Projects (Construction Start)</b>		
Senior Housing Solutions (**)	10 rental units (seniors)	\$1.5 million
Murphy Ranch	44 for sale/88 rental units	N/A (***)
South Main Senior Lifestyles (**)	63 senior units	\$8.5 million
	<b>Total</b>	<b>1,387 Affordable Housing Units</b>

(\*) Including 103-unit rental Senior Apartment Complex to extremely low and very low income financial assistance for this project and \$5 million from KB Homes and \$1 million from County of Santa Clara.

(\*\*) Including loans/grants for property acquisition, rehabilitation and affordability.

(\*\*\*) No financial assistance provided to project.

<b>Down payment assistance to for long-term affordability</b>	
Parc North	\$98,000/\$50,000 (very low and low income)
Town Center	\$50,000 (moderate income and rehabilitation of 4 units)
KB Homes	\$50,000 (moderate income)
Centria	\$35,000 and \$75,000 (low and very low income)
Paragon	\$133,000 (very low income)

If all of the proposed projects stated above are developed over the next 2-3 years, City of Milpitas will have approximately 1,514 affordable housing units under long-term restriction agreements.

However, it should be noted that effective February 1, 2012, State of California has eliminated Redevelopment Agencies statewide and future funding for affordable housing projects based on the 20% Set-Aside Low income Housing no longer existing. Senate Bill 654 may allow Redevelopment Successor Agencies (Milpitas Housing Authority) to keep the existing balance in the low income housing set-aside fund; however, this proposed legislation has not been approved. The elimination of redevelopment as a financial tax increment vehicle will substantially impact the ability to provide affordable housing within Milpitas and statewide.

#### *Housing Rehabilitation Loan Program*

This program funded from CDBG funds provides low interest rate loans and grants to very low and low income property owners through the Milpitas Housing and Rehabilitation Loan Program.

The Housing Rehabilitation Loan Program provides up to 90% of the home equity value/per household for home improvements and repairs. Annual program income (revolving loan funds) goes back into the program to assist future low and moderate income property owners. City of Milpitas anticipates approximately \$50,000 in Program Income from the rehabilitation loan program.

#### *Santa Clara County Housing Trust Fund*

City of Milpitas has participated and financially supported the Santa Clara County Housing Trust Fund to raise \$20 million to construct a variety of affordable housing types for: 1) first-time homebuyers, 2) multi-family rental apartments and 3) housing and support services for the homeless population. Milpitas has allocated \$1.1 million towards the Housing Trust Fund. Funding includes the following:

- First-Time Homebuyers Program-creating 2,089 new first-time homebuyers which includes 451 teachers, 227 engineers including 451 teachers, 227 engineers, 118 health care professionals and 623 public employees.
- Developer Loan Program-assisting and helped 1,643 families.
- Homelessness Prevention Program-assisted 4,110 families and individuals with housing needs.

Since its conception since 1999, the Housing Trust has raised approximately \$36 million and has leveraged this amount to over \$1.32 billion to create 7,842 housing opportunities for families and individuals within Santa Clara County (see Housing Trust of SCC-attachment).

To date, a total fifty-four (54) loans in the amount of \$493,620 were approved for Milpitas First-time Homebuyer residents with low interest rates from the Housing Trust Fund of Santa Clara County. City of Milpitas has worked with the Santa Clara County Housing Trust Fund and Mid-Peninsula Housing Coalition (developer of the Milpitas Senior Housing Project) to obtain \$500,000 funding for the DeVries Place. Milpitas also provided \$150,000 to fund the acquisition of a 5-Bedroom Single-Family Home for 5 extremely low income seniors in Milpitas. An additional \$150,000 was allocated by City of Milpitas in the fall of 2009 for another home for extremely low income seniors. The North Park Victoria home has been completed and occupied by Milpitas seniors.

### *Second Mortgage Program*

Milpitas has adopted a Second Mortgage Program to assist first-time homebuyers with their down payments on several affordable housing projects including Apton Plaza, KB Homes, Town Center, Parc North, Centria, and Paragon. Approximately, \$4.6 million has previously been allocated from City of Milpitas Redevelopment Agency 20% Low and Moderate Housing Set-Aside Fund to assist first time homebuyers with the down payment. The City of Milpitas is also negotiating with several other developers to increase the general affordable housing stock citywide. Future housing projects will include for-sale units for all income levels and additional senior affordable housing projects.

### *Affordable Housing for MUSD Teachers*

Milpitas has worked with Milpitas Unified School District (MUSD) to provide affordable housing units for qualified schoolteachers. A certain percentage of the affordable housing units in selected projects (rental and for-sale) will be allocated for Milpitas Unified School District teachers. The Centria and Paragon projects (very low and low income units) will provide an opportunity for MUSD teacher to purchase affordable housing in Milpitas.

Recently, KB Homes reduced their purchase price of their affordable condominium units from \$299,000 to \$226,500 (1-bedroom) and \$330,000 to \$246,500 (2-bedroom). The City of Milpitas Redevelopment Agency will also provide a \$50,000 low-interest rate loans for first-time homebuyers. The purchase price for these units appears to be affordable for Milpitas Unified School District teacher salaries. Milpitas has provided a presentation and applications to MUSD.

### *Payment of Development Fees for Affordable Housing Projects*

Milpitas has continued to waive or subsidize a portion of development impact fees to support and encourage developers to provide affordable housing. To date, the Milpitas Redevelopment Agency has paid approximately \$5.3 million of development fees to increase the supply of affordable housing throughout the community. The Milpitas Redevelopment Agency has paid developers impact fees in support of affordable housing.

### *Milpitas Mobile home Park Rent Control Ordinance*

Milpitas has 527-mobilehome park units located in three separate parks throughout the city. Since 1992, Milpitas has adopted a Mobile home Park Rent Control Ordinance, which maintains affordable rents for resident tenants. The Rent Control Ordinance serves as a means to provide affordable housing units.

In October 2007, Milpitas City Council reviewed and approved the South Main Street (45 spaces/units) Mobilehome Park Conversion Impact Report, which establishes the guidelines for the closure of the South Main Street Mobilehome Park. Pursuant to State Law, after the approval of the conversion impact report, tenants of the mobilehome park were given 6 months to vacate the site. A relocation benefit package up to \$9,500 was offered to tenants of the park to assist in their relocation costs.

The City of Milpitas negotiated with the developer to allow families with children to stay beyond the 6 month time period to complete the school year. Also, the residents of the mobile home park to have the first right of first refusal for the new apartment units that will be built on the site and the 100% affordable Aspen Apartments adjacent to the site.

Currently, this site has been approved 387 multi-family units (South Main Senior Lifestyles) in which 180 units will be available for senior housing providing continuum of services from independent to assisted living. A total of 63 of the 180 senior units will be affordable to lower income seniors. Milpitas Redevelopment Agency has provided financial assistance in regards the purchase of the property and the 63 affordable senior units. Milpitas has provided \$5.8 million to financially assist this development.

## Private Resources

### Private Lending Institutions

Milpitas will continue to encourage private lending institutions to become involved in assisting in the development of low and moderate income housing. The Community Reinvestment Act (CRA) encourages and assists the institutions they regulate to assist affordable housing projects. Milpitas has negotiated Disposition Development Agreement (DDA) and an Owner Participation Agreement (OPA) with developer to provide financial assistance and to insure long-term affordability of housing units.

Several affordable housing developers will be using private resources and other types of conventional lending to financially assist with their projects.

### Geographic Distribution

All of the proposed activities for fiscal year 2012-2013 will be implemented Citywide and will not be targeted to any particular areas of the City. However, minority groups will benefit from CDBG resources from particular programs, services, and housing activities as needed. The specific geographic areas in which Milpitas will provide direct assistance with CDBG funds during the 2012-2013 fiscal year contains high concentrations of minority population including Asians, Hispanics and Blacks. Since the Milpitas Redevelopment Project Area has expanded, there will be a greater opportunity to assist minority groups and populations living within these areas.

The rationale for targeting these minority groups for allocating CDBG funds are based on financial, social, and economic needs of several working class neighborhoods. These neighborhoods, such as Sunnyhills, Selwyn, Shirley and Dempsey Road, Temple and Calaveras Blvd., have high concentrations of minority populations. They have and will continue to benefit from the allocation of CDBG funds through the Housing Rehabilitation Loan Program, City of Milpitas Recreation Department Programs, Alum Rock Counseling Center, and Filipino Youth Coalition, Adult Day Care Services, Health Trust, Milpitas Food Pantry, Milpitas Unified School District-Literacy Program, Next Door Solutions, and Project Sentinel. Special need populations such as female headed households, seniors, youth's at risk, handicapped teens and homeless population are several groups that will receive funding.

*According to 2011 Statistical Research Data Milpitas Minority Population consisted of the following:*

Ethnic Groups	Total Population	% of Total Population
Black or African American	2,432	3.4%
Asian	42,215	59%
Hispanic or Latino (of any race)	8,676	12.1%
White (Non Minority Population)	17,100	23.9%
American Indian/Alaska native	352	0.5%
Native Hawaiian/Pacific Islander	777	1.1%
<b>TOTAL</b>	<b>71,552</b>	<b>100%</b>

According to the Statistical Research Data, City of Milpitas population for 2011 was 71, 552. This presents an increase from 70,812 (1%) from 2010.

### *Leveraging Plan*

For all CDBG programs and activities funded by Milpitas will support applications by other entities for public and private sources of funding. In the case of matching requirements for a funding source, Milpitas will utilize its CDBG funding and other local funds as available and appropriate. To maximize leveraging of its own funds and increase the funds available for housing, Milpitas plans to continue the following activities:

- Support the purchase, rehabilitation and construction of affordable units by non-profit and for profit housing developers and to provide financial assistance whenever possible.
- Provide support and encourage non-profit, community based housing developers and service providers to low and moderate income person(s) and households.
- Promote private sector rehabilitation with the CDBG Housing Rehabilitation Program.
- Promote joint development with other governmental or quasi-governmental agencies to implement community development programs.

Milpitas has participated in joint projects such as the Countywide Fair Housing Report, Santa Clara County Housing Trust Fund and Emergency Housing Consortium Shelter, Homeless Runaway Youth Housing and Countywide Fair Housing Task Force projects. The City of Milpitas has participated in the “Santa Clara County Fair Housing Month” held on February each year sponsored by the Santa Clara County Association of Realtors. Milpitas has also participated in the County of Santa Clara Office of Affordable Housing Homeless Survey that was conducted in January 2011. These are just a few examples of how the City of Milpitas has leveraged its funds to address housing needs and other supportive services.

### *Part II: Activities to be undertaken*

Milpitas has participated in the Community Development Block Grant Program for the past twenty- seven years, and is completing its thirteen year as an entitlement city. Increased funding as an entitlement city has allowed Milpitas to expand or consider creating programs, which will further enhance the quality of life for its citizens.

It is anticipated that Milpitas will receive \$390,716 from HUD upon the acceptance of this Action Plan and the accompanying certificates for FY 2012-2013. Furthermore, it is anticipated that Milpitas will receive approximately \$50,000 program income from regular scheduled payments made on past housing rehabilitation loans and a total of \$5,352 will be available from the previous program year. The total estimated CDBG funding for FY 2012-2013 would be approximately \$446,068.

### *Homeless and Other Special Needs Activities*

For fiscal year 2012-2013 Milpitas has committed a portion of its Community Development Block Grant Program funds to non-profit agencies providing services to the homeless, those at risk of being homeless and homeless households with children or other special needs. A narrative is provided below of the activities that are aimed at assisting the City’s homeless population.

To address emergency shelter and transitional housing needs of homeless individuals and homeless families, Milpitas will continue to:

- Continue to support the Emergency Housing Consortium, which will be constructing a Shelter for Homeless and Runaway Youths. The project consists of Phase II completion of the construction of the “Our House Youth Program” to serve as an emergency shelter, drop in center and transitional housing for 400 homeless, runaway and throwaway youths in Santa Clara County. The City of Milpitas provided CDBG funding for Phase I of this project several years ago.
- Provide CDBG funds to the Emergency Housing Consortium (EHC) for providing temporary shelter to 700 nights of supportive shelter to 21 unduplicated homeless Milpitas residents.
- Milpitas has also provided CDBG funding to EHC for the past 18 years, including the development of a 50 unit shelter (224 beds) for the homeless, former homeless and at risk low income families.
- Live Oak Adult Day Services, which provides adult day care for 12 frail, dependent at risk senior residents in Milpitas day care facilities. Caregiver respite and support services includes, case management, counseling and referrals and socialization opportunities.
- Continue to monitor the risk of the Sunnyhills Apartment Complex being converted to fair market rate units. Milpitas will also work with the property owners, local non-profits, Santa Clara County Housing Authority, and HUD to maintain the complex as affordable shared housing and thus prevented the displacement of the existing residents.
- Fund Project Sentinel, which operates a tenant/landlord mediation program and helped resolve over 225 tenant/landlord disputes, prevented unnecessary evictions of tenants and handled 65 fair housing complaints and investigations. This program also provides tenants with information and referral services on tenant/landlord issues.

In order to help homeless persons, including those with special needs, to make the transition to permanent housing and independent living, the following activities will be carried out:

Milpitas will continue to fund the operation of a variety of support services. These services help individuals with basic necessities until they are able to provide for all of their needs on their own including Milpitas Food Pantry (which provides food to over 3,150 persons), Milpitas Senior Nutrition Program and Alum Rock Counseling Center Crisis Intervention Program. These services include providing free bags of food to low income households, counseling, and information and referral assistance to help individuals find services most suited to their particular needs.

#### *County of Santa Clara Homelessness Task Force*

Milpitas is also participating in the County of Santa Clara Task Force to End Homelessness in 10 Years. The Homelessness Task Force was established by Santa Clara County Board of Supervisors, which consists of elected officials, County Departments (Mental Health, Social Services, Alcohol and Drugs, Corrections, Sheriff, and Office of Affordable Housing-including County Homeless Coordinator), Homeless Advocates, Community and Business Leaders and Funders.

The goals of the Homelessness Task Force will be to come up with a comprehensive strategy to address the homeless problem in Santa Clara County over the next 10 years. The consulting firm of Home Base (San Francisco) has been hired to assist the Task Force. Home Base has started to conduct initial surveys of the homeless population within the county. Homeless individuals were employed to help with the count as well as with the survey and people were paid \$5 for completing the survey.

The County has also started several initiatives including the launching of a County Homeless Management Information System, which allows for a single shared database of homeless services, as well as the allocation of more than \$10 million to 14 new affordable housing projects. Milpitas has participated in the Countywide Homeless Survey conducted by the County Office of Affordable Housing in January 2011. Recently, the County of Santa Clara Countywide Collaborative on Affordable Housing and Homeless Issues were awarded \$10 million to provide continuing on going supportive services and permanent and transitional housing.

### **Activities to Assist Non-Homeless Persons with Special Needs**

#### *Senior Citizens*

- Provide funding for Milpitas Senior Housing Project (Terrace Gardens) for replacement of resident kitchen cabinets, countertops and fixtures to increase the livability of the units. A total of 188 Milpitas senior residents reside in the senior housing project.
- Senior Adults Legal Assistance program provides free civil legal services to 38 senior citizens within Milpitas.
- Through the funding of Catholic Charities-Independent Living Senior Services Program, 95 seniors will be provided services specific to their needs in order to assist them to remain independent in their homes for as long as possible.
- Milpitas Senior Center provides limited transportation, nutrition program, and a variety of recreational activities for senior citizens. An average of 96 meals is served per day.
- Providing funding for The Health Trust for nutritionally balanced home delivered hot daily meals for 5 homebound Milpitas seniors.
- Provide funding to renovate two neighborhood parks (Augustine Park and Pinewood Park) with the design and construction of ADA compliance pathways to improve and enhance accessibility to both parks for disabled persons.

#### *Female Headed Households and Victims of Domestic Violence*

- Next Door Solution-Provides shelter for up to 30 days for battered women and their children who are in immediate danger and have nowhere else to turn. A total of 105 Milpitas residents are anticipated to benefit from these services.
- Milpitas Unified School District Literacy Program Provides reading readiness and modeling of book cuddling with toddlers and infants is modeled for parents. The goal of the program is to provide resources and training for 70-80 families to assure kindergarten readiness and school success. This is accomplished through weekly classes for parents and preschool aged children followed by exchanging of book bags containing four books. Two Family Library nights are held to introduce families to library services

#### *Youths*

- Alum Rock Counseling Center-Provides 24 hour mobile crisis intervention counseling services for low income minority at-risks youths and their families. A total of 22 Milpitas youths will benefit from these services.
- Santa Clara Family Health Foundation Provides comprehensive medical, dental, vision, mental health coverage for

10 low income uninsured children. Subsidies to low income youths and seniors to participate in Milpitas recreational programs, services and activities.

- Milpitas Recreation Assistance (RAP) Program- This program provides subsidies for low income children to participate in Milpitas recreation programs at the Milpitas Sport Center. A total of 125 Milpitas children will receive assistance.

#### *Other Actions*

The most significant obstacle to addressing the underserved needs for fiscal year 2012-2013 is the lack of sufficient federal, state, and local funds to carry out all the necessary programs, activities and projects.

#### *Remove Barriers to Affordable Housing*

For fiscal year 2012-2013, Milpitas will continue to work with agencies involved in carrying out affordable housing projects. Milpitas will support and assist through neighborhood and tenant community meetings, flyers, cable TV, and City's website to inform the public about the proposed housing projects and support housing services.

Milpitas will continue to provide CDBG funds to Project Sentinel who provides information and dispute resolution services to Milpitas tenants, mobile home owners and landlords. Milpitas will continue to monitor its long term restriction agreements for affordable housing compliance.

Milpitas will continue to implement its Mobile home Rent Control Ordinance (1992), which limits the increase in rents that can be charged to tenants. Approximately 70% of tenants in the mobile home parks are senior citizens.

Milpitas will continue to review its permit processing procedures to assist in expediting the review and approval of all affordable housing developments. Milpitas has addressed governmental constraints to housing within its updated Housing Element. Milpitas has adopted its General Plan Housing Element, which establishes the five year housing goals, policies and objectives, and the Midtown Specific Plan, to assist in developing approximately 5,000 mixed types of housing units to meet the ABAG Regional Fair Share Allocation.

Appropriate densities (up to 60 dwelling units/per acre with ¼ mile of Transit Overlay Districts and 20 to 40 dwelling units per acre in other areas- minimum densities permitted) are including provide multi-family housing for large and extended family households. The Transit Area Plan is anticipated to accommodate densities that would allow up to an additional 5,500 new dwelling units (excluding the proposed 3,000 units from the Midtown Specific Plan). The Milpitas Planning Commission and City Council have approved both plans.

The Centria, Paragon, Senior Lifestyles, Aspen and South Main Street projects, approved under the Midtown Specific Plan, will have 1,387 units, which will include 238 affordable units, which have been approved within the Transit Overlay District Area. City staff has also met with other developers regarding future high-density residential development projects within this area.

In September 2010, the Milpitas General Plan Housing Element was certified by the State of California, Department of Housing and Community Development (HCD) and found to be in compliance with the State Housing Laws. The Housing Element is a comprehensive long-term plan to address the housing needs of Milpitas. The document identifies and analyzes the existing, and projected housing needs of the City and states goals, policies, quantified objectives and implementation programs for the preservation, improvement and development of housing.

Milpitas continues to streamline its permit processing by expediting the approval process for affordable housing projects. Staff meets with housing developers at an early stage in the development review process to address any potential issues or problems associated with the proposed project. Problems are dealt with at the early stage in the project review to prevent unnecessary and costly delays.

## *Analysis of Impediments to Fair Housing Report (AI Report)*

In May 2011, City of Milpitas updated and adopted its Analysis of Impediments to Fair Housing Report. Milpitas is currently addressing those issues of impediments to fair housing choices that have been identified in the report. The updated Analysis of Impediments to Fair Housing Report examines policies and practices limiting a resident's ability to choose their housing in an environment free from discrimination. The AI report identified a series of recommendations that the City has implemented to reduce discrimination in housing. These recommendations include:

1. *Demographics*- Continue to increase the distribution of fair housing pamphlets and brochures in multiple languages.
2. *Housing Stock* -Continue to carry out plans for high density development in the Midtown and Transit Specific Plan Areas and continue to the use of the density bonuses and monitoring the conditions of the City's housing stock.
3. Land Use and Zoning
  - a. Maintain awareness of HUD policy and update code if necessary for group homes.
  - b. Continue to monitor the State regulations for group's homes of 7 to 12 persons.
4. *Public Policies and Housing Affordability*-Continue to implement the affordable housing policies outlined in the Milpitas Midtown/Transit Specific Plan, HUD's 5 Year Consolidated Plan and the General Plan Housing Element, which encourages and supports affordable housing.
5. *Advertising*-Continue to regularly monitor the Milpitas Post and San Jose Mercury News for discriminatory real estate advertisements.
6. *Cases of Housing Discrimination*-Increase outreach efforts to all segments of the population and target the City's Asian community
7. *Awareness of Local Fair Housing Services*-Increase the amount of outreach made to housing legal and social services agencies, develop systematic plan to follow up with agencies upon completion of outreach programs, update the City's website to include information about Fair Housing Law, fair housing services and provides links to websites of agencies that investigate fair housing discrimination (i.e. Project Sentinel).

### **The City of Milpitas continues to take the following actions to address the recommendations in the AI Report:**

1. *Demographics*-Milpitas will continue to embrace the cultural diversity of its residents. Milpitas Senior Center offers a variety of different recreational services to senior citizens, which include ethnic celebrations for various cultures, arts and crafts, and special lunches. Previously, Milpitas conducted a community meeting on the Senior Needs Assessment Study. The meeting was conducted in three different languages (Chinese, Vietnamese, etc.) at the Milpitas Senior Center for the benefit of the participants. Milpitas Recreation Division holds several ethnic celebrations and festivals throughout the year to embrace ethnic diversity in the community.

Milpitas offers Thai Chi (reduce stress relaxation exercises), and Shiatsu Massage classes. Milpitas also translates many flyers, brochures, and other forms of outreach and advertising (including fair housing programs and services) in several languages. Milpitas funds a variety of agencies that provides services to different cultural groups such as Asian American Recovery Services, Filipino American Opportunities Development, and Indo American Community Service Center.

As stated above, Milpitas is an ethnically diverse community; with many of its residents foreign born, so English is not their native language. The City will continue to fund and encourage these types of programs and activities among different cultural groups. Milpitas will continue to work with Project Sentinel to increase the distribution of fair housing pamphlets and brochures in multiple languages.

2. *Housing Stock*-Milpitas has worked with housing developers to produce 1,387 affordable housing units with long-term affordability restrictions for very low, low and moderate income households. Incentives such as waiver or subsidy of development impact fees, density bonus ordinance, use of redevelopment agency funds for grants and loans have been

used to encourage developers to construct affordable housing.

3. **Land Use and Zoning**-To date, Milpitas has changed the zoning of over 1,000 acres of land from commercial and industrial to residential and mixed use developments. Milpitas has expedited those applications proposing affordable housing developments during the review process. Milpitas has taken several land use and zoning actions to permit and encourage development of affordable housing including: 1) adoption of a density bonus ordinance to encourage multi-family developments. Milpitas will be amending its Zoning Ordinance to incorporate the new State Law as it pertains to the new density bonus regulations 2) expediting development applications for affordable housing projects, 3) providing CDBG grants to Service Providers for transitional and permanent housing for the homeless, 4) negotiated with private developers on providing affordable housing units in their private development projects, 5) waiving and/or subsidizing development fees to offset the cost to provide affordable housing units, 6) adoption of a Rent Control Ordinance to maintain affordability for 527 mobilehome units, 7) provide informational seminars on affordable housing and 8) allocating redevelopment funds to assist in providing affordable housing units.
4. **Zoning Ordinance Amendments**-Milpitas will be amending its Zoning Ordinance pursuant to the certified Housing Element Implementation Plan. The plan requires the approval of zoning amendments to allow homeless shelters, transitional and permanent supportive housing, farm worker housing and single room occupancies (SRO's) by "right" instead of the conditional use permit process.
5. **Public Policies and Barriers to Affordability**-The Milpitas General Plan Housing Element, Five Year Consolidated Plan, the Midtown Specific Plan and the Transit Area Plan include specific policies, goals and objectives to support and encourage the development of affordable housing to low and moderate income households. The Milpitas Redevelopment Agency provides the following housing opportunities as it relates to public policy and barriers to affordability:
  - **City of Milpitas Housing Rehabilitation Program**-Over the past nine years, this program has provided approximately \$3.1 million for rehabilitation loans to very low and low income homeowners.
  - **Emergency Housing Consortium**-CDBG funds provide shelter, housing opportunities and supportive services for homeless individuals, families and youths.
  - **Project Sentinel**-The program investigates housing discrimination and provides fair housing and tenant-landlord mediation services.
  - **Transit Overlay District**-This zoning ordinance overlay district was established to encourage and support high density residential development within ¼ mile of transit stations (including an additional 5,500 new units).
  - **Section 8 Program**-Milpitas supports, encourages and provides public information to residents that are looking to participate in the Housing Authority of Santa Clara County. Notices will be provided to Milpitas residents when the Section 8 Program Waiting Lists opened to the general public.
  - **Disabled Accessibility**-Milpitas provides developers with an accessibility checklist when constructing new housing units. Funds from Santa Clara County Fair Housing Retrofit Funds will also be used to leverage city funds for ADA compliance. Milpitas also provides funding for Rebuilding Together, which makes ADA home repairs and improvements.
  - **Housing Affordability**-Milpitas will continue to provide financial assistance to housing developments, which provide a certain percentage of their units to low and moderate income households. The Milpitas Redevelopment Agency will also provide down payment assistance with the Redevelopment Agency 20% Low income Housing Set-Aside Funds for first time homebuyers
  - **Green Building Ordinance**-In summer of 2009, Milpitas adopted standards and procedures to assistance households (included lower income households) on energy efficiency and making home costs more affordable.

- *Housing Element Implementation Plan*-The follow-up to the certified Housing Element requires Zoning Ordinance amendments to permit homeless shelters, transitional and permanent, farm worker, and single room occupancy uses by “right”.
6. *Advertising*- Milpitas will continue to monitor discrimination in local housing advertisement that may uses unfair models. Milpitas has worked with Project Sentinel to provide fair housing services which includes flyers, brochures (in different languages), educational materials to local newspapers, meeting with local landlords to explain tenant/landlord fair housing rights, etc. Milpitas will also continue to monitor other forms of discrimination relating to people with disabilities, familial status, and families with children and senior citizens.

7. *Cases of Housing Discrimination*-Between July 1, 2007 and June 30, 2011, Project Sentinel conducted 89 investigations that were filed on the basis of housing discrimination in the City of Milpitas. The majority of cases involved discrimination on the basis of handicap/disability and ethnicity. The high percentage of cases filed on the basis of disability could be the result of greater public awareness of housing discrimination. Since both the FHAA and ADA are relatively new legislation; the public is learning about the new policies and gaining knowledge of where to file a complaint. The majority of these cases investigated were counseled, meaning that no significant evidence of housing discrimination was found. Even though 47% of the cases investigated displayed compliance with the Fair Housing Law, the investigation of these cases remain significant, because it shows awareness about fair housing law. There were also a considerable proportion of cases that were referred to either DFEH, an attorney, or obtained some other form of referral. A referral is usually made when concrete evidence of housing discrimination is uncovered during the investigation. Out of the 13 referrals made, 7 were cases of housing discrimination on the basis of disability and the remaining cases were filed on the basis of ethnicity. Two case settlements were obtained in the monetary amount of \$14,500 with required fair housing training.

As Co-Chairperson of the County of Santa Clara Fair Housing Task Force, Milpitas Staff continues to work with Project Sentinel on the Santa Clara County Fair Housing Retrofit Funds available to other cities within the county. These funds were awarded to Project Sentinel during several fair housing legal settlement cases against a developer, which fail to include ADA compliance within their project. The funds will be allocated to cities (matching funds from the cities are being proposed to leverage funds) to provide retrofitting units to comply with ADA requirements.

8. *Awareness of Local Fair Housing Services*-Flyers and brochures on fair housing services are presently available at City Hall. Monitoring of housing service providers includes discussions on their outreach effort and promoting fair housing. Milpitas will update its website to provide additional information about fair housing law and provide links to websites of agencies that investigate fair housing discrimination.

The CDBG cities within Santa Clara County and the County have prepared a Countywide Fair Housing Report to address a variety of fair housing issues. The report identifies causes, impacts, alternative actions and recommendations. Also, the cities and County of Santa Clara have established a Countywide Fair Housing Task Force to address the recommendations in the report.

**Enhance Coordination between Public and Private Housing and Social Service Agencies**

Milpitas will continue to encourage housing related organizations to work together, collaborate and share their expertise with one another, especially those agencies that provide and manage housing, and social services. Program Specific Requirements Funds Expected to be Available CDBG 2012-2013 Entitlement Grant

	\$390,716
Program Income FY 2012-2013 (*)	\$50,000

CDBG Prior Year Income \$5,352  
Total: \$440,068

\*Estimated Program Income from the Single Family Housing Rehabilitation Program

*Evaluate and Reduce Lead-Based Paint Hazards*

The City of Milpitas will continue to enhance public sector efforts to inform private property owners about the hazard of lead based paint. Risk assessment and hazard reduction can be more easily accomplished while performing other major repair work (i.e. rehabilitation repairs and improvements). The major obstacle to most mandated programs continues to be cost. Milpitas will continue to work with representatives from the city and county, housing organizations, public health agencies, children’s advocacy groups, tenant and property owner’s organizations and private physicians to address this matter. The continuing goals are to identify and inform property-owners of public and private resources available to reduce or abate lead based paint.

Because of the age of the Milpitas housing stock (approximately 60% of the units within Milpitas were built after 1970), Milpitas’ housing stock is relatively new and contains very little lead base hazardous material. The City of Milpitas will continue to work with the County of Santa Clara Environmental Health Department, as additional funding becomes available, in the design and implementation of programs related to the detection, abatement, prevention and education of the incidence of lead based paint in the housing stock.

Presently, Milpitas along with several other CDBG cities in Santa Clara County are working with HUD to establish adequate capacity to comply with the Lead-Based Paint Rule (24 CFR Part 35). This task includes identifying trained, licensed, and certified personnel to conduct lead-based paint inspections, housing rehabilitation projects that will require inspections and funding sources.

Milpitas has started to negotiate with local contractors and establish a process to address lead based paint in housing units. Milpitas has allocated CDBG Housing Rehabilitation Administration to implement its Lead-Based Paint Program to conduct environmental testing for lead based paint prior to performing the required single-family rehabilitation home repairs and improvements. Over the past several years, a total of 6 single-family homes were inspected for lead-based paint. Based on the initial inspections, no lead-based paint has been found in any Milpitas homes that have been inspected.

Milpitas has also received from the County of Santa Clara a copy of their “hot zones” map which overlays three different indicators: (1) housing built before 1950, (2) poverty and (3) children under the age of six (based on census tracts) to identify areas where the risk of lead poisoning is the highest. Nearly all of the reported cases of lead poisoning in the county came from the “hot zones”.

*Reduce the Number of Poverty Level Families*

Milpitas will continue to support a variety of other support services used by low income households to make ends meet. The main goal shall be to prevent very low income persons, especially, those earning 30% or less of median income from becoming homeless. The long-term goal is to provide more affordable housing options and economic opportunities so this group is not forced to pay most of their available income for housing with little left over for other needs (child care, transportation, food, health care, etc.) For fiscal year 2012-2013 Milpitas will continue to support agencies such as Second Harvest Food Bank, Milpitas Food Pantry, and Milpitas Nutritional Program (\$86,552) for senior citizens. An average of 96 senior meals is served daily at the Milpitas New Senior Center.

Rebuilding Together will provide housing service for 25 Milpitas residents to correct health and safety hazards, enhance accessibility for disabled people, and improve energy efficiency to make housing cost more affordable for seniors on fixed-incomes.

Milpitas also obtains Quarterly Statistical Data of Public Families from the County of Santa Clara to monitor and track the number of Milpitas residents that are involved with Cal WORKS, other social services and public assistance demographics to determine the greatest need for CDBG funds. Several key categories such as Cal Works and Medi-Cal caseloads have been slightly reduced from the past year for Milpitas residents. A total of 467 Cal WORKS cases (2.8%) of the total in Santa Clara County are Milpitas households.

*Develop Institutional Structure*

Milpitas will continue to work with and support non-profit organizations, which provide programs and services to low and moderate income households. Milpitas will also continue to work with private industries, in particular financial and development groups, to encourage the development of affordable housing opportunities in Milpitas.

**PART III: STRATEGIC PLAN-FY 2012-2012**

Milpitas will continue to encourage local housing social service providers to pursue all available public and private funding to achieve the goals identified in the Action Plan. It is anticipated that funding from a combination of federal, state and local resources will be used to pursue a majority of the identified strategies. Funding resources will be coordinated and leveraged whenever possible to maximize their potential. Milpitas plans to use available programs, services, and special initiative resources in a coordinated and integrated manner to achieve its affordable and supportive housing goals, as well as an expansion of support activities and programs related to assisting low income families and individuals.

**Summary**

The following is a summary of Milpitas priorities and plans to be pursued over the next year of the Action Plan. It was derived from the overall analysis of needs, market and inventory conditions as described in the Action Plan. These plans take into consideration the following factors revealed in the analysis of Milpitas Redevelopment Agency Housing Affordability, Availability and Adequacy:

- In 2007 and 2010, Milpitas Consolidated Plan and Housing Element has been approved and certified by HUD and State of California, Department of Housing and Community Development.
- Milpitas current Regional Fair-Share Housing Allocation (2007-2014) from ABAG is 2,487 units which consist of the following:

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)

To date, Milpitas has met approximately 40% of its very low, low and moderate income housing needs. A total of 154% of its above moderate income housing needs have been met. It is anticipated with the adoption of the Milpitas Midtown Specific Plan in 2002 (3,000 units) and the Transit Area Specific Plan approved in June 2008 (5,500 units), Milpitas will be able to meet its regional fair-share housing allocation.

- The Area Median Income in Santa Clara County was \$105,000 (2012)
- Milpitas average household size is 3.52 and average family size is 3.57, both continue to be the highest in Santa Clara County (CA-DOF 2011).
- City of Milpitas Percentage of Total Population in Poverty was 5.4% (603 Households-2009).
- City of Milpitas has approved and/or constructed 1,387 affordable below market rate housing units with long-term affordability restriction agreements. An additional 168 affordable housing units are proposed in future residential projects.
- In 1992, City of Milpitas adopted a Rent Control Ordinance for Mobile home Parks in which governs 572 units. Seventy percent (70%) of Milpitas mobile home park residents are senior citizens. With the closure of the South Main Street Mobile home Park (45 spaces/units), 527 mobile home park units will still be affordable.
- The December 2010 median price home in Milpitas was \$517,922 increase (approx. 8.5 %) from \$473,638 in December 2010.
- The Bay Area has experienced a 124% increase in the number of foreclosures for homes between 2009 and 2010.
- Milpitas greatest affordable housing need is Renters with income levels between 31%-50% of the area median income, Renters with large families (5 persons or more), Persons with Special Needs (disabled, homeless, and seniors, female headed households HIV/AIDS and drug and alcohol addictions).
- The number of renters and specifically senior citizen low income households that pays more than 30% of their income for rent. A significant number of senior's pay more than 35% of their income for housing.
- Milpitas has rezoned approximately 1,000 acres of land through its Midtown Specific Plan Area to accommodate approximately 5,000 units and meet its regional fair share of housing (2,487 units).
- Milpitas has completed the Transit Area Specific Plan that will accommodate approximately 5,500 new dwelling units, in which is anticipated that 20% of these units (1,100 units) will be affordable to low and moderate income households.
- Milpitas has 19,153 occupied housing units (12,501-owner-occupied and 6,911 renter-occupied-2010 CA-DOF)
- Milpitas housing vacancy rate was 1.34% (258 units) as identified in the CA-DOF 2010)

Milpitas must direct its Federal, State and local resources to housing programs and activities that directly benefit very low and low income households. In-fill development and accessory units will be encouraged. More attention will be directed to the needs of extremely low income individuals and households. Milpitas will continue to explore innovative resources to aid in development of affordable housing and support services to benefit lower income households.

#### *Priority Analysis and Strategy Development*

This section reviews the fiscal year 2012-2013 Milpitas plans and priorities to be pursued over the next year and how they relate to the Consolidated Plan (July 1, 2007-June 30, 2012), in addressing the needs identified in the Housing and Homeless Needs Assessment. Milpitas Consolidated Plan has been sent to HUD in June 2007. Milpitas is currently preparing its Five-Year Consolidated Plan for 2012-2017. In September 2010, the Housing Element was certified by State of California; Department of HCD was and found to be in full compliance with state housing laws.

The Consolidated Plan Priority Needs Summary rates the Milpitas priorities. Those activities not anticipated to be a priority would be provided no assistance. The rationale behind the general priorities established for allocating Federal, State and local resources within the City is based upon review of Milpitas needs which shows that extremely low income renters, senior citizens and other special needs groups have the most difficulty finding affordable housing, employment, and other support services.

The Consolidated Plan Priority Needs Summary shows the “high” priority will be given to providing assistance to very low and low income households and to homeless individuals and families and other persons of special needs, as well as activities aimed at preventing homelessness.

A “Medium” Priority is given to assisting low income households in a wide variety of housing and support services.

A “Low” Priority is given to those groups currently small in number or least in need of assistance. However, should additional funding become available, the City will implement programs and activities as appropriate.

**Strategy 1:** Continue to provide funding to non-profit agencies and organizations, which serve the very low and low income Milpitas residents and the homeless

Milpitas will continue to provide funding to those non-profit agencies and organizations, which provide housing and other support services to very low and low income households. Agencies and organizations such as Alum Rock Counseling Center, Catholic Charities, Emergency Housing Consortium, Milpitas Food Pantry, and Senior Adult Legal Services, which are funded through the City of Milpitas Community Development Block Grant Program, will be encouraged to provide services to low income households in Milpitas, especially, those households with special needs for affordable housing and support services.

Previous funding included funding for the Emergency Housing Consortium to construct a Shelter for Homeless and Runaway Youths. The project consists of relocation and renovation of a historic home for the program service area, 22 spaces for underground parking, 10 emergency beds, a full service day center, classrooms, 12 beds of transitional housing and 20 beds for permanent affordable housing. It is anticipated that this facility will serve 500 youths annually.

**Strategy 2:** Rehabilitation of substandard units will be encouraged and financial assistance will be provided whenever possible. The Milpitas Housing Rehabilitation Loan Program is funded by CDBG. The program will continue to assist low income households. Rehabilitation will also include energy efficient methods for single and multi-family units

Milpitas is exploring apartment rehabilitation and has identified several multi-family projects, in need of improvements and repairs. Milpitas will explore other types of funding sources (i.e. Home, Section 108, etc.) to finance the apartment rehabilitation program. Milpitas’ Code Enforcement Section and Building Division will continue to abate substandard housing conditions in affected units. The Code Enforcement Section will continue to respond to citizen complaints regarding housing code problems and Project Sentinel will continue to provide mediation and negotiate tenant and landlord disagreements.

**Strategy 3:** Conservation of Existing Affordable Housing Stock

Milpitas will continue to encourage the conservation of the rental housing stock because rental units are the most affordable housing for lower income households. Milpitas will assist local non-profits with regulatory and technical issues as well as to help identify potential funding resources.

The Santa Clara County Housing Authority (SCCHA) administers the Section 8 Program. Milpitas will continue to work with the Housing Authority to maintain the existing Section 8 subsidy levels and to encourage additional subsidies for Milpitas residents whenever possible. As previously mentioned,

Milpitas is exploring the development of an apartment rehabilitation program. A total of 613 Milpitas residents have vouchers and are living in Section 8 units. Another 1,866 residents are on the waiting lists.

Milpitas will maintain its existing Mobile home Rent Control Ordinance to ensure the continued affordability to the 527-mobilehome units. Approximately 70% of the tenants at the mobile home parks are low income senior citizens. Milpitas will also assist, as feasible, a local non-profit or tenant organization in the buyout or conversion to tenant ownership if such a proposal is presented Milpitas Neighborhood Beautification Ordinance (NBO) has also established program guidelines and award programs for maintaining and improving the general housing stock in individual neighborhoods.

#### **Strategy 4: Participation by the Private Sector in Development of Affordable Housing**

Through alternative financing programs in the public and private sectors, whenever possible, Milpitas will encourage developers (non-profit and for-profit) to leverage their funding to the furthest extent possible. Several non-profit and for-profit developers have expressed interest in working with the City to develop a Senior Housing Project. Milpitas has provided \$1.1 million in funding for the Santa Clara County Housing Trust Fund to raise \$30+ million (with the goal to leverage this funding to \$1.3 billion) to assist 5,000 families in affordable housing. This allocation would provide approximately 3,000 affordable rental apartments, support 800 first-time homebuyers with down payment assistance, and serve more than 1,000 homeless individuals and families through housing and support services. A large portion of the funding has been provided from several major high-tech corporations in Silicon Valley such as Intel, Applied Materials, and Cisco Systems.

To date, fifty-four (54) Milpitas First-time Homebuyers residents have received very low interest rate loans to purchase a home within Milpitas through the Housing Trust Fund. Milpitas has also provided financial assistance and other incentives (density bonus ordinance, waiver of development fees, etc.) to private developers to encourage the construction of affordable housing projects.

Milpitas has worked with and will continue to work with developers on their approved and proposed residential development projects. As stated by the City's affordable housing policy, it is anticipated that 20% of all the residential units in the projects will be designated as affordable housing for very low, low and moderate income households. It is estimated that the private sector will invest over \$285 million into the residential development projects in Milpitas over the next 5 years.

#### *Housing Bond Advisory Committee*

Milpitas participates in the County of Santa Clara Housing Bond Advisory Committee which established a permanent funding pool for affordable housing projects within Santa Clara County?

#### County of Santa Clara-Office of Affordable Housing

County of Santa Clara has established an Office of Affordable Housing. This agency will be working with the local jurisdictions to address the affordable housing needs countywide. The City of Milpitas will be an active participant in the Office of Affordable Housing.

#### **Strategy 5: Provision of Equal Housing Opportunities**

Milpitas will continue to provide financial support to programs that provide fair housing and counseling services to Milpitas residents including Project Sentinel and other similar programs. Milpitas has prepared and continues to implement its Analysis to Impediments to Fair Housing Report, which identifies potential barriers to obtaining fair housing. The Cities within Santa Clara County and the County have prepared a countywide Supportive Housing Initiative

Report to assist in addressing several issues including constraints to affordable housing and removing housing barriers. Milpitas will continue to work with Project Sentinel to address fair-housing issues and participate in tenant-landlord resolutions with regards to housing discrimination.

As previously stated Milpitas updated its Analysis of Impediments to Fair Housing Choice Report which identifies and provides a strategy to address potential housing impediments to fair housing choices.

**Strategy 6: Other Processes and Procedures to be reviewed that Prohibit or Negatively Impact Affordable Housing Opportunities**

*In-Fill Development*

Milpitas will continue to review in-fill development sites to determine their appropriateness for multi-family developments. However, the amount of land available for in-fill development has been reduced over the number of years to accommodate various types of development, including affordable housing projects. The Midtown Specific Plan has assisted on developing in-fill development parcels of land that can accommodate future housing developments. Milpitas applied for the Infill Infrastructure Grant from State Department of Housing and Community Development and is waiting to here the results of the application review.

*Provision of Sufficient Land Zoned for Multi-Family Units*

Over the past several years, Milpitas has identified approximately 1,000 acres of land that has been rezoned for housing sites. Milpitas has updating and revising its General Plan Housing Element as required by State of California Housing Element Law. The Housing Element has identified appropriate housing sites to provide general plan amendments and underline zoning changes to increase the density on parcels of land to accommodate future high-density multi-family developments. In February 2010, State of California, Department of Housing and Community Development found the Milpitas General Plan Housing Element in compliance with state housing laws. Also, Milpitas Midtown Specific Plan proposes land use alternatives to 1,000 acres of land, which would accommodate a variety of housing types in the range from approximately 3,000 housing units. The Transit Area Specific Plan would permit densities for an additional 5,500 units.

*Density Bonus Ordinance*

Milpitas will continue to implement the Density Bonus Ordinance, which allows a developer to obtain concessions and incentives (financial and reduction of development standards) for developing very low, low income, and senior citizens housing projects. The units must remain affordable for at least thirty 30 years pursuant to deed restrictions. Milpitas has granted financial concessions in the form of reduction in park-in-lieu, building and plan checking fees. Milpitas has also granted reductions in development standards (required parking, setbacks, park dedication, etc.) to accommodate affordable housing developments.

Milpitas has amended its Zoning Ordinance to incorporate the new State Density Bonus provisions with allow housing developers flexibility in providing affordable housing units.

**Milpitas Affordable Housing Policy**

Milpitas affordable housing policies state that each residential developer should provide 20% affordable housing (very low, low and moderate income) in their projects. The actual level of affordability is negotiated on a project-by-project basis. City Staff requires the level of affordability by reviewing the Association of Bay Area Governments-Regional Housing Determination Needs (2007-2014) and requires each developer to provide it fair-share of affordable units in the project.

Based on the level of financial assistance (and city housing needs) provided to the developer (including grants, loans, grants and loans combination, payment of developer impact fees, first-time homebuyer down payment assistance, etc.), City Staff determines the appropriate level of affordable housing required in each project. This process has been extremely successfully, Milpitas has increased the affordable housing stock from 150 units of affordable housing in 1993 to the current 1,387 affordable units.

#### *Payment of Development Fees*

The Milpitas City Council will continue to consider requests to waive or subsidize City fees for developer to assist in reducing the cost to developers that develop affordable housing units. These fees include building and fire permits, plan checking, parkland dedication, water and sewer, school impact and traffic mitigation fees controlled by the City, and cost of entitlement applications. The waiver of developer impact fee are tied the number of affordable housing units within each individual projects. Milpitas has subsidized approximately \$5.3 million in developer impact fees to financially assistance affordable housing projects.

#### *Homeless Facility Sites*

The City will continue review the current Zoning Ordinance to consider the provisions of emergency housing facilities and transitional housing facilities in specific zoning categories (i.e. residential, commercial, and industrial). Pursuant to the certified Housing Element, Milpitas will be preparing Zoning Ordinance Amendments to permit homeless shelters, transitional, permanent, and farm worker housing, along with single room occupancy (SRO)'s units by "right".

#### *Procedural Reforms*

Milpitas will continue to review its development procedures and recommend appropriate changes to facilitate the construction of affordable housing units. All internal governmental constraints to expedite approval of affordable housing projects will be reviewed and addressed in a timely manner. Milpitas is currently implementing "Road Map to Service Improvements", to review and enhance customer service.

#### *Modification to Development Standards*

Milpitas will continue to review its development standards and recommend modifications to development standards, which pose an unnecessary impediment to the construction of affordable housing units. Development standards (i.e. parking, setbacks, height, private and public open space, etc.) have been reduced on several affordable housing projects to limit the unnecessary burden or financial costs to support the project.

#### *Institutional Structure*

Milpitas will continue to implement financing affordable housing and supportive housing strategies through the Building, Planning, and Neighborhood Services Divisions. The development process has been reviewed to become streamlined to expedite and promote "fast-tracking" of affordable housing projects.

Milpitas will continue to work with other cities and the County of Santa Clara to address the issues of homelessness and other regional issues. Several collaborative efforts involved all of the cities and the County of Santa Clara such as the Second Harvest Food Bank and Catholic Charities. Milpitas has participated (data and funding) in the Countywide Homeless Survey. The majority of housing strategies will be accomplished by supporting non-profit organizations providing programs and services to low and very low income households. Milpitas will also work with private for profit industry, in particular financial and development groups, to encourage the development and affordable housing opportunities in the City.

## *Overcoming Gaps*

There are a number of gaps in program and service delivery. There is a need to improve coordination of services on a Citywide and Countywide basis and increase funding available to provide adequate services. The CDBG entitlement cities and County of Santa Clara staff continue meeting to discuss data, resources and other ways to coordinate requests for information to both the public and private countywide agencies. These meetings have been beneficial to help better understand the County and the non-profit social service structure. HUD also continues to meet with this group of cities and the County to clarify issues and assist in our planning process and efforts.

### Monitoring of CDBG Sub recipients

Milpitas continues to monitor the activities and programs of its Sub recipients that receive CDBG funding. Monitoring visits are scheduled in advance by staff to meet and address the following issues:

- Meet and discuss with Sub recipients their annual goals and objectives.
- Review their financial reports and supplemental documentation to insure that the CDBG funds are being used and a
- Allocate appropriately.
- Conduct CDBG Workshops to assist new CDBG Sub recipients on the program regulations, requirements, and other technical assistance.
- Identify areas of improvement to increase the level of communications between the City and its Sub recipients.
- Assist Sub recipients on obtaining additional funds and new resources to carryout programs and services.

It is anticipated that these actions stated above would be useful to further the overall goals and objectives identified throughout the Milpitas 2012-2013 Action Plan and the Five-Year Consolidated Plan.

## *Performance Measurements*

The City of Milpitas 2012-2013 Action Plan has incorporated performance measurements associated with the programs and activities that are funded during the next fiscal year. The performance measurements is a program management tool to establish the organizational process for gathering information to determine the status and level of programs and activities being funded in order to meet the established goals and objectives.

The Performance Measurements objectives are identified in three (3) categories:

- Creating Suitable Living Environments
- Providing Decent Affordable Housing
- Creating Economic Opportunities

Based on the selected performance measurement objectives stated above, the appropriate outcomes are identified below to best reflect the desired outcomes achieved through the funding of CDBG the programs and activities in the Action Plan:

- Availability/Accessibility
- Affordability
- Sustainability

The Outcomes and Objectives Codes are identified in Table 3A (Summary of Specific Annual Outcomes) and the Description of Projects attached to the Action Plan:

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environ.	SL-1	SL-2	SL-3
Economic Opportunity	E0-1	E0-2	E0-3

In conclusion, the performance measurements used to determine the outcome of programs and activities funded through the Action Plan will allow the residents of Milpitas, decision-makers, HUD and other interested parties obtain a better understanding on the program results that directly and indirectly impact and benefit the residents within the community.

*Citizens Participation Process*

On April 17, 2012, City of Milpitas will hold a public hearing on the adoption of the Milpitas 2012- 2013 Action Plan to obtain public comments prior to the final adoption and submittal to HUD.

Public notices of the meeting were placed in the Milpitas Post for the required 30-day review period (March 16 to April 16, 2012) prior to the hearing date letters were sent out to over 21 Public Service and Housing Providers to comment on the Draft Action Plan. Attached is a list of Public Service and Housing Providers that received letters.

Since the Performance Measurements identified above does not warrant substantial or significant change to the Action Plan as outlined in the City of Milpitas Community Development Block Grant Citizen Participation Process, the information has been submitted and incorporated into the document and does not constitute an amendment to the Action Plan. The performance measurements are identified as new Federal Government/HUD reporting requirements as part of the compliance with the CDBG Program regulations.

The goals and objectives identified in the Draft and Final Action Plan are in full compliance with the local policies and procedures adopted in the Milpitas Citizen Participation Plan. The following actions and schedule allowed maximum citizen participation in the review of the Milpitas 2012-2013 Action Plan:

**December 30, 2011 and February 1, 2012**

Advertise Request for Community Development Block Grant proposals in the Milpitas Post Newspapers. Notices were also included in the City’s Cable TV and Web Site. Public notices were available during the entire 30-day application acceptance period (December 30, 2011-February 3, 2012).

**December 30, 2011, to February 1, 2012**

CDBG application period opened for 30 days to receive applications.

**February 24, 2012**

Advertised for Community Advisory Committee (CAC) meeting to review CDBG application proposals (Meeting Date: March 7, 2012).

**March 16, 2012 to April 16, 2012**

Advertised for 30 days to provide the general public the opportunity to review and comment on the Draft Action Plan. Also, copies of the plan were sent to Service and Housing Providers and other

interested parties. Copies were available in the Milpitas Public Library, City Hall Information Desk and Public Information public counter at City Hall.

**April 6, 2011**

Advertised for City Council review of CDBG Funding Proposals and adoption of Draft Action Plan (City Council Meeting: April 17, 2011).

**April 17, 2012**

Milpitas City Council held a public hearing to obtain input and comments on the Draft Action Plan and Adopts Final Action Plan (and CDBG Funding for FY 2012-2013).

**May 15, 2012**

Submit Final Action Plan to HUD.

**August 24, 2012 to September 10, 2012**

Public review and comments Period Starts for Consolidated Annual Performance and Evaluation Report (CAPER) for FY 2011-2012.

**September 18, 2012**

Milpitas City Council holds public hearing to obtain input and comments on the Draft CAPER Report.

**September 28, 2012**

Submit Consolidated Annual Performance and Evaluation Report (CAPER) to HUD.

## CHAPTER 6

### CERTIFICATIONS

#### CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

*Affirmatively Further Fair Housing* -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

*Anti-displacement and Relocation Plan* -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
  - (a) The dangers of drug abuse in the workplace;
  - (b) The grantee's policy of maintaining a drug-free workplace;
  - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
  - (a) Abide by the terms of the statement; and
  - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
  - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Signature/Authorized Official

Date: May 11, 2012

Thomas C. Williams

Title: City Manager

### Specific CDBG Certifications

The Entitlement Community certifies that:

**Citizen Participation** -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

**Community Development Plan** -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

**Following a Plan** -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

**Use of Funds** -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2010-12 3 years (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments.** It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate income (not low income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint -- Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with the requirements of 24 CFR §570.608;

Compliance with Laws -- It will comply with applicable laws.

Signature/Authorized Official

Date: May 11, 2012

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Thomas C. Williams  
Title: City Manager

OPTIONAL CERTIFICATION  
CDBG

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

Signature/Authorized Official

Date: May 11, 2012

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Thomas C. Williams  
Title: City Manager

## Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Signature/Authorized Official

Date: May 11, 2012

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Thomas C. Williams  
Title: City Manager

## ESG Certifications

The Emergency Shelter Grantee certifies that:

Major rehabilitation/conversion -- It will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the jurisdiction plans to use funds for purposes less than tenant-based rental assistance, the applicant will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services -- It will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance.

Matching Funds -- It will obtain matching amounts required under §576.71 of this title.

Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, operating facilities, and providing services assisted through this program.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

Signature/Authorized Official

Date: May 11, 2012

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Thomas C. Williams  
Title: City Manager

## HOPWA Certifications

The HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under that program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Signature/Authorized Official

Date: May 11, 2012

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Thomas C. Williams  
Title: City Manager

## APPENDIX TO CERTIFICATIONS

### INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

#### A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

City of Milpitas

County of Santa Clara

455 E. Calaveras Blvd.

Milpitas, CA 95035

Check if there are workplaces on file that are not identified here.

The certification with regard to the drug-free workplace is required by 24 CFR part 24, subpart F.

7. Definitions of terms in the Non-procurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of sub recipients or subcontractors in covered workplaces).

## CHAPTER 7 MONITORING PLAN

The City of Milpitas has established a monitoring process, which has been evaluated by the Regional Office of HUD and has met the requirements set forth by HUD for those activities. The HUD evaluations have consisted of programmatic and financial review.

The process that the City will continue to follow includes annual on-site monitoring consisting of a review of the following: Program Management, Agency Administration, and Fiscal Management. The sub recipient will maintain documentation of performance indicators available for inspection, with an audit trail from source document worksheets to reports.

Milpitas will continue to review on an annual basis, the progress made in achieving the goals outlined in the five-year Consolidated Plan. Milpitas will continue to prepare detailed agreements with sub recipients outlining the responsibilities involved with the receipt of federal funds and the performance standards, which will need to be met. Sub recipients will be required to submit quarterly performance reports describing which program goals have been achieved. In addition, Milpitas is required to prepare annual end of the year evaluations for the use of CDBG funds by outside funding agencies, which are submitted to HUD.

Since the City of Milpitas is currently providing Federal funds to eligible sub recipients for housing activities, it is anticipated that the existing monitoring process will be utilized. However, if a new program is available which requires modification to the monitoring process to assure compliance with the new program, those modifications will be incorporated at the time of funding of the new program.

The City of Milpitas will continue to follow the monitoring requirements for the use of federal funds as directed by HUD. The Monitoring Plan will include (but not limited to) are scheduled in advance by staff to meet and address the following issues:

- Meet and discuss with Sub recipients their annual goals and objectives.
- Review their financial reports and supplemental documentation to insure that the CDBG funds are being used and a
- Allocate appropriately.
- Conduct CDBG Workshops to assist new CDBG Sub recipients on the program regulations, requirements, and other
- technical assistance.
- Identify areas of improvement to increase the level of communications between the City and its Sub recipients.
- Assist Sub recipients on obtaining additional funds and new resources to carryout programs and services.

It is anticipated that these actions stated above would be useful to further the overall goals and objectives identified throughout the Milpitas 2012-2013 Action Plan and the Five-Year Consolidated Plan.

CHAPTER 8  
CDBG CITIZEN PARTICIPATION PLAN

City of Milpitas Citizen Participation Plan For the Development of the Consolidated Plan, Amendments to the Plan, Annual Action Plan and Annual Consolidated Annual Performance Evaluation Report

Introduction

Pursuant to Section 24 CFR 91.05 of the final rule for submission of the Consolidated Plan requires the Department of Housing and Urban Development requires that each jurisdiction receiving federal Community Development Block Grant (CDBG) funds adopt a citizen participant plan, which outlines the jurisdiction's policies and procedures for local residents to participate in the development of the Consolidated Plan and the Annual Performance Report. The Citizen Participation Plan is required to be adopted by the City of Milpitas to receive CDBG funds and must be incorporated into noticing requirements as set forth by Section 24 CFR Part 91.105.

The City of Milpitas Planning and Neighborhood Services Department is responsible for the preparation, noticing and implementing the Citizen Participation Plan. The City of Milpitas encourages and welcomes public comments in the preparation and implementation of the plan. Copies of the Citizen Participation Plan are available in the Community Development Department at the public counter at 455 E. Calaveras Blvd. and at the Milpitas Public Library at 160 N. Milpitas Blvd. Public comments can also be sent to:

Felix Reliford, City of Milpitas-City Hall  
Planning and Neighborhood Services Dept.  
455 E. Calaveras Blvd.  
Milpitas, CA 95030  
(408) 586-3071

or

E-Mail at: [freliford@ci.milpitas.ca.gov](mailto:freliford@ci.milpitas.ca.gov)

*City of Milpitas Citizens Participation Plan*

The purpose and intent of the Citizens Participation Plan is to encourage public participation in the review on the various Community Development Block Grant (CDBG) documents including the Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER) and Consolidated Plan and amendments. Local residents, service providers, and other interested parties are encouraged to participate in the development, implementation, and performance assessment to identification the City's housing priorities and needs and non-community development (public services) needs for very low, low and moderate income households. Citizen participation would also include the development and reassessment of

the City's five-year strategic plan as outlined in the Consolidated Plan to meet the needs and the annual Action Plan to implement the strategic plan. All residents are invited and encouraged to assist the City in meeting its performance goals and objectives.

The following Community Development Block Grant documents will be addressed in the Citizens Participation Plan:

1. The Annual Action Plan
2. The Consolidated Annual Evaluation and Performance Report (CAPER)
3. The Five (5) Year Consolidated Plan
4. Citizen Participation Plan
5. Any Substantial Amendments to the Plans/Reports stated above.

#### Notice of Application Solicitation and Public Hearing for CDBG Funding

- 1) At least 30 days prior to the deadline to submit applications for eligible CDBG non-housing community development activities and housing activities, the City will publish in the local newspaper of general circulation, a Notice of Solicitation for CDBG Applications and the proposed use of funds by local residents, groups, organizations and service providers. The notice will include the estimated funds that will be made available by HUD during the fiscal year and the types of activities to be undertaken. The notice shall also include when and where applications can be obtained, the deadline for application submittal, and a City contact person to obtain additional information regarding the CDBG application submittal process.
- 2) All notices along with applications will be mailed to all current CDBG sub recipients, and former applicants who were previously denied funding in the past fiscal year. Notices will also be mailed any other applicants or persons, which have requested CDBG applications for the current fiscal year. A letter will be included with the notices to offer any technical assistance by the City to applicants explaining the CDBG regulations and process, responding to questions, and assisting on completing the application for funding.
- 3) The City will also provide this information on the City's Web Site and local Cable Television to provide additional outreach efforts to local Milpitas residents, groups and organizations. Notices will also be made available in the Milpitas Public Library and other public buildings throughout the City.
- 4) Prior to the start of the funding cycle for CDBG funds, the City will make itself available to assist any applicant on the processing of their CDBG application (inform the general public about the CDBG application process, explain any new federal regulations about the program, and answer any questions the public may have regarding the CDBG Program, etc.).
- 5) The Milpitas Citizens Advisory Commission (CAC) and City Council will hold at least one advertised public hearing on the CDBG funding during each fiscal year. Notice of the public hearing will be made available in the following manner:
  - a) Least 14 days prior to the established public hearing date, the City will publish a public hearing notice in the local newspaper of general circulation indicating the time, place and date of the public hearing to be held, the purpose of the public hearing and how and where persons interested in the public hearing can obtain more information about this matter. A City contact person and the City's TDD phone number will be included in the public hearing notice.
  - b) A copy of the public hearing notice will also be sent by mail to all grants applicants and other persons who have indicated a previous interest in the CDBG public hearing

process. All notices will be sent at least 14 days prior to the established meeting date.

- c) The public hearing notice will be posted on the City Public Bulletin Board in front of City Hall to allow maximum visibility by local residents. The notice will be posted at least 14 days prior to the meeting.
- 6) The City will provide this information (applications and notices) in print form and will work in the future provide this information on disks.

### *The Annual Action Plan-Citizen Participation Process*

The City of Milpitas Annual Action Plan describes the eligible programs, projects and activities to be undertaken with Community Development Block Grant funds expected to be made available during the program year and their relationship to the priority housing, homeless and community development needs.

Prior to the City of Milpitas City Council adoption of the Annual Action Plan for the expenditure of Community Development Block Grant funds, the City will make available to local residents, service providers, and other interested parties information pertaining to the estimated amount of CDBG funds the City will receive from HUD, the types of programs, projects and activities that will be undertaken during the fiscal year with the funds, notice of application solicitation to encourage local residents, organizations, groups and service providers to apply for funding and the required public review period to comment on the Draft Action Plan. This information will be made available to the general public in the following matter:

#### *Notice of Public Hearing for Action Plan*

The Milpitas City Council will hold at least one advertised public hearing prior to the adoption of the final Action Plan. The purpose and intent of the public hearing will be to encourage public input and comments prior to the City Council taking action on the final Action Plan. Substantial comments received during the public hearing will be considered prior to preparing the final document. The public hearing will be held during the evening to encourage the maximum citizen participation in the public review process. Every outreach effort (advertising, public notices, letters, etc.) will be made to include low income residents and disable persons to attend the meeting during the funding process. Notice of the public hearing will be made available in the following matter:

- 1) At least 14 days prior to the established public hearing date, the City will publish a public hearing notice in the local newspaper of general circulation indicating the time, place and date of the public hearing to be held, the purpose of the public hearing and how and where persons interested in the public hearing can obtain more information about this matter. A City contact person and the City's TDD phone number will be included in the public hearing notice.
- 2) A copy of the public hearing notice will also be sent by mail to all grant applicants and other persons who have indicated a previous interest in the CDBG public hearing process. All notices will be sent at least 14 days prior to the established meeting date.
- 3) The public hearing notice will be posted on the City Public Bulletin Board in front of City Hall to allow maximum visibility by local residents. The notice will be posted at least 14 days prior to the meeting.

#### *Public Comments on Draft Action Plan*

Upon completion of the Draft Action Plan, City of Milpitas will publish a summary of the plan in the local newspaper of general circulation. The notice will be published at least 30 days prior to the public hearing for the adoption of the final plan by the City Council. The notice will include information regarding when and where the public can review and/or obtain copies of the draft plan and where comments may be submitted in response to the plan. This notice will also include the City's TDD number.

Local residents, groups, organizations, service providers and other interested parties will be given at least 30 days to review and comment on the Draft Action Plan. The plan will be made available to the public at the City of Milpitas Community Development Department at 455 E. Calaveras Blvd. at the public counter, Milpitas Public Library, 160 N. Milpitas Blvd. The City of Milpitas will also take the necessary steps to accommodate requests to provide the plan to persons with physical disabilities.

The City will review and consider all citizens and service providers' oral and written comments regarding the Draft Action Plan prior to the final preparation of the document. A summary of the comments received during the 30-day comment period, their disposition will be attached to the final plan.

### *Consolidated Annual Performance and Evaluation Report (CAPER)*

As required by the Department of Housing and Urban Development, the City of Milpitas is required to prepare the Consolidated Annual Performance and Evaluation Report (CAPER) to identify those programs, projects, and activities that have been undertaken during the previous fiscal years. The CAPER is due 90 days after the end of each grant year.

### *CAPER-Citizen Participation Process*

At least 15 days prior to the submittal of the Consolidated Annual Performance and Evaluation Report (CAPER) to HUD, the City will publish Notice of Preparation of the Draft CAPER in a local newspaper of general circulation. The notice will include the time period the draft report covers during the previous year and when and where the report can be available for public review and comments. The notice will also indicate the deadline to submit comments on the report and where comments should be sent at least 14 days prior to the submittal of the final CAPERs to HUD, a copy of the notice will be posted in the Milpitas Public Bulletin Board in front of City Hall for public review and at the Milpitas Public Library.

### *Public Comments on the CAPER*

Upon completion of the Draft CAPER, City of Milpitas will publish a summary of the plan in the local newspaper of general circulation. The notice will be published at least 15 days prior to the public hearing for the adoption of the final plan by the City Council. The notice will include information regarding when and where the public can review and/or obtain copies of the draft plan and where comments may be submitted in response to the plan. This notice will also include the City's TDD number.

Local residents, groups, organizations, service providers and other interested parties will be given at least 15 days to review and comment on the Draft CAPER. The plan will be made available to the public at the City of Milpitas Community Development Department at 455 E. Calaveras Blvd. at the public counter, Milpitas Public Library, 40 N. Milpitas Blvd. The City of Milpitas will also take the necessary steps to accommodate requests to provide the plan to persons with physical disabilities.

The City will review and consider all citizens and service providers' oral and written comments regarding the Draft CAPER to the final preparation of the document. A summary of the comments received during the 30-day comment period, their disposition will be attached to the final plan.

## *The Consolidated Plan*

The Consolidated Plan is a five (5) year comprehensive planning document that identifies a jurisdiction's overall needs for affordable and supportive housing as well as non-housing community development needs and outlines a strategy for the use of available resources to meet the one year Action Plan and CAPER which reviews the progress made in meeting the goals and objectives of the prior year Action Plan.

### **The Consolidated Plan-Amendments/Citizen Participation Process**

#### *Minor Amendments*

Any minor amendments to the Consolidated Plan will be made administratively and will be incorporated into the City's CAPER at the end of end program year. Minor amendments shall be one that maintains the integrity of the plan and does not include any substantial change policy or in funding priorities while still maintaining flexibility in meeting the goals and objectives.

#### *Substantial Amendments*

Any substantial amendment to the Consolidated Plan will only be incorporated into the document after a public notice has been provided to local residents, organizations, groups, service providers and other interested parties at least 30 days to review and comment. Substantial changes shall be one that; 1) changes in the allocation priorities or a change in the method of distribution of funds, 2) carry out an activity, using funds from any program covered by the Consolidated Plan (including program income), not previously described in the Action Plan, and 3) change the purpose, scope, location or beneficiaries of any activity. Any amendment above shall be determined to be substantial if it totals 10% or more of the city grants allocation. Minor adjustments in funding levels for public services, housing activities and administration due to differences in actual verses anticipated program income should not be considered substantial.

#### *Notice of Public Hearing for Amendments to Consolidated Plan*

The Milpitas City Council will hold at least one advertised public hearing at least 30 days prior to any proposed amendments to the Consolidated Plan. The purpose and intent of the public hearing will be to encourage public review and comments prior to the City Council taking action on the final amendment. Substantial comments received during the public hearing will be considered prior to the preparing the final document. The public hearing will be held during the evening to encourage the maximum citizen participation in the public review process. Every outreach effort (advertising, public notices, letters, etc.) will be made to include low income residents and disable persons to attend the meeting during the decision-making process. Notice of the public hearing will be made available in the following matter:

- 1) At least 14 days prior to the established public hearing date, the City will publish a public hearing notice in the local newspaper of general circulation indicating the time, place and date of the public hearing to be held. The purpose of the public hearing and how and where persons interested in the public hearing can obtain more information about this matter. A City contact person and the City's TDD phone number will be included in the public hearing notice.
- 2) A copy of the public hearing notice will also be sent by mail to all grant applicants and other persons who have indicated a previous interest in the CDBG public hearing process. All notices will be sent at least 14 days prior to the established meeting date.
- 3) The public hearing notice will be posted on the City Public Bulletin Board in front of City Hall to allow maximum visibility to local residents. The notice will be posted at least 14 days prior to the meeting.

### *Comments on Amendments to the Consolidated Plan*

Upon completion of any substantial amendment(s) to the Consolidated Plan, City of Milpitas will publish a summary of the plan in the local newspaper of general circulation. The notice will be published at least 30 days prior to the public hearing for the adoption of

the final plan by the City Council. The notice will include information regarding when and where the public can review and/or obtain copies of the draft plan and where comments may be submitted in response to the plan. This notice will also include the City's TDD number. Local residents, groups, organizations, service providers and other interested parties will be given at least 30 days to review and comment on the Draft Consolidated Plan. The plan will be made available to the public at the City of Milpitas Community Development Department at 455 E. Calaveras Blvd. at the public counter, Milpitas Public Library, 160 N. Milpitas Blvd. The City of Milpitas will also take the necessary steps to accommodate requests to provide the plan to persons with physical disabilities.

The City of Milpitas will review and consider all citizens and service providers' oral and written comments regarding the Draft Consolidated Plan prior to the final preparation of the document. A summary of the comments received during the 30-day comment period, their disposition will be attached to the final plan.

### *Amendments to the Citizens Participation Plan*

Local residents, organizations, groups, service providers and other interested persons will be provided an opportunity to comment on any substantial amendment to the Citizens Participation Plan. Minor amendments to the Citizen Participation Plan, which comply with HUD minimum standards will not be deemed substantial and will be incorporated

administratively. However, any amendment deemed substantial shall be made available for public review and comments in the following manner:

- 1) At least 14 days prior to the established public hearing date, the City will publish a public hearing notice in the local newspaper of general circulation to consider an Amendment to the Citizen Participation Plan. The notice will indicate the time, place and date of the public hearing to be held and the purpose of the public hearing and how and where persons interested in the public hearing can obtain more information about this matter. A City contact person and the City's TDD phone number will be included in the public hearing notice.
- 2) A copy of the public hearing notice will also be sent by mail to all grant applicants and other persons who have indicated a previous interest in the CDBG public hearing process. All notices will be sent at least 14 days prior to the established meeting date.
- 3) The public hearing notice will be posted on the City Public Bulletin Board in front of City Hall to allow maximum visibility to local residents. The notice will be posted at least 14 days prior to the meeting.
- 4) The City of Milpitas will review and consider all citizens and service providers' oral and written comments regarding the Amendments to the Citizen Participation Plan prior to the final preparation of the document. A summary of the comments received during the 30-day comment period, their disposition will be attached to the amended plan.

### *Access to Public Records*

The City of Milpitas will make available a copy of the Consolidated Plan, including the Needs Assessment, Strategic Plan, Action Plan, and CAPER for the past years the City of Milpitas has participated in the CDBG Program for public

review during the business hours of 8:00 a.m. to 5:00 p.m. at City Hall, Planning and Neighborhood Services Department at 455 E. Calaveras Blvd., Milpitas CA 95035. This site is accessible to disable persons.

### *Citizen Complaints*

Any complaints received from citizens relating to the Action Plan, CAPER, Amendments to the Consolidated Plan or Citizen Participation Plan shall be on filed in writing with the City of Milpitas Planning and Neighborhood Services Department, City of Milpitas at 455 E. Calaveras Blvd., Milpitas, CA 95035. Complaints shall address the nature of the complaint, and any desired outcome or resolution to the problem. All complaints should include a return address in which the City of Milpitas will respond to compliant with 15 working days from receipt of the complaint. When the proposed outcome or resolution is not accepted by the City of Milpitas an explanation for not accepting the proposed resolution will be provided.

**Application for Federal Assistance SF-424**

Version 02

\*1. Type of Submission:

- Preapplication
- Application
- Changed/Corrected Application

\*2. Type of Application

- New
- Continuation
- Revision

\* If Revision, select appropriate letter(s)

\*Other (Specify)  
\_\_\_\_\_

3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

\*5b. Federal Award Identifier:

**State Use Only:**

6. Date Received by State:

7. State Application Identifier:

**8. APPLICANT INFORMATION:**

\*a. Legal Name: City of Milpitas

\*b. Employer/Taxpayer Identification Number (EIN/TIN):

946019192

\*c. Organizational DUNS:

038142642

**d. Address:**

\*Street 1: 455 E. Calaveras Blvd.

Street 2: \_\_\_\_\_

\*City: Milpitas

County: Santa Clara

\*State: CA

Province: \_\_\_\_\_

\*Country: USA

\*Zip / Postal Code 95035

**e. Organizational Unit:**

Department Name:

Planning & Neighborhood Services

Division Name:

Neighborhood Services

**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix: Mr.

\*First Name: Felix

Middle Name: \_\_\_\_\_

\*Last Name: Reliford

Suffix: \_\_\_\_\_

Title: Principal Housing Planner

Organizational Affiliation:

City of Milpitas

\*Telephone Number: (408) 586-3071

Fax Number: (408) 586-3069

\*Email: freliford@ci.milpitas.ca.gov

**Application for Federal Assistance SF-424**

Version 02

**\*9. Type of Applicant 1: Select Applicant Type:**

C. City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\*Other (Specify)

**\*10 Name of Federal Agency:**

Department of Housing and URBAN Development (HUD)

**11. Catalog of Federal Domestic Assistance Number:**

14-253 \_\_\_\_\_

CFDA Title:

Community Development Block Grant \_\_\_\_\_

**\*12 Funding Opportunity Number:**

FR-5309-N-01 \_\_\_\_\_

\*Title:

Community Development Block Grant Program \_\_\_\_\_

**13. Competition Identification Number:**

\_\_\_\_\_

Title:

\_\_\_\_\_

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

City of Milpitas

**\*15. Descriptive Title of Applicant's Project:**

CDBG Funding

**Application for Federal Assistance SF-424**

Version 02

**16. Congressional Districts Of:**

\*a. Applicant: 13<sup>th</sup> and 16<sup>th</sup>

\*b. Program/Project: 13<sup>th</sup> and 16<sup>th</sup>

**17. Proposed Project:**

\*a. Start Date: July 1, 2012

\*b. End Date: June 30, 2013

**18. Estimated Funding (\$):**

*a. Federal	_____	\$446,068
*b. Applicant	_____	
*c. State	_____	
*d. Local	_____	
*e. Other	_____	
*f. Program Income	_____	
*g. TOTAL	_____	\$446,068

**\*19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on \_\_\_\_\_
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E. O. 12372

**\*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

- Yes       No

21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

**Authorized Representative:**

Prefix: Mr.      \*First Name: Thomas

Middle Name: C.

\*Last Name: Williams

Suffix: \_\_\_\_\_

\*Title: City Manager

\*Telephone Number: (408) 586-3050

Fax Number: (408) 586-3056

\* Email: twilliams@ci.milpitas.ca.gov

\*Signature of Authorized Representative:

\*Date Signed: June 8, 2012

### HUD-424-M Funding Matrix

The applicant must provide the funding matrix shown below, listing each program or program component for which HUD funding is being requested and submit this information with the application for federal financial assistance.

Grant Program*	HUD Share	Matching Funds	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other Funds	Program Income	Total
CDBG	\$390,716		\$5,352					\$50,000	\$446,068
<b>Grand Totals</b>	\$390,716		\$5,352					\$50,000	\$446,068

WELCOME TO

THE CITY OF MILPITAS



## NOTICE OF PUBLIC CONSULTATION MEETINGS MILPITAS FIVE-YEAR CONSOLIDATED PLAN (2012-2017)

**Purpose Of Meeting:** The City of Milpitas is presently soliciting public input and comments from public agencies, housing organizations, support services, special needs providers, non-profit agencies, and the general public on its assessment for low and moderate-income housing, homeless population, senior citizens, disabled persons affected with HIV/AIDS, single parent households, and persons seeking emergency shelter and transitional housing, fair housing, and analysis of persons and housing units affected by lead-based paint. Public consultation meetings will also include the citizen's participation plan to encourage local residents input and comments into the preparation of the City of Milpitas Five-Year Consolidated Plan.

The needs assessment will assist the City of Milpitas in the preparation of the Consolidated Plan and obtaining Community Development Block Grant funding in addressing the needs of individuals and families as required by the Department of Housing and Urban Development (HUD). Your participation in assessing the community needs is strongly encouraged to allow us to adequately address the needs and assess the impacts of these services provided to the residents of Milpitas.

**Time & Place:** To encourage maximum citizen participation in the Consolidated Plan Process, City of Milpitas will hold a series of three (3) community meetings at the following times and places:

**Tuesday, April 12, 2011 at 7:00 p.m.**  
City of Milpitas, 455 E. Calaveras Blvd.  
Committee Conference Room, 1st Floor

**Monday, April 18, 2011 at 7:00 p.m.**  
Milpitas Police Dept. 1275 N. Milpitas Blvd.  
Police Community Room, 1st Floor

**Monday, May 2, 2011 at 3:00 p.m.**  
Milpitas Senior Center, 40 N. Milpitas Blvd.

If you are unable to attend any of the meetings, written comments can be forwarded to:

City of Milpitas/City Hall  
Planning and Neighborhood Services Dept.  
455 E. Calaveras Blvd., Milpitas, CA 95035  
Attn: Felix Reliford, Principal Housing Planner  
e-mail: [freliford@ci.milpitas.ca.gov](mailto:freliford@ci.milpitas.ca.gov)

**Further Questions & Comments:** Contact Felix Reliford, Principal Housing Planner at (408) 586-3071 or Gloria Anaya, Sr. Housing Specialist at (408) 586-3075

**Note:** In compliance with the American with Disabilities Act, individuals requiring accommodations for this meeting should notify the City Clerk Office 48 hours prior to the meeting at (408) 586-3001, TDD (408) 586-3013. Hearing assistance devices are available for use during the meeting. For assistance in Spanish call (408) 586-3075, Vietnamese (408) 586-3122 and Chinese (408) 586-3263.



# CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 • www.ci.milpitas.ca.gov

January 24, 2011

Re: **Request for Statistical Data and Information for City of Milpitas Five-Year Consolidated Plan 2012-2017**

Dear Sir:

The City of Milpitas is presently preparing its Five-Year Consolidated Plan to continue receiving Community Development Block Grant (CDBG) funding from the Department of Housing and Urban Development (HUD). Federal law requires the Consolidated Plan to provide analysis of special needs of persons and families of very low, low and moderate-incomes, homelessness, affordable housing programs, persons affected with HIV/AIDS, disabled, senior citizens, single parent households, and persons seeking emergency shelter/transitional housing and fair housing.

To complete and address these issues, I would appreciate if you could provide City of Milpitas with the following information as it relates to any services, programs and activities your agency provides to Milpitas residents over the past 3 years:

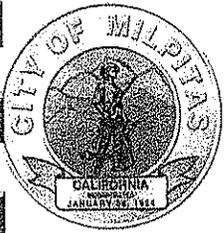
- Any Statistical Data and/or Research
- Any Special Studies or Reports
- Ethnicity/Race Population
- Countywide Data
- Population, Special Populations, Income, Employment
- Housing, Economic, Social Characteristics, etc.

any statistical data, special reports, studies or any general information with regards to any Milpitas residents, which have applied for or requested services from your agency within the past 3 years. Any studies, reports, statistical data or information would be extremely helpful in assisting us in preparing the Consolidated Plan. **I would appreciate if you would reply to this request by: February 28, 2011.**

If you have any questions pertaining to this request, please do not hesitate to contact me at (408) 586-3071. Thank you for your advanced cooperation.

Sincerely,

Felix J. Reliford  
Principal Housing Planner



# CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 • www.ci.milpitas.ca.gov

March 28, 2011

## Re: City of Milpitas Preparation of the Five-Year Consolidated Plan (2012-2017)- Public Consultation Meetings

Dear Service Provider and General Public:

The City of Milpitas is currently in the process of preparing its Five-Year Consolidated Plan (2012-2017) to submit to Department of Housing and Urban Development (HUD) to continue receiving Community Development Block Grant (CDBG) funds. The Consolidated Plan provides a five-year need assessment of the programs, services and activities that will be considered for future funding over this period of time. City of Milpitas will be holding a series of three (3) Public Consultation Meetings to obtain input, comments and feedback from public agencies, housing organizations, support services, special need providers, non-profits and the general public.

Attached is a copy of the public consultation meetings notice in regards to the time and places of the proposed meetings. **If you will be requesting CDBG funds from the City of Milpitas over the next five years (2012-2017), I strongly recommend that you attend at least one of the public consultation meetings, in order for the City of Milpitas to hear your input and comments in preparing the Consolidated Plan.** The three (3) meetings will be held in order to maximize the citizen participation process.

Upon completion of the Draft Consolidated Plan, a 30-day public review and comments period will be held and a public hearing in May/June 2012 by Milpitas City Council for review and adoption. You will be notified (and sent a copy) of the 30-day review period and the public hearing meeting by City Council. The Consolidated Plan is due to HUD by June 30, 2012.

If you have any questions, regarding this matter, please do not hesitate to contact me at (408) 586-3071.

Sincerely,

Felix J. Reliford  
Principal Housing Planner

RECEIVED

FEB 18 2011

HNP DIVISION

Felix Reliford

From: Adriana Caldera [acaldera@ywca-sv.org]

Sent: Friday, February 18, 2011 1:33 PM

To: Felix Reliford

Subject: RE: Request for Statistical Data and Information for City of Milpitas Five-Year Consolidated Plan 2012-2017

Hi Felix,

I hope that this email finds you doing well. Below please find income and ethnicity/race information on clients that we have served from the Milpitas community. (Our database administrator is out today, so I wasn't able to list our FY 08-09 data.) Please let me know if you have any questions.

FY 09-10

- 25 Milpitas residents received legal advocacy, counseling and therapy services
- Of these 25 clients, 21 fell into the Extremely Low Income Category, and 4 fell into the Low Income Category
- Ethnicity/Race: 17 White (13 of those identified as Hispanic), 3 Black/African American, 1 Asian, 1 Native American, 1 Hawaiian/Pacific Islander, 2 Multi-racial/Other
- 6 clients had mental/physical disabilities

FY 07-08

- 18 Milpitas residents received legal advocacy, counseling and therapy services
- All 18 clients fell into the Very Low Income Category.
- Ethnicity/Race: 11 White (6 of those identified as Hispanic), 1 Black/African American, 6 Asian
- 3 clients had mental/physical disabilities

I hope this helps in your search for Milpitas data.

Best regards,

Adriana Caldera, M.P.A.

**Grants Manager**

YWCA of Silicon Valley | 375 South Third Street | San Jose, CA 95112

acaldera@ywca-sv.org | (P) 408.295.4011 x234 | (F) 408.294.0608

Empowering Women | Eliminating Racism

El poder a las mujeres | Eliminar el racismo

Follow us!

2/18/2011

**Gloria Anaya**

**From:** Renee Kellythorne [ReneeK@healthtrust.org]

**Sent:** Thursday, March 03, 2011 5:34 PM

**To:** Gloria Anaya

**Subject:** Statistical Data for City of Milpitas

Gloria, please pass this info to Felix. Thanks.

22% 61yrs old or below

78% 62+ yrs old

10% Pacific Islander, 10% Other, 20% Hispanic, 20% White and 40% Asian

<1% equal to or above HUD poverty level

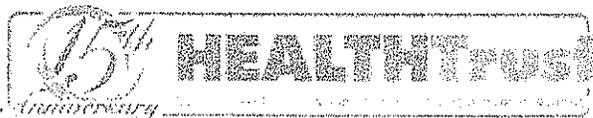
7% Very Low Income (HUD 30% income limits)

92% Extremely Low income (HUD 50% income limits)

100% disabled and homebound

I do not have any other reports at this time.

Renee Kellythorne | The HEALTHTrust Program Director Meals On Wheels & Food Basket | 1400  
Parkmoor Ave., Suite 230, San Jose, CA 95126 | PH: (408) 961-9807 | CELL: (408)833-5005 | reneek@healthtrust.org



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Santa Clara Valley Health and Hospital System  
Department of Alcohol & Drug Services

**ALCOHOL & DRUG SERVICES RESEARCH INSTITUTE**  
SANTA CLARA COUNTY, CALIFORNIA

**City of Milpitas Calendar Year 2008, 2009 and 2010 Ethnicity/Race and  
Modality Client Count**

Ethnicity/Race	Frequency	Percent
American Indian	3	0.9%
Asian	72	20.9%
Black/African-Americ	40	11.6%
Hispanic	99	28.7%
Other Race	10	2.9%
PacificIslander	2	0.6%
White	119	34.5%
Total	345	100.0%

Modality	Frequency	Percent
Alcohol Detox	29	5.6%
AMT	12	2.3%
Homeless	3	0.6%
Outpatient	311	60.3%
Residential	59	11.4%
Transitional Housing Unit	102	19.8%
Total	516	100.0%

The clients included in the above tables had a Milpitas zip code of 95035 or 95036 as classified by Felix Reliford. Clients in the modality table were unduplicated by client ID and modality meaning that clients were counted more than once when in more than one modality type. All the clients in Transitional Housing Unit were also in Outpatient. The Ethnicity/Race table was unduplicated by client ID.

**Felix Reliford**

**From:** Hutchinson, Michael [Michael.Hutchinson@hhs.sccgov.org]  
**Sent:** Wednesday, March 02, 2011 11:09 AM  
**To:** Felix Reliford  
**Subject:** FW: City of Milpitas Count  
**Attachments:** Milpitas Modality and Ethnicity-Race Results.xls

Mr. Reliford, attached is data we pulled from our records based on your request of Jan. 24<sup>th</sup>, 2011. I hope this will help you with your report. Please email me back acknowledging receipt. If you have any questions give me a call/email. michael

Michael J. Hutchinson, MFT  
Acting Manager QI and Data Support Division  
Clinical Standards Coordinator  
Santa Clara County Health and Hospital System  
Department of Alcohol and Drug Services  
976 Lenzen Ave., 3rd Floor  
San Jose, CA 95126  
Phone: 408-792-5672  
[michael.hutchinson@hhs.sccgov.org](mailto:michael.hutchinson@hhs.sccgov.org)

**From:** Tinetti, Aleksandra  
**Sent:** Friday, February 25, 2011 5:38 PM  
**To:** Hutchinson, Michael  
**Cc:** Torres, Nubia  
**Subject:** City of Milpitas Count

Hello Michael,

Please find attached the City of Milpitas Report you requested.

Thanks.

*Aleksandra aka Alexis Tinetti  
Data Analysis & Evaluation  
Department of Alcohol and Drug Services  
976 Lenzen Avenue  
San Jose, CA 95126  
(408) 792-5236*

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## Felix Reliford

**From:** Georgia Bacil [gbacil@ix.netcom.com]  
**Sent:** Monday, February 28, 2011 3:30 PM  
**To:** Felix Reliford  
**Subject:** SALA Statistics for Milpitas Clients For Past Three Fiscal Years  
**Attachments:** SALA Comments on Milpitas Funding Priorities for Oct 6 2010 .pdf

Dear Felix,

Pursuant to your request dated January 24, 2011, SALA submits the following statistical information about Milpitas clients age 60 or older served in FY 2007-08, FY 2008-09, and FY 2009-10.

### A. Clients Seen in Milpitas

During the past three fiscal years cited above, SALA served a total of 142 Milpitas clients. Eighty four percent (84%) of these clients were seen at the Milpitas Senior Center, 11% were seen at a SALA intake location in another city, and 5% were served through SALA's telephone Hotline because they were homebound or had an emergency that could not wait for a senior center appointment.

### B. Demographic Indicators Placing These Clients "At Risk"

Demographics for the clients SALA served in Milpitas for these three fiscal years revealed the following:

- 41% were age 75 or older
- 38% were disabled
- 32% live alone
- 65% identified themselves as minority elders

According to Older Americans Act criteria, the above factors placed these seniors at greater risk of abuse, exploitation, or premature institutionalization.

Significantly, statistics for the population age 60 or older in Santa Clara County compiled by Council on Aging Silicon Valley in the [Area Plan on Aging for 2009-2012](#) indicate the following:

- 32% are age 72 or older
- 19% are disabled
- 7% live alone
- 37% are minority elders

The statistics above indicate that SALA is targeting our CDBG supported program of free legal services to Milpitas elders that need these services the most.

### C. Low Income Status for Milpitas Clients Served

Even though our clients are presumed to be low/moderate income for CDBG because they are elderly, SALA collects income information from clients solely for the purpose of reporting to funders. We note that the Older Americans Act (our largest funder) prohibits us from using a means test to restrict services or from requiring income information from seniors as a condition of receiving services.

That being said, statistics for the Milpitas clients we served in FY 2007-08, 2008-09, and 2009-10 indicate that these elders revealed the following about their income status:

- 54% reported incomes at or below 30% of the median
- 15% reported incomes at or below 50% of the median

2/28/2011

- 25% reported incomes at or 80% of the median or declined to provide income information but were presumed to be at or below 80% of the median because they were "elderly" (age 60 or older).
- 3% reported incomes over 80% of the median.

We note that due to their low income status, most of these clients could not afford to pay an Elder Law attorney in private practice \$400 - \$500 per hour for legal assistance.

**D. Additional Documentation about the Need for Free Legal Assistance to Elders Countywide and in Milpitas**

I am also attaching a copy of the letter we submitted to the Milpitas Community Advisory Committee in October 2010 that documents the need for free legal assistance to Santa Clara County seniors, including documentation in reports done by Council on Aging and the County of Santa Clara.

Please let me know if you have any questions or if you need additional information from SALA for your Five Year Consolidated Plan.

Very truly yours,

Georgia

Georgia Bacil  
Directing Attorney  
Senior Adults Legal Assistance

**Felix Reliford**

**From:** FurlongP@usa.redcross.org  
**Sent:** Thursday, February 24, 2011 11:43 AM  
**To:** Felix Reliford  
**Subject:** Emergency Shelter Stats for Milpitas Residents

Felix,

During the past three years (2008, 2009, 2010) the American Red Cross assisted 51 Milpitas residents from 12 households with emergency shelter following a disaster. The dollar amount of that assistance totaled \$10,289.21. The ethnic demographic breakdown of residents helped was as follows:

White	8
Pacific Islander	6
Asian	23
Hispanic	13
Unknown	1

Of the 12 households assisted, income levels were reported as follows:

\$10,000 - \$14,000	1
\$15,000 - \$24,999	4
\$25,000 - \$34,999	1
\$35,000+	3
Unknown	3

I hope this information is helpful. Feel free to contact me if you have any questions.

Pilar

**Pilar Furlong**  
**Vice President of Public Support**

**American Red Cross**  
 Silicon Valley Chapter  
 2731 North First Street  
 San Jose, CA 95134  
 (408) 577-2113 (p)  
 (408) 838-1815 (c)  
 (408) 577-2050 (f)  
[furlongp@usa.redcross.org](mailto:furlongp@usa.redcross.org)

**RESOLVE to be Red Cross Ready: Make a Plan, Build a Kit and Get Trained**  
 For more information on how, visit [www.siliconvalley-redcross.org](http://www.siliconvalley-redcross.org).

**The need is constant. The gratification instant. Give Blood.**  
 Call 1-800-Red Cross (1-800-733-2767) or visit [www.redcrossblood.org](http://www.redcrossblood.org) to schedule your appointment.

2/24/2011

**Listing of Organizations, Groups and Agencies  
Notices for Milpitas Consolidated Plan/Request for Information and Data  
(2012-2017)**

Bill Wilson Center  
Executive Director  
1000 Market Street  
Santa Clara, CA 95050

SC Office of Affordable Hsg.  
Marjorie Matthews, Director  
2310 N. First St., Suite #100  
San Jose, CA 95131

American Red Cross  
Executive Director  
400 Mitchell Lane  
Palo Alto, CA 94301

Mid-Peninsula Citizens for  
Fair Housing  
Executive Director  
457 Kingsley Avenue  
Palo Alto, CA 94301

The Friends of the Reading Program  
Executive Director  
40 N. Milpitas Blvd.  
Milpitas, CA 95035

Comm. Health Awareness  
Executive Director  
P.O. Box #335  
Mountain View, CA 94042

Project Sentinel  
Ann Marquart  
430 Sherman Avenue, Ste. #308  
Palo Alto, CA 93401 (\*)

United Way of Silicon Valley  
Executive Director  
1922 Alameda  
San Jose, CA 95112

Housing Authority of SCC  
Section 8 Division  
505 W. Julian Street  
San Jose, CA 95110 (\*)

Catholic Charities  
Executive Director  
2625 Zanker Road  
San Jose, CA 95134 (\*)

Next Door Solution  
Executive Director  
1181 N. Fourth Street, Ste. A  
San Jose, CA 95112 (\*)

Peninsula Children Center  
Executive Director  
3860 Middlefield Road  
Palo Alto 94303

Odd Fellow Rebekah  
Executive Director  
P.O. Box #155  
Gilroy, CA 95020

Project Sentinel  
1055 Sunnyvale-Saratoga Road # 3  
Sunnyvale, CA 94087  
Attn: Martin Eichner (\*)

Asian Law Alliance  
Executive Director  
184 E. Jackson Street  
San Jose, CA 95112

Sacred Heart Community Services  
Executive Director  
803 S. First Street  
San Jose, CA 95110

Emergency Housing Consortium  
Executive Director  
P.O. Box #2346  
San Jose, CA 95109

Social Advocates for Youth  
Executive Director  
509 View Street  
Mountain View, CA 94041

SCV Multiservice Center  
Executive Director  
P.O. Box # 1306  
San Jose, CA 95109 (\*)

WATCH Program  
Executive Director  
P.O. Box #361358  
Milpitas, CA 95035 (\*)

Hsg. For Independent People  
Executive Director  
25 E. Hedding Street  
San Jose, CA 95112 (\*)

Women Housing Connection  
Executive Director  
P.O. Box #28176  
San Jose, CA 95159 (\*)

Family Service Association of SC  
Executive Director  
55 East Empire Street  
San Jose, CA 95112 (\*)

Second Harvest Food Bank  
Executive Director  
750 Curtner Avenue  
San Jose, CA 95125

Comm. Association for Retarded Executive Director 525 E. Charleston Road Palo Alto, CA 94306	Alum Rock Counseling Center, Inc. Executive Director 1245 E. Santa Clara Street San Jose, CA 95116 (*)	Charities Hsg. Dev. Corp. Executive Director 195 E. San Fernando San Jose, CA 95112 (*)
County of Santa Clara-Director Dept. of Environmental Health 2220 Moorpark Avenue San Jose, CA 95128	Filipino Youth Coalition Executive Director 2448 Story Road San Jose, CA 95122 (*)	Dept. of Health Services Children Lead- Director Poisoning Prevention Branch 1515 Clay Street, Ste #1801 Oakland, CA 94612
County of Santa Clara-Director Dept of Mental Health 645 Bascom Avenue San Jose, CA 95128	Senior Housing Solutions Bob Campbell 512 Valley Way Milpitas, CA 95035 (*)	Live Oak adult Day Service Collen Hudgen 1147 Minnesota Avenue San Jose, CA 95112 (*)
County of Santa Clara-Director Dept. of Public Health 2400 Moorpark Avenue San Jose, CA 95128	Sr. Adults Legal Assistance Georgia Bacil 160 E. Virginia Street, Ste. 260 San Jose, CA 95112 (*)	Office of Environmental Health Hazard Assessment-Director 301 Capitol Avenue, #205 Sacramento, CA 95814
County of San Clara Dept. of Social Services-Director 100 Moffet Blvd. Mountain View, CA 94043	Support Network for Battered Women Executive Director 444 Castro Street, Ste 305 Mountain View, CA 94041 (*)	
County of Santa Clara Comm. on the Status of Women 70 W. Hedding Street San Jose, CA 95110	Tri-Cities Children Centers Executive Director 4533 Mattos Drive Fremont, CA 94536	Terrace Gardens Cherie Stewart 186 Beresford Court Milpitas, CA 95035 (*)
County of Santa Clara-Director Dept. of Alcohol and Drug Services 976 Lonzen Avenue, 2 <sup>nd</sup> Floor San Jose, CA 95126	Milpitas Food Pantry Karen Kolander 196 S. Main Street Milpitas, CA 95035 (*)	India Community Center Dr. Amor Santiago 555 Los Coches Street Milpitas, CA 95035 (*)
State of California Dept. of Social Services-Director 1600 Ninth Street Sacramento, CA 95814	Asian American Recovery Services Executive Director 1370 Tully Road, Ste 501 San Jose, CA 95122 (*)	MUSD Karl Black, Supt. 1285 Escuela Parkway Milpitas, CA 95035 (*)
State of California Dept. of Health Services-Director 714 P Street Sacramento, CA 95814	Center for Employment Training Executive Director 701 Vine Street San Jose, CA 95110 (*)	City of Milpitas Bonnie Greiner 457 Calaveras Blvd. Milpitas, CA 95035 (*)

Catholic Charities  
Executive Director  
2625 Zanker Road  
San Jose, CA 95134 (\*)

The Health Trust- Executive Dir.  
2105 S. Bascom Ave, Suite #220  
Campbell, CA 95008

Santa Clara Family Health  
Foundation-Executive Dir.  
210 E. Hacienda Ave  
Campbell, CA 95008

San Jose Conservation Corps-  
Executive Director  
2650 Senter Road  
San Jose, CA 95111

Vietnamese Voluntary Foundation  
Executive Director  
2260 Quimby Road  
San Jose, CA 95122

Matri-Executive Dir.  
234 E. Gosh Road, Suite #200  
San Jose, CA 95112

Senior Adults Legal Assistance-  
Executive Director  
160 E. Virginia Ave, Suite #260  
San Jose, CA 95112

Milpitas Chamber of Commerce  
828 N. Hillview Drive  
Milpitas, CA 95112

Salvation Army  
Executive Director  
359 North 4<sup>th</sup> Street  
San Jose, CA 95112

Next Door Solutions  
234 E. Gish Rd. Suite #220  
San Jose, CA 95112

Rebuilding Together-  
Executive Director  
2827 Aiello Drive  
San Jose, CA 95111

United Way of Silicon Valley  
1922 The Alameda  
San Jose, CA 95112

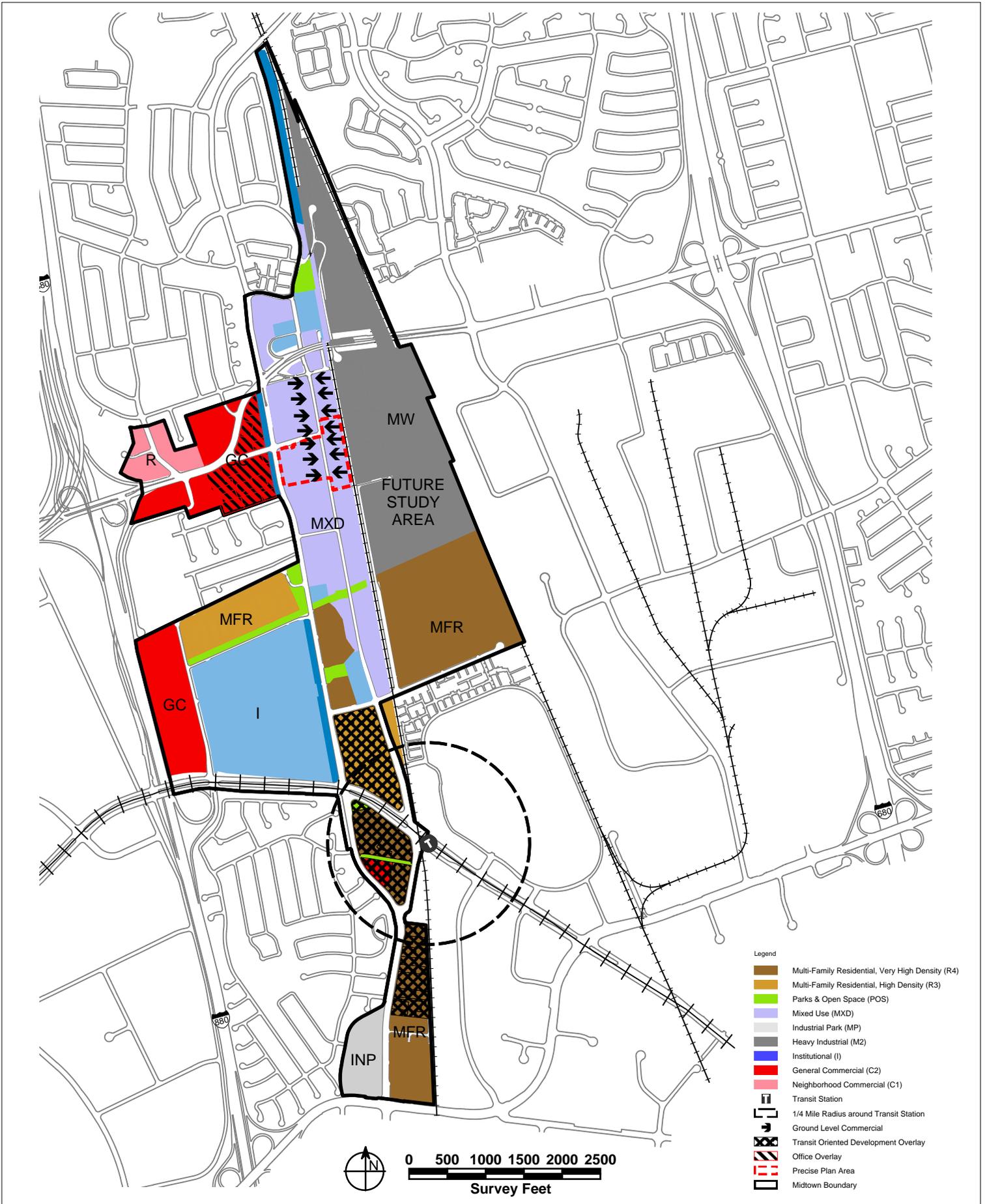


Figure 8.0: Midtown Land Use Plan

LEGEND

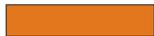
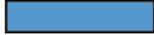
-  **General Commercial**
-  **Retail Transit Oriented**  
Community and Regional Retail; Hotels, Office. Maximum FAR of 2.5.
-  **Boulevard Very High Density Mixed Use**  
Permitted uses include Residential, Office, Commercial and Medical uses up to 1.5 maximum gross FAR, an FAR of 2.5 may be permitted on individual sites. 4-12 stories (20 stories with CUP). Residential use shall have 41 un/ac minimum average gross density; 60 un/ac maximum average gross density.
-  **Residential - Retail High Density Mixed Use**  
Residential, office, and/or hotel uses above ground floor retail and restaurants, 200 sq. ft of retail or restaurant use required for every residential unit. Residential density: 31 du/ac minimum average gross density; 50 un/ac maximum average gross density. 4-12 stories. (20 stories with CUP) Maximum FAR of 1.5; up to 2.5 FAR may be permitted on individual sites.
-  **Very High Density Transit Oriented Residential**  
41 un/ac minimum average gross density; 60 un/ac maximum average gross density; 4-6 stories; (12 stories on arterials, 20 stories with CUP) gross densities of individual projects may be <41 or >60, provided that area development complies with average gross density; small local-serving retail, office, and live/work permitted at ground floor.
-  **High Density Transit Oriented Residential**  
21 un/ac minimum average gross density; 40 un/ac maximum average gross density; 3-5 stories; gross densities of individual projects may be <21 or >40, provided that area development complies with average gross density; residential uses only.
-  **Transit Facilities**  
Underlying zoning to be Boulevard Very High Density Mixed Use if transit facilities are not built on this site.
-  **Industrial Park**
-  **Parks/Plazas/Community Facilities**
-  **Linear Park and Trails**
-  **Landscaped Front Yards and Buffers**
-  **Neighborhood Retail Locations**  
5000 sq. ft. of local serving retail required on the ground floor.
-  **Density Bonus**  
Increased density permitted on sites closest to BART and light rail. See table for detail about TOD Overlay District and TOD Density Bonus allowed with a CUP.
-  **Potential Hotel Sites**
-  **Potential Grocery Store Site**
-  **Proposed BART Line**
-  **VTA Light Rail Transit**
-  **Union Pacific Railroad and Railroad Spur**
-  **Potential Future Train Turn-around and/or Relocated Spur Track**
-  **Study Area**
-  **Pedestrian Connection**
-  **Pedestrian Bridge**

Figure 3-1  
Transit Area Plan

# MILPITAS TRANSIT AREA SPECIFIC PLAN

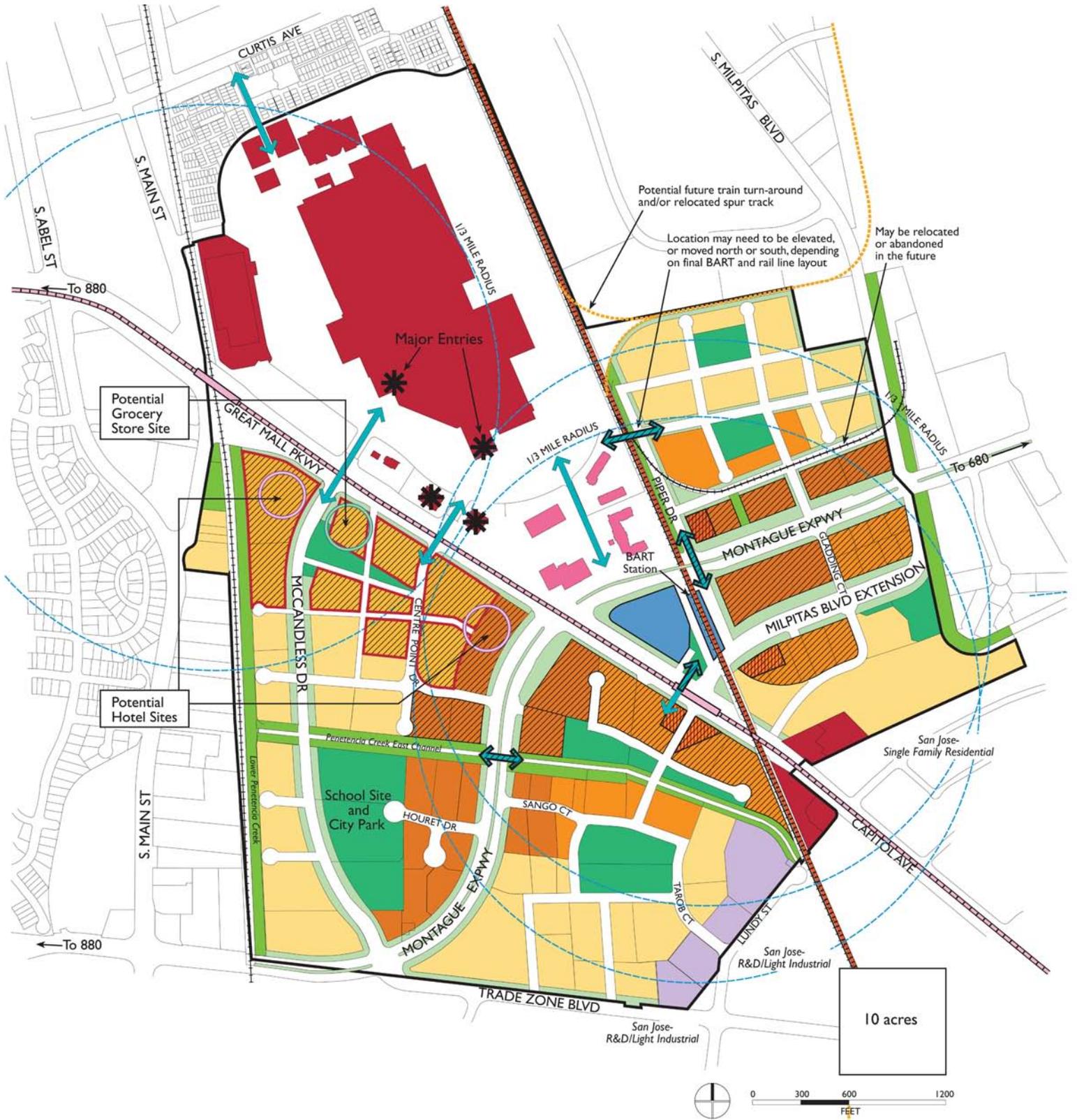
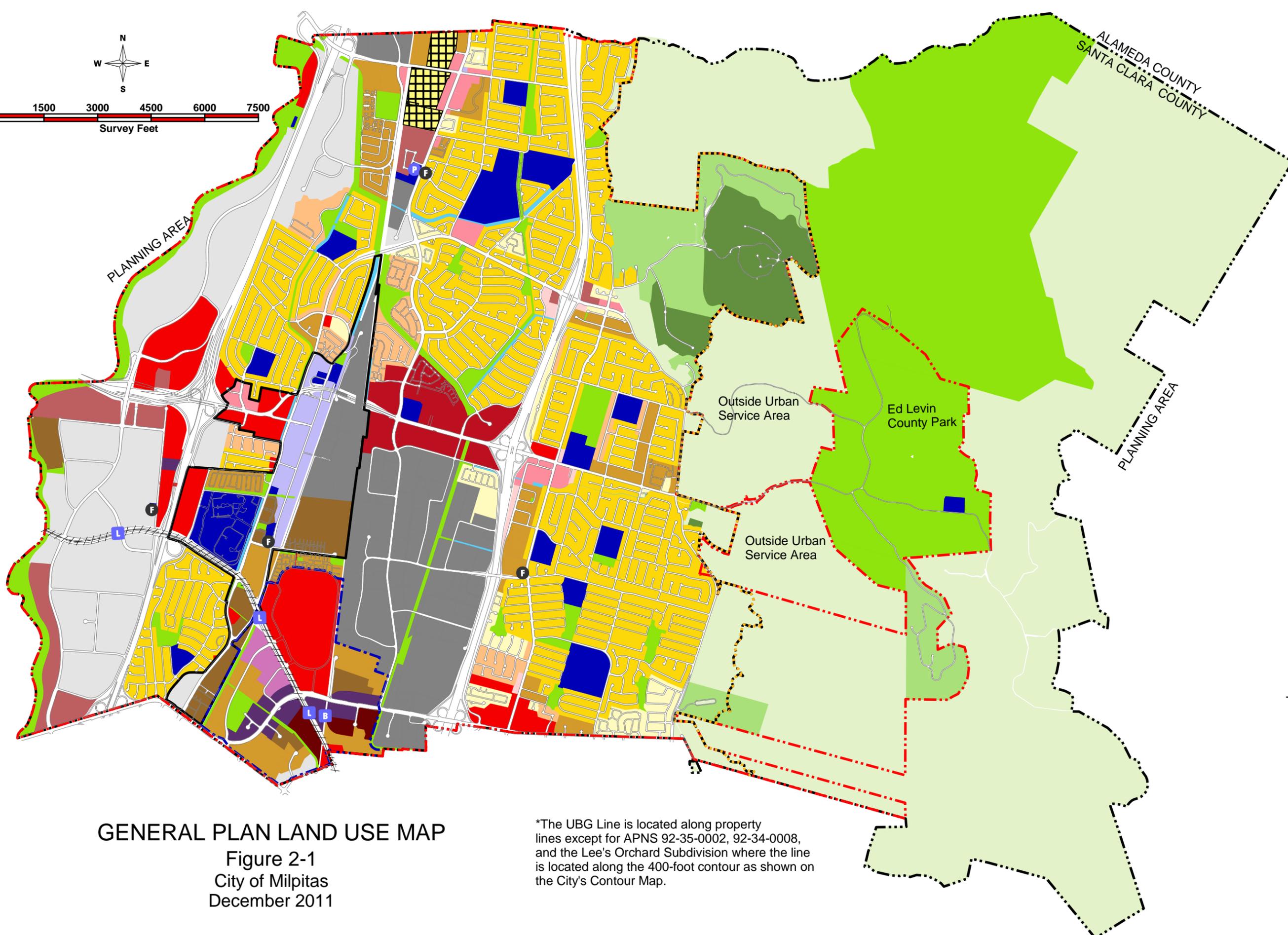
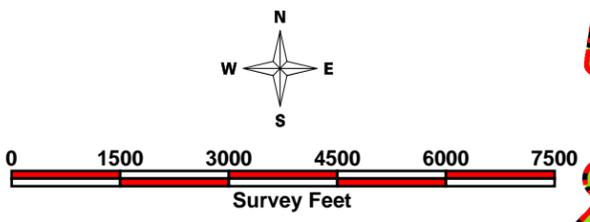


Figure 3-1  
Transit Area Plan



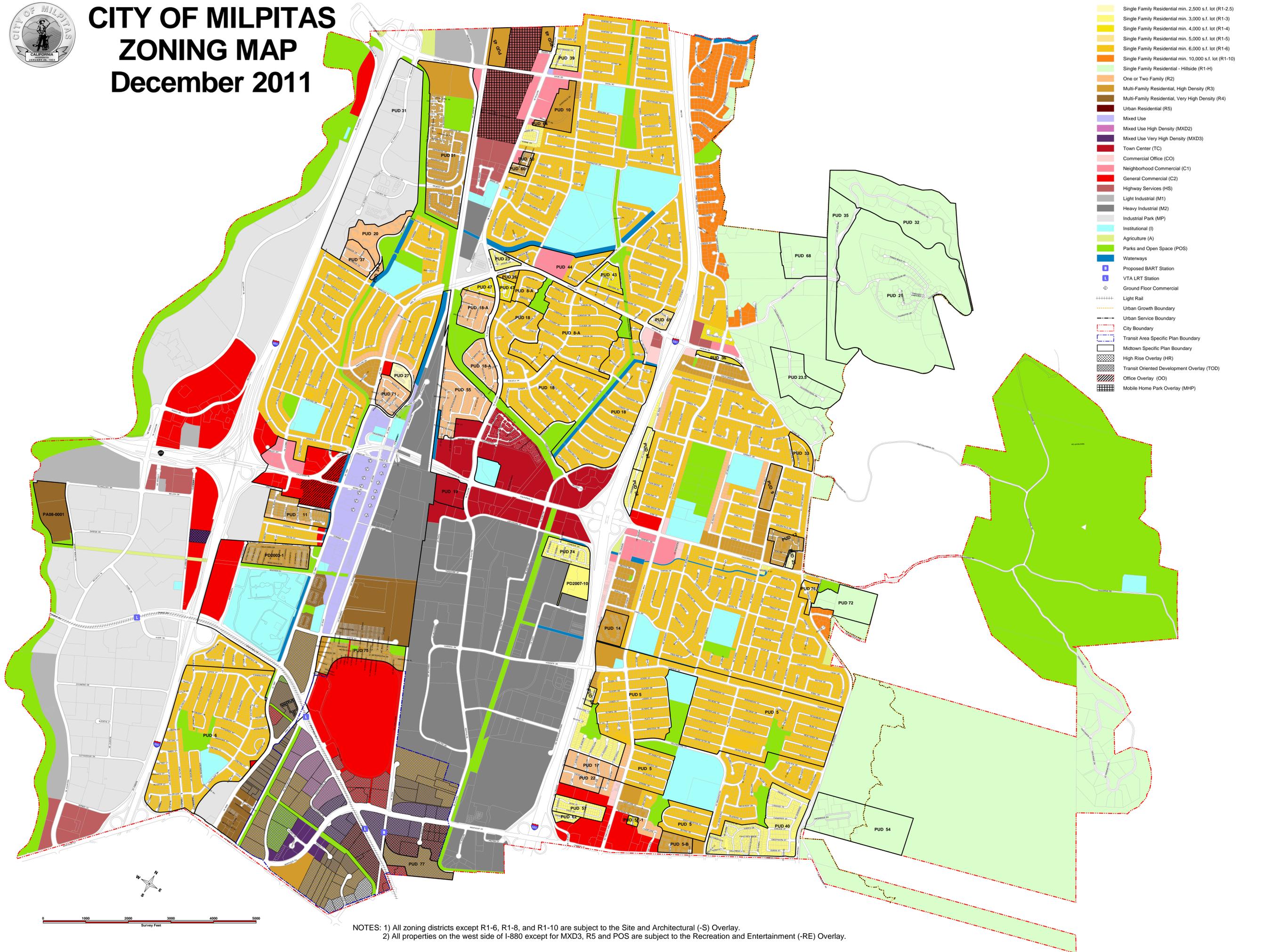
- Legend**
- Hillside Very Low Density (HVL) up to 1 unit/10 gross acres
  - Hillside Low Density (HLD) up to 1 unit/gross acre
  - Hillside Medium Density (HMD) up to 3 units /gross acre
  - Single Family Low Density (SFL) 3-5 units/gross acre
  - Single Family Medium Density (SMD) 6-15 units/gross acre
  - Multi-Family Residential Medium Density (MFM) 7-11 units/gross acre
  - Multi-Family Residential High Density (MFH) 12-20 units/gross acre; up to 40 units/gross acre with special findings and PUD approval
  - Multi-Family Residential, Very High Density (VHD) 31-40 units/gross acre; up to 60 units/gross acre in TOD
  - Urban Residential (URR) 41-75 units/gross acre; up to 25% additional density with CUP approval
  - Mobile Home Park Overlay (MHP)
  - Mixed Use (MXD)
  - Residential Retail High Density Mixed Use (RRMU)
  - Boulevard Very High Density Mixed Use (BVMU)
  - Professional and Administrative Office (PAO)
  - Retail Subcenter (RSC)
  - General Commercial (GNC)
  - Highway Services (HWS)
  - Town Center (TWC)
  - Manufacturing and Warehousing (MW)
  - Industrial Park (INP)
  - Public Facilities (PF)
  - Parks and Open Space (POS)
  - Waterways (Shown for reference only)
  - Midtown Specific Plan Area Boundary
  - Transit Area Specific Plan Area Boundary
  - Sphere Influence
  - City Boundary
  - Urban Service Area Boundary
  - Urban Growth Boundary
  - Light Rail
  - Future BART Station
  - VTA Light Rail Station
  - Fire Station
  - Police Station

**GENERAL PLAN LAND USE MAP**  
 Figure 2-1  
 City of Milpitas  
 December 2011

\*The UBG Line is located along property lines except for APNS 92-35-0002, 92-34-0008, and the Lee's Orchard Subdivision where the line is located along the 400-foot contour as shown on the City's Contour Map.



# CITY OF MILPITAS ZONING MAP December 2011



- Legend**
- Single Family Residential min. 2,500 s.f. lot (R1-2.5)
  - Single Family Residential min. 3,000 s.f. lot (R1-3)
  - Single Family Residential min. 4,000 s.f. lot (R1-4)
  - Single Family Residential min. 5,000 s.f. lot (R1-5)
  - Single Family Residential min. 6,000 s.f. lot (R1-6)
  - Single Family Residential min. 10,000 s.f. lot (R1-10)
  - Single Family Residential - Hillside (R1-H)
  - One or Two Family (R2)
  - Multi-Family Residential, High Density (R3)
  - Multi-Family Residential, Very High Density (R4)
  - Urban Residential (R5)
  - Mixed Use
  - Mixed Use High Density (MXD2)
  - Mixed Use Very High Density (MXD3)
  - Town Center (TC)
  - Commercial Office (CO)
  - Neighborhood Commercial (C1)
  - General Commercial (C2)
  - Highway Services (HS)
  - Light Industrial (M1)
  - Heavy Industrial (M2)
  - Industrial Park (MP)
  - Institutional (I)
  - Agriculture (A)
  - Parks and Open Space (POS)
  - Waterways
  - Proposed BART Station
  - VTA LRT Station
  - Ground Floor Commercial
  - Light Rail
  - Urban Growth Boundary
  - Urban Service Boundary
  - City Boundary
  - Transit Area Specific Plan Boundary
  - Midtown Specific Plan Boundary
  - High Rise Overlay (HR)
  - Transit Oriented Development Overlay (TOD)
  - Office Overlay (OO)
  - Mobile Home Park Overlay (MHP)

NOTES: 1) All zoning districts except R1-6, R1-8, and R1-10 are subject to the Site and Architectural (-S) Overlay.  
2) All properties on the west side of I-880 except for MXD3, R5 and POS are subject to the Recreation and Entertainment (-RE) Overlay.