List of Attachments for Public Hearing No. 2

General Plan Draft Housing Element 2015-2023

Conduct a Public Hearing and Adopt Environmental Assessment (Negative Declaration) and General Plan Amendment Adopting the Draft Housing Element 2015-2023 and Revisions to the Seismic/Safety Element and Open Space and Conservation Element of the General Plan

(Staff Contact: Felix Reliford, 408-586-3071)

Attachments:

2A – City Council Resolution

2B – Draft Housing Element

2C – Negative Declaration

2D – Letters from OPR (Governor's Office of Planning and Research) and DOT (Department of Transportation)

2E – Adopted Planning Commission Resolution No. 15-0008 February 25, 2015

2F – Letter from HCD (Department of Housing and Community Development)

2G – Response to Comment Letter, 1/23/2015

2H – Meeting Minutes of Planning Commission, 2/25/2015

2I – Two Non-Profit Letters

RESOLUTION NO. ___ 2A

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING A NEGATIVE DECLARATION AND APPROVING A GENERAL PLAN AMENDMENT UPDATING THE HOUSING ELEMENT 2015-2023, SEISMIC/SAFETY ELEMENT AND OPEN SPACE AND ENVIRONMENTAL CONSERVATION ELEMENT OF THE GENERAL PLAN

WHEREAS, California Government Code Sections 65580 *et seq.* requires a Housing Element as a mandatory element of the General Plan and that Housing Elements are required to be updated every eight years; and

WHEREAS, State law requires that a general plan and its constituent elements "comprise" an integrated internally consistent and compatible statement of policies; and

WHEREAS, the previous Milpitas Housing Element was adopted by the City Council on June 15, 2010, and certified by the State of California, Department of Housing and Community Development (HCD) on February 10, 2010; and

WHEREAS, the updated Housing Element focuses on housing needs from January 1, 2015, through June 30, 2023, in accordance with the Housing Element planning period for San Francisco Bay Area jurisdictions established by law; and

WHEREAS, over the past year, the process to update the Housing Element in the City of Milpitas included: 1) obtaining housing information and data from local and regional housing agencies during the preparation of the updated plan; 2) conducting two publicly noticed community workshops on February 25 and March 11, 2014, to solicit input from the public on the City's housing needs and to provide the public with an opportunity to shape the City's housing goals, policies and objectives; 3) mailing notices of the meetings to 70 organizations and a variety of other groups and agencies; 4) conducting outreach for the meetings to recruit potential participants who would reflect the City's full ethnic and economic diversity; and 5) providing appropriate opportunity for the general public to review and comment on the draft and final housing element documents; and

WHEREAS, the Milpitas Planning Commission held two (2) public hearings on May 14 and September 10, 2014 to obtain public input and comments on the Draft Housing Element Update; and

WHEREAS, the Milpitas City Council held a public hearing on September 16, 2014 to obtain public input and comments on the Draft Housing Element Update; and

WHEREAS, the public was provided a thirty (30) day review and comments period and copies of the Draft Housing Element Update was on file at the Milpitas City Hall, Milpitas Public Library and the City's website for public review and comment; and

WHEREAS, the Association of Bay Area Governments (ABAG) determines the Regional Housing Needs Allocation (RHNA) for the Bay Area and allocated 3,290 residential units to the City of Milpitas for the next Housing Element cycle of 2015 to 2023; and

WHEREAS, a Draft General Plan Housing Element Update was forwarded to the HCD for their review and comments and the City of Milpitas received comments from HCD and responded to their comments; and

WHEREAS, on January 5, 2015, the HCD notified the City of Milpitas in writing that they had reviewed the Draft Milpitas General Plan Housing Element Update and found the document in compliance with State Housing Element Laws (Article 10.6 of the Government Code) when it was submitted to HCD pursuant to California Government Code Section 65585(g); and

WHEREAS, the revised Seismic and Safety Element of the General Plan includes an update to the required information related to Federal Emergency Management Agency (FEMA) Flood Rate Maps (FIRMs), dam, inundation zones, and City goals and policies to comply with State law (Assembly Bill 162 and California Government Code Section 65302); and

WHEREAS, the revised Open Space and Environmental Conservation Element includes updates to the Water Quality and Conservation Section, specifically, a map of rivers, creeks, streams, and riparian habitat to comply with State law (Assembly Bill 162); and

WHEREAS, General Plan Amendments (GPA) for Housing, Seismic and Safety and Open Space and Environmental Conservation Elements and Negative Declaration were prepared by the City of Milpitas and legally advertised for public review and comments; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA) an Initial Study was prepared and did not find any significant environmental impacts associated with the proposed projects. Based on the Initial Study finding of no significant impacts associated with the project, a Notice of Intent to Adopt a Negative Declaration was prepared and circulated for public review and comments from December 12, 2014, to January 12, 2015; and

WHEREAS, the Notice of Intent to Adopt a Negative Declaration and General Plan Amendments were advertised on February 13, 2015, for the Planning Commission meeting on February 25, 2015; and

WHEREAS, on February 25, 2015, the Planning Commission held a public hearing on the General Plan Amendments for Housing, Seismic and Safety, and Open Space and Environmental Conservation Elements and the Negative Declaration. The Planning Commission, among other documents and information, considered the report from staff on the General Plan Amendments for Housing, Seismic and Safety, and Open Space and Environmental Conservation Elements and the Negative Declaration and written and public testimony from property owners, business owners, outside agencies and other affected parties; and

WHEREAS, the Planning Commission did review and consider the Negative Declaration for the General Plan Amendments and determined that no significant impacts are associated with the General Plan Amendments for Housing, Seismic and Safety and Open Space and Environmental Conservation Elements; and

WHEREAS, on February 25, 2015, the Planning Commission adopted a Resolution recommending the City Council approve the Negative Declaration (Environmental Assessment No. EA14-0007) and General Plan Amendments No. GP14-0004); and

WHEREAS, on April 21, 2015, the City Council held a public hearing on the General Plan Amendments for Housing, Seismic and Safety, and Open Space and Environmental Conservation Elements and Negative Declaration. The City Council, among other documents and information, considered the report from staff on the General Plan Amendments for Housing, Seismic and Safety, and Open Space and Environmental Conservation Elements and the Negative Declaration and written and public testimony from property owners, business owners, outside agencies and other affected parties; and

WHEREAS, the City Council did review and consider the Negative Declaration for the General Plan Amendments and determined that no significant impacts are associated with the General Plan Amendments for Housing, Seismic and Safety and Open Space and Environmental Conservation Elements; and

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

2. An Initial Study and Negative Declaration pursuant to CEQA was prepared and circulated (SCH#2014122025) for the General Plan Amendments to the Updated Housing Element, Seismic and Safety Element and Open Space and Environmental Conversation Element. The Negative Declaration assumed no rezoning or changes to the General Plan or Zoning Districts for residential uses to the proposed project and the project has no potential to cause a significant effect on the environment.

Pursuant to Government Code Section 65457 (CEQA Guidelines Section 15073), there was a 30-day public review period from December 12, 2014 to January 12, 2015. The proposed project summary is included as follows:

Proposed Project Summary

The proposed project includes an update to the current (2007-2014) Housing Element for the planning period 2015-2023. The proposed Project supports the goals and policies of the City's current Housing Element and provides policies and implementing programs to further the City's housing goals to meet its Regional Housing Needs Allocation (RHNA-3,290 units). No rezoning or changes to the General Plan or Zoning districts would be required to achieve this yield. The Seismic and Safety Element Amendment includes an update to required information related to Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRMS), dam inundation zones, and City goals and policies to comply with State law (specifically Assembly Bill 162). It also includes the adoption of Santa Clara County's multi-jurisdictional Local Hazard Mitigation Plan and the City of Milpitas' Local Hazard Mitigation Plan Annex to ensure that appropriate emergency measures are implemented when natural disaster occurs. The Open Space and Environmental Conservation Element Amendment include updates to the water Quality and Conservation Section, map of rivers, creeks, streams, and riparian habitat pursuant to Assembly Bill 162 and California Government Code Section 65302.

The City Council has reviewed the Initial Study and Negative Declaration, all supporting evidence and documentation, and considered public comments provided at or before the hearing of this matter. The Initial Study and Negative Declaration reflect the City Council's independent judgment and analysis as to the effects of the project on the environment. Based on the review of the entire record therein, including the Negative Declaration, the Initial Study, all supporting, referenced, and incorporated documents and all comments received, the City Council that there is no substantial evidence that the project will have a significant effect on the environment, and that the Negative Declaration, Initial Study and supporting documents provide an adequate description of the impacts of the project and comply with the CEQA and CEQA Guidelines. The City Council designates the Director of Planning & Neighborhood Services at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA. 95035, as the custodian of documents and records of proceedings on which this decision is based. All documents are on file with Planning Division and available for inspection by interested person.

3. General Plan Amendments (XI-10-57.02.G.1) - The City Council makes the following findings based on the evidence in the public record in support of the amendments:

a) *The proposed amendment is internally consistent with those portions of the General Plan which are not being amended.*

Government Code Section 65580 *et seq*. requires that Housing Elements as mandatory elements of the General Plan are updated every eight years and that a general plan and its constituent elements "comprise" an integrated internally consistent and compatible. Assembly Bill No. 162 requires amendments to the Seismic and Safety Element to address information relating to Federal Emergency Management Agency (FEMA), Flood Insurance Rate Maps (FIRMs) dam inundation zones and city goals and policies to comply with State law. Assembly Bill No. 162 requires amendments to the Open Space and Environmental Conversation Element to include update to Water Quality and Conversation Section, map of rivers, creeks, streams, and riparian habitat.

The proposed General Plan amendments are required and consistent with State law. The Updated Housing Element will cover the period from 2015 to 2013 and establishes short and long term goals for the City to meet its housing needs. The other changes to the General Plan are to update other elements to make then in conformance to changes in State law. The proposed changes will not affect any of the other elements or provisions of the General Plan and will not create any inconsistency.

b) *The proposed amendment will not adversely affect the public health, safety, and welfare of the residents of Milpitas*

The proposed general plan amendments will require no rezoning or changes to the General Plan or Zoning districts. Transit Area and Midtown Specific Plan have appropriate number of housing sites to meet the Regional Housing Needs Allocation. Furthermore, the amendments will focus compliance with State laws achieving long-term housing goals and policies and addressing updated information relating to flooding and water quality and conversation.

4. General Plan Amendments.

   a) Section 4.4 of the Milpitas General Plan entitled "Water Quality and Conservation" is hereby amended to read as set forth in **Exhibit A** attached hereto and incorporated fully herein.

   b) Section 5.2 of the Milpitas General Plan entitled "Drainage, Flooding and Dam Inundation" is hereby amended to read as set forth in **Exhibit B** attached hereto and incorporated fully herein.

   c) Section 7 of the Milpitas General Plan entitled "Housing Element" is hereby amended in its entirety and replaced with an Updated Housing Element (2015-2023) attached hereto as **Exhibit C** attached hereto and incorporated fully herein.

5. The City Council of the City of Milpitas hereby adopts this Resolution approving a Negative Declaration (Environmental Assessment No. EA14-007) and approving General Plan Amendments No. GP14-004 relating to the Draft Housing Element (2015-2023) and revisions to the Seismic/Safety, Open Space/Environmental Conservation Elements of the General Plan.

PASSED AND ADOPTED this _____ day of _____, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Mary Lavelle, City Clerk

APPROVE:

_____
Jose Esteves, Mayor

APPROVED AS TO FORM:

_____
Michael Ogaz, City Attorney

EXHIBIT A

Section 4.4 of the Milpitas General Plan entitled "Water Quality and Conservation" is hereby amended to read as set forth below. Text deletions are indicated by a strikethrough and text additions are indicated by an underline.

4.4 Water Quality and Conservation

For water supply, see Section 2.6: Public Utilities and Services.

The City lies at the base of the Diablo Range extending from the foothills to an alluvial plain of the Santa Clara Valley. The City is divided nearly in half between the eastern hillside area and the western low-lying plain. However, the hillside area is primarily undeveloped and designated as open space. Elevations range from sea level near Coyote Creek to approximately 2,400 feet above mean sea level (msl) near Monument Peak in the northeastern portion of the City.

Several intermittent streams/creeks flow out of the foothills and through Milpitas before eventually discharging into Coyote Creek, which is a perennial stream that borders the City of Milpitas to the west. Coyote Creek eventually becomes a tidal slough and discharges into San Francisco Bay. Figure 4-4 identifies the rivers, creeks, and streams that flow through the City of Milpitas.

The City of Milpitas is located in the Santa Clara Valley groundwater subbasin. The eastern hillside area of Milpitas contributes to groundwater recharge and much of this area is dedicated to open space. Given that the majority of soil in the western low-lying plains is either clay or clayey loam with very low infiltration rates, there is limited potential for groundwater recharge in this area. Some infiltration occurs in the stream beds of the streams and creeks that flow through the City where these creeks have not been channelized.

Urban Runoff (Stormwater) Pollution Prevention

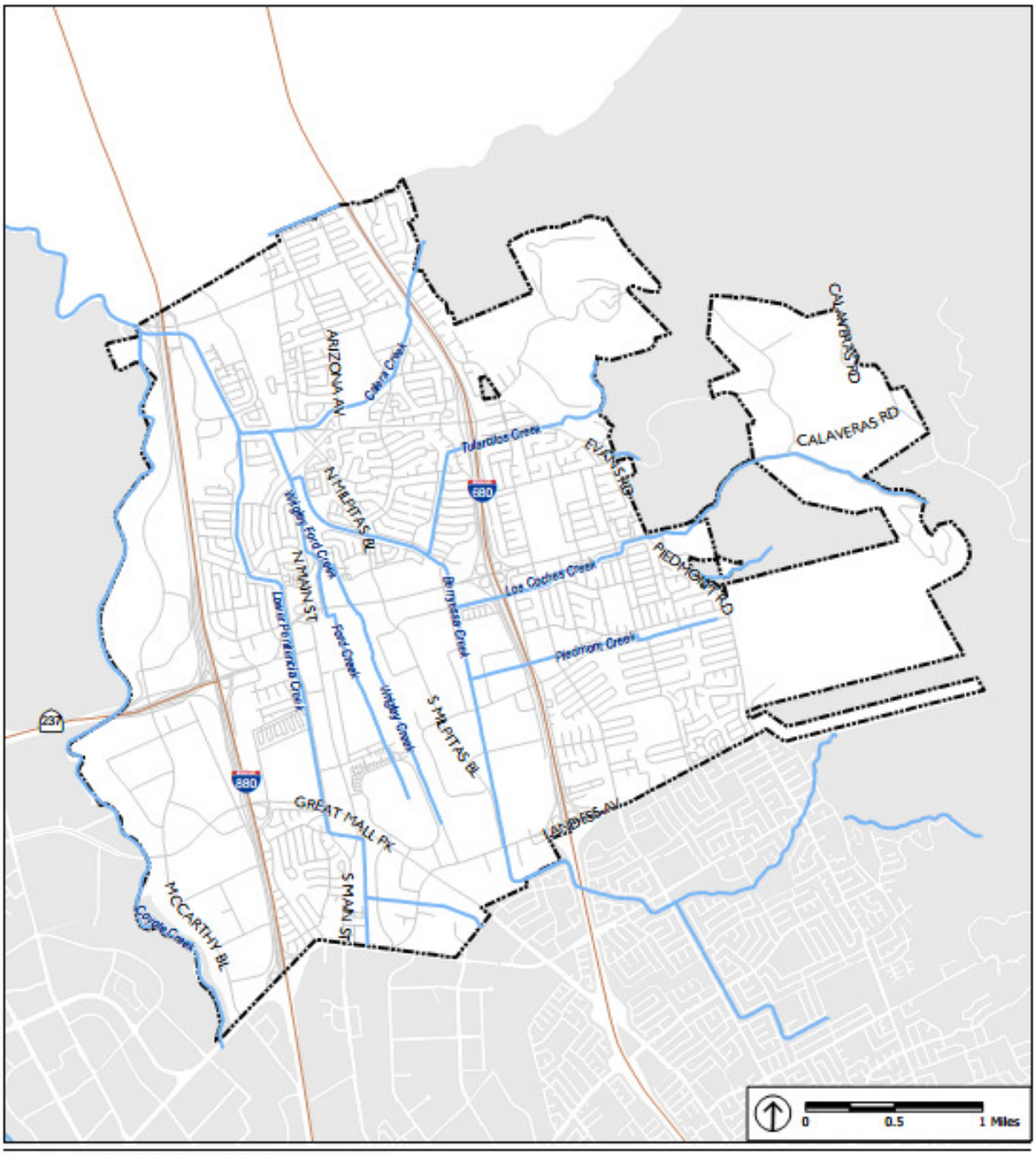
The San Francisco Bay Regional Water Control Board (RWQCB) is responsible for enforcing the state's Porter-Cologne Water Quality Act and the Federal Clean Water Act. The Water Board's *Water Quality Control Plan* (Basin Plan) identifies beneficial uses of San Francisco Bay and its tributaries and sets forth criteria and programs for protection of beneficial uses. The RWQCB has issued National Pollutant Discharge Elimination System (NPDES) permits to Bay Area counties, water districts and municipalities. The permits mandate comprehensive programs to reduce urban runoff pollution by targeting pollutant reduction and surface flow prevention from urban development activities. Milpitas, along with twelve other cities and towns in northern Santa Clara County, Santa Clara County, and the Santa Clara Valley Water District are Co-permittees under a single stormwater NPDES permit. The NPDES permit was issued in 1990 and reissued, with additional requirements, in 1995, 2001, and 2009.

Water Conservation

Prompted by the recent drought and water shortages, the City in 1993 adopted a Water Efficient Landscapes Ordinance and in 1994 adopted the Water Conservation Ordinance. The Ordinance seeks to promote conservation and efficient use of water by restricting new and rehabilitated landscaping for public agency projects, private commercial and industrial projects, and common-area landscaping in single-family and multifamily subdivisions and planned unit developments to maximum applied water allowances. It also requires preparation of landscape documentation packages for new and rehabilitated landscapes.

Recycled Water

The City of Milpitas desires to conserve potable water supplies and encourages the use of recycled water for appropriate uses. Potable water shall not be used for irrigation if recycled water is available except as specified in the City Municipal Code.



Source: City of Milpitas, 2014; ESRI, 2010; FHA, 2002; PlaceWorks, 2014.

Rivers and Streams
Milpitas City Limits
Highway

ution No. ___

FIGURE 4-4
RIVERS AND STREAMS

EXHIBIT B

Section 5.2 of the Milpitas General Plan entitled "Drainage, Flooding and Dam Inundation" is hereby amended to read as set forth below. Text deletions are indicated by a strikethrough and text additions are indicated by an underline.

5.2 Drainage, Flooding and Dam Inundation
Drainage

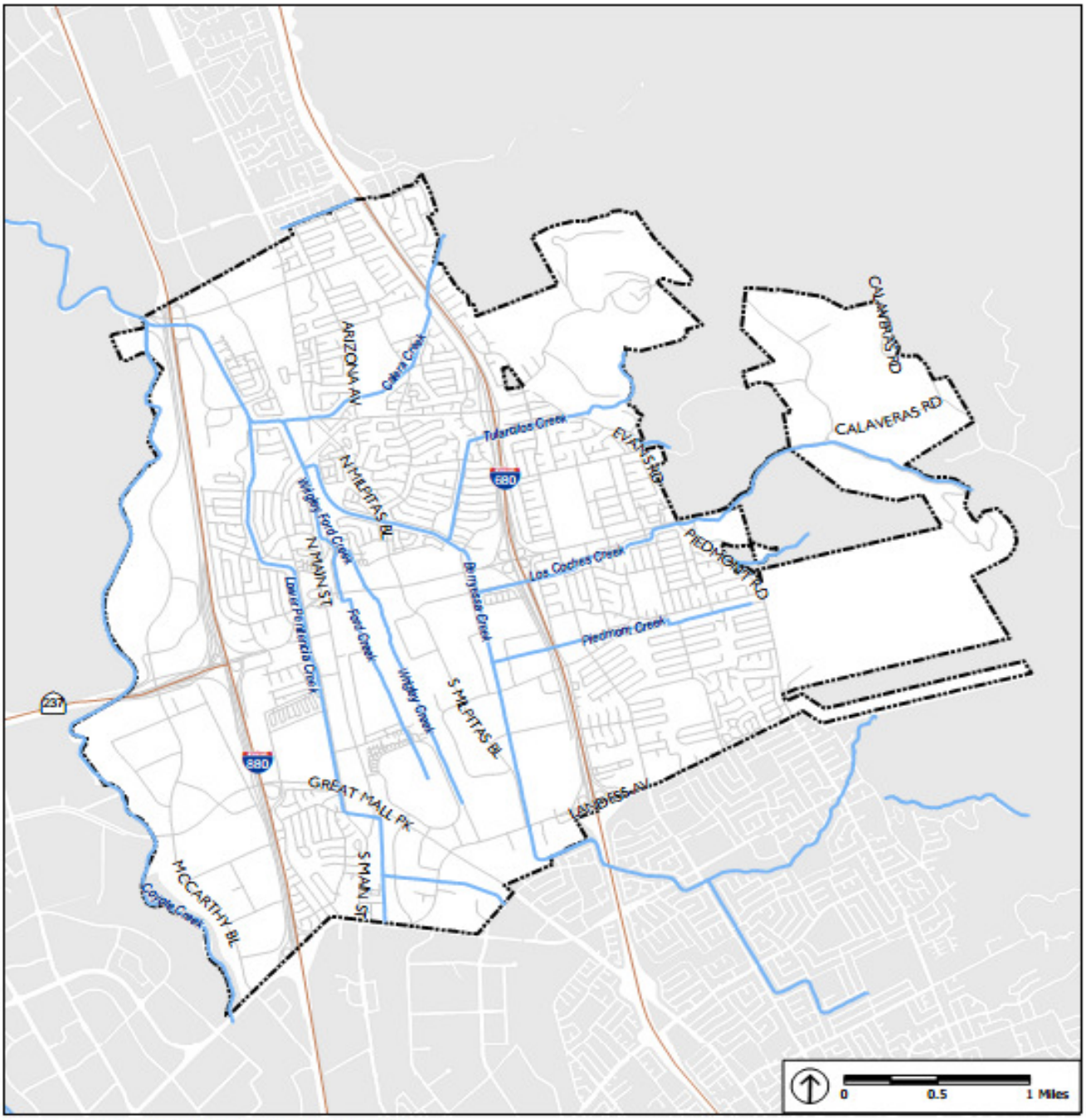
The City lies at the base of the Diablo Range extending from the foothills to an alluvial plain of the Santa Clara Valley. The City is divided nearly in half between the eastern hillside area and the western low-lying plain. However, the hillside area is primarily undeveloped and designated as open space. Elevations range from sea level near Coyote Creek to approximately 2,400 feet above mean sea level (msl) near Monument Peak in the northeastern portion of the City.

Drainage within the City is primarily from the southeast to the northwest. Several intermittent streams/creeks flow out of the foothills and through Milpitas before eventually discharging into Coyote Creek, which is a perennial stream that borders the City of Milpitas to the west. Coyote Creek eventually becomes a tidal slough and discharges into San Francisco Bay. These intermittent streams are identified as:

- Calera Creek
- Tularcitos Creek
- Los Coches Creek
- Piedmont Creek
- Berryessa Creek
- Wrigley-Ford Creek
- Lower Penitencia Creek

Figure 5-3 shows the locations of all of the creeks within the City of Milpitas. The intermittent creeks have been channelized along portions of their stream courses for flood control purposes. The City is located within the East Zone of the Flood Control Benefit Assessment District. The Santa Clara Valley Water District (SCVWD) is responsible for maintenance and measures for flood protection within the Assessment District. This is discussed in further detail in the annual reports provided by SCVWD entitled *Flood Control Benefit Assessments* (2013).

The City also maintains a storm drainage network consisting of street gutters, catch basins, conveyance piping, pump stations, and outfalls to creeks. The City has approximately 123 miles of storm drain piping, 3,000 catch basins, 4 miles of drainage ditches and creeks, and pump stations in low-lying areas. Storm water runoff typically is collected in a system of underground pipes and network of street gutters. Local runoff flows into the creeks and channels that run through the City, eventually discharging to San Francisco Bay. Storm drain systems close to the Bay tend to rely heavily on pumping facilities to convey the water.



Source: City of Milpitas, 2014; ESRI, 2010; FHA, 2002; PlaceWorks, 2014.

Rivers and Streams
Milpitas City Limits
Highway

FIGURE 5-3
RIVERS AND STREAMS

Flooding

Flooding typically occurs within the City due to two interrelated factors: 1) the overflow of major creeks and channels due to limited capacity in relation to flood flows; and 2) inadequate capacity of local drainage facilities. The SCVWD manages the major creeks and channels that flow through the City, while the City of Milpitas maintains the storm drain system and is responsible for managing flow in Wrigley-Ford Creek.

Historical flooding has occurred in 1978, 1980, 1982, 1983, 1986, 1995, and 1998. In February 1998, localized flooding occurred in the areas of Hillview Drive, S. Milpitas Boulevard at Montague Expressway, and Gladding Court. Additional areas subject to historical flooding, as discussed in further detail in the City of Milpitas *2013 Storm Drain Master Plan,* include:

- Calera Creek – Storm runoff spills over the south bank upstream of North Park Victoria Road and Interstate 680, flooding the adjacent Higuera Adobe Park. Spills from the south bank downstream of Escuela Parkway flow toward Berryessa Creek, where levees trap the water at Hidden Lake and the Berryessa Pump Station. Flood waters that cannot be pumped into Berryessa Creek form a residual floodplain.

- Los Coches Creek – Upstream of Interstate 680, the channel does not have sufficient capacity to carry the 100-year discharge. Inadequate channel capacity at Old Piedmont Road causes floodwaters to spill to the south. Additional flows leave the channel upstream of I-680, eventually reaching the highway where they pond.

- Lower Penitencia Creek – The SCVWD has lined this creek with concrete and built floodwalls to protect adjacent properties throughout the City of Milpitas. Lower Penitencia Creek overflows to the west from just south of Elmwood Jail north to the Coyote Creek confluence. However, Highway 880 contains this spill. The east bank levee of Lower Penitencia Creek is fully accredited for published base flood discharges between the confluence with Berryessa Creek and Coyote Creek. Nuisance flooding and 10-year storm event ponding to the top of the curb occur along Abel Street north of Calaveras Boulevard.

- Berryessa Creek – This creek floods, on average, once every four years. The storm event in 1998 caused significant damage to homes and automobiles. A 100-year flood associated with this creek is expected to impact development in the area bounded by Lower Penitencia Creek to the west, Calaveras Boulevard to the north, and Montague Expressway to the south. The low area on Watson Court is particularly susceptible to flooding. A flood control project to reduce the potential for flooding along Berryessa Creek is discussed in further detail in the following Flood Control Projects section.

- Wrigley Creek – This creek overtops its banks at Montague Expressway because of an undersized culvert. Wrigley Creek has insufficient capacity to carry the 100-year flood event west of the Great Mall and runoff would spill into the Great Mall parking lot.

- Ford Creek – This creek would overtop its banks in the 100-year storm event and spill toward Lower Penitencia Creek before it is blocked by floodwalls. The inundation would cover the area west of Railroad Avenue north of Carlo Street and along North Abel Street. Localized flooding from a 100-year storm event would also affect Sinnott Lane. In Railroad Avenue, an undersized culvert would cause the creek to overtop its banks in the 100-year storm.

- Coyote Creek – In the past, flooding along Coyote Creek has been frequent with 12 major floods between 1903 and 1941. With the construction of Coyote and Anderson Reservoirs, the frequency of flooding has been reduced, but inadequate channel capacities along some portions of Coyote Creek have resulted in continued flood damage. Storms in January 1997 generated record runoff in Coyote Creek and the creek overtopped its banks at several locations but the area downstream of Montague Expressway was well protected by levee improvement projects. The area west of I-880 has been removed from the 100-year floodplain designation and is now mapped as Zone X.

The City is a participant in the National Flood Insurance Program (NFIP). The NFIP provides property owners and renters with federally backed flood insurance, reduces flood damage through a mandatory local floodplain management ordinance, and identifies and maps flood hazards. The NFIP requires the City to maintain a floodplain management ordinance based upon current FEMA Flood Insurance Rate Maps (FIRMs). The City meets this requirement through the

implementation of *Floodplain Management Regulations* specified in Section XI of the Milpitas Municipal Code. These maps identify Special Flood Hazard Areas (SFHAs) or areas subject to inundation from a 100-year storm.

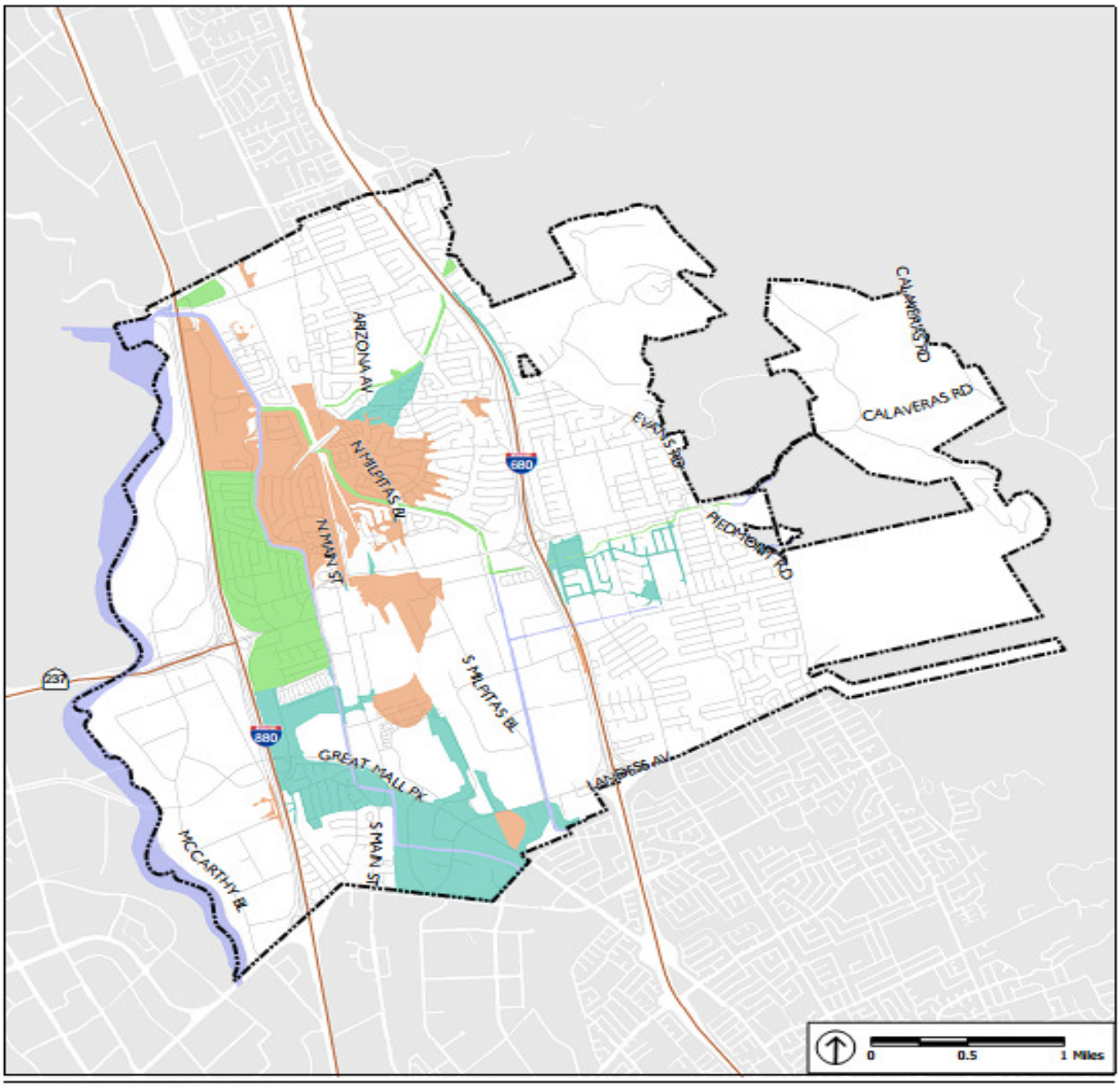
Approximately 50% of the City is within the 100-year floodplain, as determined by the latest FEMA FIRM maps and as shown in Figure 5-4. The areas within the City include the following FIRM map designations:

- Zone A – Areas subject to inundation by the 1% annual (100-year) flood event. Because no detailed hydraulic analyses have been performed, no Base Flood Elevations (BFEs) or flood depths are shown.

- Zone AE – Areas subject to inundation by the 1% annual (100-year) flood event. BFEs are shown within these zones.

- Zone AH – Areas subject to inundation by a 1% chance of shallow flooding (usually areas of ponding) with average depths ranging from one to three feet. BFEs derived from detailed hydraulic analyses are shown in this zone.

- Zone AO – Areas subject to inundation by a 1% chance of shallow flooding (usually sheet flow) with average depths ranging from one to three feet. Average flood depths derived from detailed hydraulic analyses are shown within this zone.



Source: PlaceWorks, 2014; ESRI 2010; FHA 2002.

- Zone AH - Shallow flooding; 1-3 feet usually as ponding areas.
- Zone AO - Shallow flooding; 1-3 feet usually as sheet flow from a stream flood.
- Zone AE - Areas which base flood elevations have been determined.
- Zone A - Areas for which no base flood elevation has been deteremined.
- Milpitas City Limits
- Highway

FIGURE 5-4
100-YEAR FLOODPLAIN ZONES

Flood Control Projects

Flood control projects have recently been implemented or are scheduled for future implementation to reduce the impacts of flooding within City limits. The City of Milpitas is responsible for improvements to the storm drain system, as described in the *Storm Drain Master Plan* (July 2013). The SCVWD is responsible for improvements to the creeks and channels within the City, with the exception of Wrigley-Ford Creek, which is under the jurisdiction of the City.

Two large flood protection projects are scheduled by the SCVWD for Coyote/Berryessa Creek and Upper Penitencia Creek. The goal of the Coyote Creek Flood Protection Project is to provide protection to the surrounding area from the 100-year flood. The schedule is to start construction of the improvements for Reach 4, which extends from Montague Expressway to Charcot Avenue, between 2014 and 2016.

Berryessa Creek floods on average once every four years. The proposed SCVWD project would include setback levees, floodwalls, sediment control structures, and environmental restoration. This project will also include improvements to Calera Creek (reconfigure the channel and provide concrete floodwalls to contain peak flows) and Tularcitos Creek (construct a storm water pump station near the confluence of Berryessa Creek and construct short concrete floodwalls upstream of the pump station to provide adequate freeboard). These improvements to Berryessa Creek are slated for completion in 2017 contingent on continued funding.

In addition, the SCVWD completed work in Sierra Creek, Los Coches Creek, and Calera Creek in 2010. The activities included bank protection and sediment removal in Sierra Creek, and sediment removal in both Los Coches Creek and Calera Creek.

The 2013 *Storm Drain Master Plan* proposed a Capital Improvement Program to address storm drain inadequacies within the City. Storm drain inadequacies are primarily caused by undersized pipe or occasionally due to flat or adverse street grades. The areas designated as high priority for storm drain improvements, replacement, or relief drains include the following:

- Tularcitos Creek at Berryessa Confluence (BT1) – Traughber Street, Wool Drive, Park View Drive
- Coyote Creek at Oak Creek Pump Station (C1) – Sycamore Drive
- Los Coches Creek East of 680 (L2) – Dempsey Road and Edsel Drive
- Penitencia Creek at Manor Pump Station (P4) – Silvera Street
- Penitencia Creek at Berryessa Confluence (PB1) – Redwood Avenue, Abbott Avenue, Maple Avenue, Chestnut Avenue, Heath Street, North Abel Street, Vasona Street, Lexington Street, Coyote Street
- Piedmont Creek at Berryessa Confluence (PDB1) – Wrigley Way
- Tularcitos Creek East of 680 (T1) – Jacklin Road
- Wrigley/Tularcitos/Calera Creek at Jacklin Road (WTCA1) – N. Hillview Drive

Flood Goals, Policies, and Implementation Measures

The goals, principles, and implementation measures adopted by the City to limit the negative impacts of flooding and demonstrate compliance with all applicable Federal and State regulations. These goals, principles, and implementation measures are provided in Section 5.5 of the Seismic and Safety Element – *Seismic/Safety Principles and Policies*.

In addition, the City of Milpitas has implemented provisions as specified in Section XI-15 *Floodplain Management Regulations* of the Municipal Code. These provisions require the developer to submit a permit application showing the development plans, in particular the measures that will be taken to prevent flood hazards or elevate buildings out of the floodplain.

All new residential construction must have the lowest floor built to at least one foot above the Base Flood Elevation (BFE), or in the case of areas within Zone AO, at least one foot about the depth number listed on the Flood Insurance Rate Map (FIRM), or three feet above the highest adjacent grade if no depth number is shown. For non-residential construction, the lowest floor elevation can be at BFE but the structure needs to be floodproofed and designed for buoyancy.

All new construction (residential and non-residential) with fully enclosed areas below the lowest floor (excluding basements) that are usable solely for parking of vehicles, building access or storage, and which are subject to flooding, shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwater. Within Zone AH or AO, improvements shall be constructed so that there are adequate drainage paths around structures on slopes to guide flood waters around and away from proposed structures. Further details of these provisions can be found in the following sections of the City of Milpitas Municipal Code:

- Standards of Construction (Section XI-15-5.1) – Specify requirements for anchoring, construction materials and methods, and elevation and floodproofing
- Standards for Utilities (Section XI-15-5.2) – Specify requirements for new and replacement water supply and sanitary sewage systems, and on-site waste disposal systems
- Standards for Subdivisions (Section XI-15-5.3) – Specify the elevation of the proposed structure(s) and pad(s) and provide adequate drainage to reduce exposure to flood hazards
- Floodways (Section XI-15-5.6) – Specify requirements and constraints for encroachments and other flood hazard reduction provisions.

Any permit application for new construction within a FEMA-designated 100-year flood hazard will be reviewed by the City Manager, who is appointed as the Floodplain Administrator to enforce Section XI-15 of the Milpitas Municipal Code. The administrator will determine if all requirements specified in Section XI-15 have been satisfied and either grant or deny the permit.

In addition, while regional flooding mitigation will be handled by the SCVWD and the US Army Corps of Engineers for creek improvements, localized flooding mitigation will be handled by the City with storm drain improvements or individual developers in accordance with a developer-funded and City-approved Storm Drainage Plan.

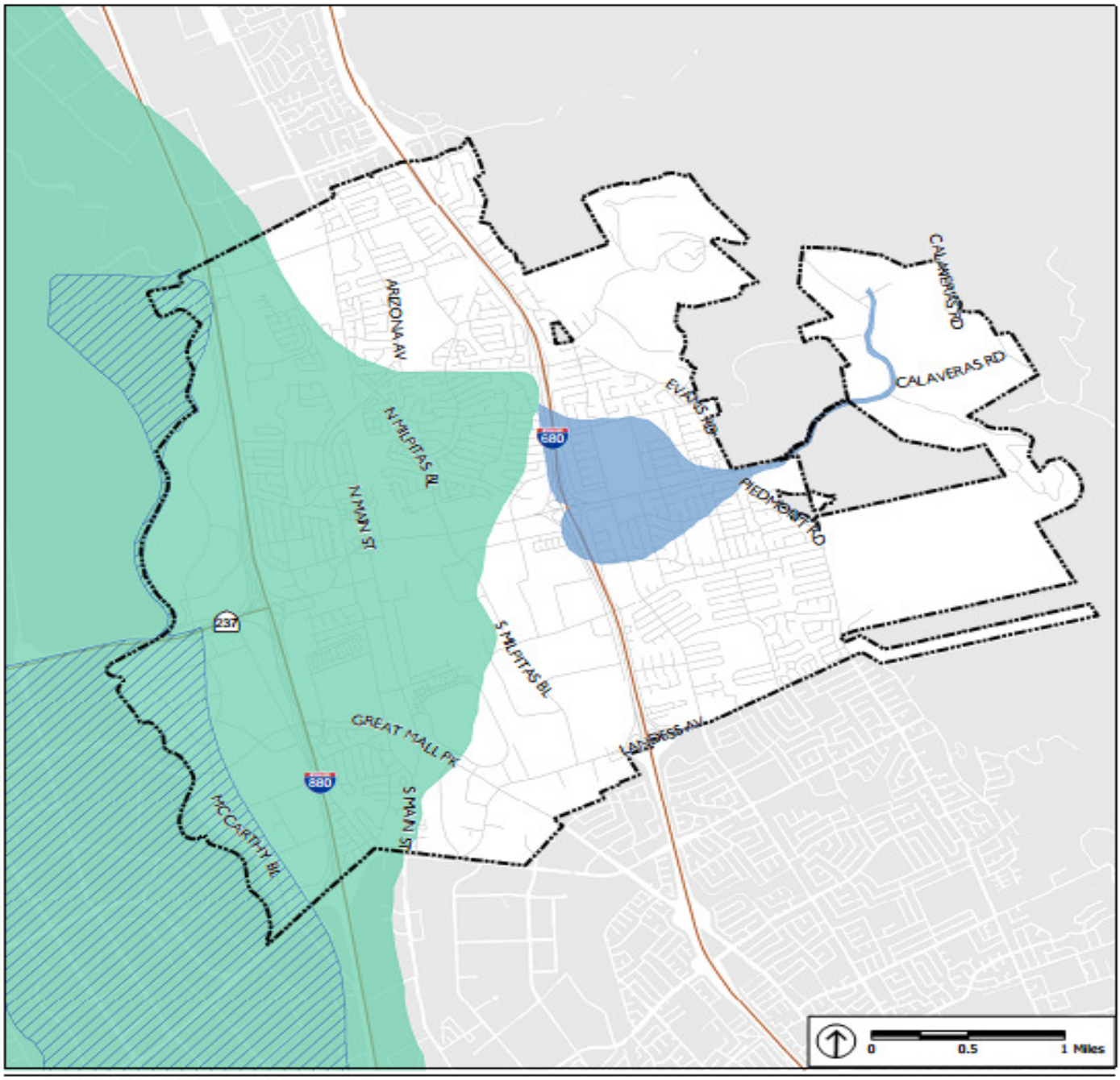
Dam Inundation

Dam failure is the uncontrolled release of impounded water from behind a dam. Flooding, earthquakes, blockages, landslides, lack of maintenance, improper operation, poor construction, or sabotage can all cause a dam to fail. Dam failure can result in downstream flooding that can affect property and life. However, there is no historical record of dam failure in Santa Clara County or the City of Milpitas. In addition, there is minimal risk in the Bay Area for dam failure due to safety protocols established by the State Division of Safety of Dams, according to Appendix C *Natural Hazard Risk Assessment* of the ABAG *Regional Hazard Mitigation Plan* (2010).

In the unlikely event of a dam failure, inundation maps have been developed by The Association of Bay Area Governments (ABAG) and SCVWD to aid in evacuation planning. Three dams have inundation zones within the City of Milpitas:

- Anderson Dam
- Coyote Dam
- Sandy Wool Lake Dam

A dam inundation map is provided as Figure 5-5, and additional information regarding the dams is provided in the following paragraphs.



Source: The Planning Center | DC&E, 2013; ESRI 2010; FHA 2002.

Anderson Dam
Coyote Dam
Sandy Wool Lake Dam
Milpitas City Limits
Highway

FIGURE 5-5
DAM INUNDATION

Anderson Dam and Coyote Dam operate in tandem with controlled releases to minimize the potential for downstream flooding along Coyote Creek. Coyote Dam is an earth and rock dam built in 1936 by SCVWD for water supply. Anderson Dam was built in 1950 by SCVWD for water supply and also is constructed of earth and rock. In 2011, a seismic study of Anderson Dam indicated that the foundation and base of the dam could weaken due to liquefaction from a 7.25 magnitude earthquake along the Calaveras Fault, which is located about 2 kilometers from the dam. As a result, the Division of Safety of Dam (DSOD) has established operating restrictions, reducing the amount of allowable storage to 68% of capacity. The dam is scheduled for seismic retrofit and the reservoir will be drained in 2015; completion of the retrofit is scheduled for 2018.

The latest dam inundation maps prepared by SCVWD in 2009 indicate that the arrival time of a flood wave into the City of Milpitas would be about 5 hours, 15 minutes for the inflow design flood (IDF) and 6 hours, 48 minutes for the fair weather flood. The inundation zone is confined to an area west of I-880 with a maximum elevation of 32 feet msl for the fair weather flood, which is defined as non-storm conditions at full capacity. A fair weather flood can occur under sunny (non-precipitation conditions) due to piping/internal erosion failure for an embankment dam or due to a monolith collapse resulting from sliding, foundation instabilities or a seismic event for a concrete dam. The inundation zone extends to I-680 north of Calaveras Boulevard with a maximum elevation of 35 feet for the IDF, which is defined as a dam failure occurring during a large storm event at maximum capacity. Since the dam is currently operating at 68% of capacity, these dam inundation zones are conservative and overestimate the flooding impact in the unlikely event that a dam failure occurs. The delayed arrival time of a flood wave would allow sufficient time for evacuation of City residents, if needed.

Coyote Dam is located upstream of Anderson Dam and has a dam inundation zone that includes the western edge of Milpitas in the area approximately 1,200 to 2,200 feet west of I-880. The arrival time of the flood wave for this dam is about 6 hours and 30 minutes, which is sufficient time for evacuation of City residents, if needed. Operating restrictions have also been implemented for this dam with a maximum allowable storage of 53% of its capacity, due to the presence of the Calaveras Fault under the dam. As a result, the dam inundation zone is much smaller than the mapped area.

The third dam with a dam inundation zone within the City is Sandy Wool Lake Dam, which is located in Ed Levine Park. According to the Office of emergency Services for Santa Clara County, parts of the City along the Calaveras Road area east of I-680 could be inundated by failure of this dam. The anticipated arrival of a flood wave is 15 minutes from the time of dam failure, affecting a population of about 4,900.

The State of California supervises all non-federal dams in California through the Dam Safety Program under the jurisdiction of DSOD. Engineers and engineering geologists review and approve plans and specifications for the design of dams and oversee their construction. In addition, the dams are inspected twice a year and continually monitored for seepage and settling. The Milpitas Fire Department Office of Emergency Services (OES) and the SCVWD coordinate preparedness efforts to mitigate against, plan for, respond to, and recover from natural hazards, including the possibility of dam failure.

EXHIBIT C

Section 7 of the Milpitas General Plan is amended in its entirety and replaced with the Updated Housing Element for 2015-2023, as set out in the attached copy.

City of Milpitas Draft Housing Element Update

2015 – 2023

December 12, 2014

2B

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1. INTRODUCTION

Located at the southern end of the San Francisco Bay, the City of Milpitas has become an integral part of high-tech Silicon Valley since becoming incorporated in 1954. The City is a strong employment center with a diverse population, quality schools, conveniently-located neighborhood parks, and a variety of retail options. Milpitas is often called the "Crossroads of Silicon Valley" with most of its 13.6 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a County expressway. The City is served by Valley Transportation Authority (VTA) light rail and a planned BART extension is scheduled to begin service to Milpitas in 2018.

Milpitas has experienced a recent surge in residential building activity in recent years, with a considerable increase in residential permit applications, development entitlements, and new construction. In large part, these changes have been brought on by the adoption of two Specific Plans for areas adjacent to an existing VTA station and the City's planned BART station. The increased development potential that was made possible by these Specific Plans has prompted the conversion of areas once dominated by vacant and underutilized land and aging and obsolete industrial space into high-density transit-oriented development.

As Milpitas continues to usher in this transformation, providing a range of housing options at various price points will be an integral element of the City's future development. The 2015-2023 Housing Element will assist the City in continuing its strong record of planning for housing for all segments of the population.

Preparation of the Housing Element Update

The Housing Element is the chapter of the General Plan that local jurisdictions in California use to plan for current and future housing needs. California State Law requires that California cities have an adopted General Plan, which must contain a Housing Element. While many jurisdictions regularly revise and update various elements of the General Plan, the Housing Element is the only chapter that is mandated by State Law to be updated on regular basis and is the only chapter that requires approval from a State agency. State law dictates the issues that the Housing Element must address and requires the element to be reviewed by the California Department of Housing and Community Development (HCD) to assure that it meets the minimum requirements established by Government Code §65580-65589.8. This process is commonly referred to as "certifying" the Housing Element.

Each jurisdiction's projected housing need during the Housing Element planning period is determined through the Regional Housing Needs Allocation (RHNA) process, which is based on projected Statewide growth in households as determined by HCD. Through the RHNA process, HCD distributes the Statewide projected housing need among the regions in the State. In turn, each regional council of government allocates the projected regional growth to local jurisdictions within the region. The total housing need for each jurisdiction is distributed among income categories, requiring each jurisdiction to plan to meet the need for housing for households at all income levels. The agency responsible for distributing the

RHNA in the Bay Area is the Association of Bay Area Governments (ABAG), which works closely with the Metropolitan Transportation Commission (MTC), the regional transportation planning agency for the Bay Area.

Each city and county in California is then required to produce a Housing Element that demonstrates the jurisdiction's ability to accommodate the housing need identified in its RHNA during the Housing Element planning period. This Housing Element covers the 2015-2023 Housing Element planning period, which differs from previous update cycles as a result of recent changes in State Law, which are discussed in the following section.

The prior Milpitas Housing Element, certified by HCD in 2010, covered the period between 2007 and 2014 and is the basis for the current Housing Element update. However, all sections in the 2010 Housing Element have been reviewed and updated to reflect changes to State Law, City housing policies and programs, and local demographic and real estate market conditions.

SB 375 and Changes to Housing Element Law

In an effort to reduce greenhouse gas emissions associated with passenger cars, Senate Bill 375 (SB 375, 2008) calls for local jurisdictions and regional planning agencies to better coordinate land use plans with existing and planned transit investments and to plan for a greater proportion of residential and employment growth in areas accessible to transit. One outcome of the effort to coordinate housing and transit planning has been the eight-year planning period (2015-2023) for the upcoming Housing Element Update, rather than the five- to seven-year planning period that was used in previous Housing Element Update cycles, in order to coordinate the timing of the Housing Element Update with the Regional Transportation Plan.[1]

In response to SB 375, ABAG and MTC developed Plan Bay Area, a long-range integrated transportation and land use plan for the Bay Area that plans for the projected increase in housing and employment in the region through 2040. A key element of Plan Bay Area is the designation of Priority Development Areas (PDAs), locally-designated, transit-accessible areas that are ideal locations for an increase in residential and commercial development, throughout the region. By focusing growth in PDAs served by transit and working to make these PDAs more pedestrian- and bike-friendly, Plan Bay Area aims to reduce the need for automobiles and the associated greenhouse gas emissions in the region. ABAG and MTC have been supporting planning processes in PDAs in cities throughout the Bay Area, including Milpitas.

[1] There are some exceptions to the eight-year planning period, none of which apply to Milpitas during the current update cycle.

Related Planning Efforts

Milpitas recently adopted Specific Plans for two areas adjacent to the City's existing VTA station and planned BART station. The Midtown Specific Plan, adopted in 2002, anticipates development of approximately:

- 3,000 or more housing units,
- 720,000 square feet of office space,
- 326,000 square feet of general commercial uses, and
- 51,000 square feet of retail uses.

Development standards for the Midtown Specific Plan allow residential development up to 60 units per acre.

The Transit Area Specific Plan (TASP), adopted in 2008, covers a larger area than the Midtown Specific Plan and has more development potential. The TASP anticipates development of approximately:

- 6,440 to 9,360 new housing units,
- 496,922 square feet of new office space, and
- 281,000 to 357,000 square feet of new retail space.

Development standards for the TASP allow up to 75 units per acre, with a possible 25 percent density bonus.

Public Participation in the Housing Element Update

Milpitas conducted extensive public outreach to provide information and solicit input from the public on the Housing Element Update. The City held three public meetings in addition to City Council and Planning Commission meetings prior to submission of the Housing Element Update to HCD, all of which encouraged dialogue between residents, stakeholders, and City staff. The first, held February 25, 2014, provided the public with information on the update process and housing needs in Milpitas. The second, held on March 11, 2014, focused on the City's housing opportunity sites, policies, and programs. The third, held on October 30, 2014, provided a final opportunity for community input after the draft document was released to the public and before the document was submitted to HCD.

The Housing Element was also discussed during Planning Commission meetings on May 14, 2014 and September 10, 2014 and during the City Council meeting on September 16, 2014. Prior to the September 16 City Council meeting, the City offered a 30-day review period during which the draft document was available to the public for review at City Hall, the public library, on the City website, and to individuals as requested. The public had the opportunity to attend all Planning Commission and City Council meetings and provide comments. Notices for all meetings and to alert the public that the draft document was available were broadly distributed by mailing to 80 organizations, publishing notices in the Milpitas Post and on the City's website, and showing ads on cable television. Minutes and video from all City Council and Planning Commission meetings are available on the City's website for public review. In addition, a summary of written comments received is provided in Appendix D.

In addition to these meetings, information on the Housing Element Update was posted on the City's website, at City Hall, and at the public library as well as advertised on cable television, in the Milpitas Post newspaper, and on the marquee board in front of City Hall. Residents were encouraged to contact the Planning & Neighborhood Services Department with comments and questions.

Housing Element Contents

Following this introduction, the Housing Element includes the following major components:

- A review of the prior (2010) housing element, including an analysis of housing production in comparison to mandated housing goals.
- An analysis of the City's current and future housing needs.
- An inventory and analysis of housing resources.
- An analysis of governmental and non-governmental constraints to housing production.
- A housing plan setting forth goals, policies, programs, and quantified objectives to address the City's housing needs.

2. ASSESSMENT OF PRIOR HOUSING ELEMENT

This chapter reviews and evaluates the City's progress in implementing the 2010 Housing Element's programs and meeting the projected housing need (as defined by the RHNA numbers) between 2007 and 2014.

The City of Milpitas has demonstrated support for affordable housing and a strong commitment to facilitating a diversity of housing types. During the last housing element period, the City provided support to seven subsidized housing developments with a total of 863 units. In addition, the City provided funding to assist in the rehabilitation of 93 mobile homes in Milpitas. Furthermore, Milpitas continues to implement a range of policies and programs to aid in the production of affordable housing, including Zoning Ordinance provisions that encourage the inclusion of affordable units in market-rate developments and allow for high residential densities that support the development of affordable housing.

The following sections present information on the progress made by Milpitas in its implementation of the housing programs set forth in the 2010 Housing Element, as well as its progress in achieving its 2007-2014 RHNA goals.

Progress in Implementation of 2010 Housing Element Programs

The City of Milpitas has established a strong housing program, which allowed the City to make considerable progress toward achieving its housing goals between 2007 and 2014. The Midtown and Transit Area Specific Plans accommodate high-density residential and mixed-use development, with maximum densities ranging from 20 to 60 units per acre, or up to 75 units per acre in high-density residential zones in the Transit-Oriented Overlay Zone. Projects in the Transit-Oriented Overlay Zone also benefit from reduced parking requirements. Additionally, the EIRs that were prepared for the Specific Plans can be used as programmatic environmental documents for future residential development in the Specific Plan Areas, allowing for expedited environmental review of new projects. The City has further aided residential development in the Specific Plan Areas by helping to pay for needed infrastructure in the area. A detailed list of the programs included in the last Housing Element and the City's progress toward implementation of each program is provided in Appendix A.

Other achievements include successful implementation of the condominium and mobile home conversion ordinances, operation of programs that rehabilitate and retrofit housing units, and the provision of financial assistance for facilities and services that provide services to homeless families and individuals.

Finally, the City has adopted policies to encourage that twenty percent of all new housing units in market-rate developments are affordable to moderate-, low-, or very low-income households. To help

developers meet this goal, the City has provided funds for mortgage financing, impact fees, and loans to help projects comply with the affordable housing requirement.

Many of the policies and programs from the 2010 Housing Element Update will be carried forward to the 2015-2023 Housing Element Update. These are presented in Chapter 6 of this Housing Element Update.

Progress in Achieving RHNA Goals

During the 2007-2014 Housing Element Cycle, a total of 6,434 housing units were built or permitted in Milpitas, far exceeding the City's total RHNA for this period. Table 2.1 below shows the total number of housing units built or permitted in the City of Milpitas between 2007 and 2014 along with the City's RHNA numbers for the 2007-2014 Housing Element Update cycle. As shown, units built and permitted between 2007 and 2014 exceeded the City's RHNA for units targeted to households with above-moderate incomes, but did not meet the City's RHNA for units affordable to very low-, low-, and moderate-income households.

Table 2.1: Progress toward RHNA Goals, Milpitas, 2007-2014

Income Group	2007-2014 RHNA	Units Built or Permitted	Balance of RHNA	Percent of RHNA Achieved
Very Low	689	253	436	36.7%
Low	421	44	377	10.5%
Moderate	441	174	267	39.5%
Above Moderate	936	5,963	N/A	637.1%
Total (a)	**2,487**	**6,434**	**1,080**	**56.6%**

Note:
(a) Although the total number of units built or permitted in Milpitas between 2007-2014 exceeded the City's total RHNA goals, there was an unmet need for housing targeted to lower-income households totaling 880 units. This unmet need is reflected in the percent of RHNA achieved as reported in this table.
Sources: City of Milpitas, 2014; BAE, 2014.

3. HOUSING NEEDS ASSESSMENT

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

To facilitate an understanding of demographic and housing trends in Milpitas, this Housing Needs Assessment presents data for Milpitas alongside comparable data for of Santa Clara County and, where appropriate, for the San Francisco Bay Area. This Needs Assessment incorporates data from numerous sources, including the United States Census, the Association of Bay Area Governments (ABAG), the State of California Departments of Finance (DOF) and Housing and Community Development (HCD), and private demographic and real estate data vendors. Data provided by the Census Bureau include 2000 and 2010 decennial Census data as well as data from the American Community Survey (ACS). The ACS publishes estimates of demographic conditions based on statistical sampling conducted continuously over one-year, three-year, and five-year periods, depending on the type of data and size of the geography being sampled.[2] While these data cannot represent conditions at a specific point in time, as in the previous decennial censuses, they are updated on an annual basis and do offer a valuable means to compare characteristics across geographies.

Population & Household Trends

Population

As presented in Table 3.1 below, Milpitas has experienced moderate population growth in recent years. The City's population increased from approximately 63,000 in 2000 to approximately 68,000 in 2013, an eight-percent increase. Population growth rates were comparable in Santa Clara County overall (nine percent) and the Bay Area as a whole (eight percent) between 2000 and 2013.

Households

The number of households in Milpitas grew considerably between 2000 and 2013, outpacing the growth rate in Santa Clara County and the Bay Area. A household is defined as a person or group of persons living in a housing unit, regardless of the residents' relationship. This is differentiated from persons living in group quarters, such as dormitories, convalescent homes, or prisons. As shown in Table 3.1, there were approximately 19,000 households in Milpitas in 2013, representing a 13-percent increase

[2] This data source replaces the information obtained in previous Censuses from the "long form" questionnaire. For more information on the ACS, see www.census.gov/acs/www/about_the_survey/american_community_survey/

from 2000. Meanwhile, the number of households increased by eight percent in Santa Clara County and seven percent in the Bay Area overall.

Average Household Size

Households in Milpitas tend to be relatively large, but have decreased slightly in recent years. On average, there were 3.41 persons per household in Milpitas in 2013, substantially higher than the average household size in the County (2.96 persons per household) and region (2.73 persons per household), but slightly lower than the average household size in Milpitas in 2000 (3.47 persons per household). The slight decrease in average household size is consistent with the recent substantial growth in households coupled with more moderate population growth.

Household Type

Milpitas households consist of a large number of family households. "Family households" are defined as those consisting of two or more related persons living together, whereas "non-family households" include persons who live alone or in groups of unrelated individuals. As shown in Table 3.1, 81 percent of households in Milpitas were family households in 2013. This is a significantly higher proportion than in Santa Clara County (71 percent) and the Bay Area (65 percent). Similar to the County and region, Milpitas experienced little change in the proportion of family households in the City between 2000 and 2013.

Household Tenure

Although the majority of housing units in Milpitas are owner occupied, the share of renter-occupied households has increased slightly over time. Two thirds (67 percent) of all occupied housing units in Milpitas were owner-occupied in 2013, compared to 57 percent in Santa Clara County and 56 percent in the Bay Area overall. These figures represent a gradual decline in the share of owner-occupied units since 2000, which decreased by two to three percentage points in the City, County, and region between 2000 and 2013.

Table 3.1: Population and Household Trends, 2000-2013

Milpitas	2000	2010	2013	Change 2000-2013	% Change 2000-2013
Population	**62,698**	**66,790**	**67,894**	**5,196**	**8.3%**
Households	**17,132**	**19,184**	**19,300**	**2,168**	**12.7%**
Average Household Size	**3.47**	**3.34**	**3.41**		
Household Type					
Families	81.7%	81.4%	80.7%		
Non-Families	18.3%	18.6%	19.3%		
Tenure					
Owner	69.8%	66.9%	66.7%		
Renter	30.2%	33.1%	33.3%		
Santa Clara County					
Population	**1,682,585**	**1,781,642**	**1,842,254**	**159,669**	**9.5%**
Households	**565,863**	**604,204**	**611,426**	**45,563**	**8.1%**
Average Household Size	**2.92**	**2.90**	**2.96**		
Household Type					
Families	69.9%	70.6%	70.8%		
Non-Families	30.1%	29.4%	29.2%		
Tenure					
Owner	59.8%	57.6%	57.4%		
Renter	40.2%	42.4%	42.6%		
Bay Area (a)					
Population	**6,783,760**	**7,150,739**	**7,327,626**	**543,866**	**8.0%**
Households	**2,466,019**	**2,606,288**	**2,628,762**	**162,743**	**6.6%**
Average Household Size	**2.69**	**2.69**	**2.73**		
Household Type					
Families	64.7%	64.6%	64.6%		
Non-Families	35.3%	35.4%	35.4%		
Tenure					
Owner	57.7%	56.2%	56.0%		
Renter	42.3%	43.8%	44.0%		
California					
Population	**33,871,648**	**37,253,956**	**37,966,471**	**4,094,823**	**12.1%**
Households	**11,502,870**	**12,568,167**	**12,675,876**	**1,173,006**	**10.2%**
Average Household Size	**2.87**	**2.90**	**2.93**		
Household Type					
Families	68.9%	68.7%	68.5%		
Non-Families	31.1%	31.3%	31.5%		
Tenure					
Owner	56.9%	55.9%	55.9%		
Renter	43.1%	44.1%	44.1%		

Notes:
(a) The Bay Area region consists of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties.
Sources: US Census, 2000; California, Department of Finance, 2010, 2013; Nielsen, 2013; BAE 2013.

Age Distribution

The population in Milpitas has aged in recent years as baby boomers have begun to reach retirement age, consistent with national trends. The median age of the City's population was 33.4 in 2000 and by 2013 had reached 37.1, as shown in Table 3.2. The change in the median age during this period is reflected throughout the age distribution, which demonstrates a decrease in the share of the population

in all age cohorts under age 45 and a corresponding increase in the share of the population in all cohorts age 45 and older. While people between the age of 25 and 44 accounted for 38 percent of the City's population in 2000, by 2013 only 31 percent of the City's population was between the age of 25 and 44.

These Citywide trends mirrored Countywide trends, though the population of Milpitas aged at a slightly faster rate. The population in Milpitas was slightly younger than the population of Santa Clara County in 2000, with a larger proportion of residents between age of 25 and 44, a smaller proportion of residents age 55 and older, and a median age 0.6 years younger. However, by 2013 Milpitas was largely similar to the County with respect to the City's age distribution and median age.

Table 3.2: Age Distribution, 2000, 2010 and 2013

	Milpitas			Santa Clara County		
Age Cohort	**2000**	**2010**	**2013**	**2000**	**2010**	**2013**
Under 15	20.6%	19.2%	19.3%	20.9%	20.2%	20.3%
15 to 17	4.0%	3.7%	3.6%	3.9%	3.9%	3.9%
18 to 20	3.9%	3.8%	3.7%	3.9%	3.8%	3.7%
21 to 24	5.6%	5.0%	5.0%	5.4%	5.1%	5.1%
25 to 34	19.0%	16.3%	15.1%	17.8%	15.1%	14.0%
35 to 44	19.0%	16.3%	16.2%	17.6%	15.6%	15.3%
45 to 54	13.3%	15.2%	15.0%	13.0%	14.8%	14.8%
55 to 64	7.5%	10.9%	11.6%	8.0%	10.4%	11.3%
65 to 74	4.6%	5.7%	6.4%	5.2%	6.0%	6.6%
75 to 84	2.0%	3.0%	3.1%	3.3%	3.5%	3.5%
85 +	0.5%	0.8%	0.9%	1.1%	1.5%	1.6%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Median Age	**33.4**	**36.1**	**37.1**	**34.0**	**36.2**	**37.0**

Sources: US Census, 2000 and 2010; Nielsen 2013; BAE 2013.

Race and Ethnicity

The racial and ethnic composition of the population in Milpitas has grown increasingly diverse, with people of Asian descent representing the largest share of the City's population. In 2000, approximately half (51 percent) or the population in Milpitas was of Asian descent; by 2010, people of Asian descent comprised almost two thirds (62 percent) of the City's population. The City's population of Asian descent includes people with Chinese, Filipino, Indian, and Vietnamese ancestry, along with other ethnic groups. During the same period, the City's White population decreased from 24 percent of the City's population to 15 percent of the population. The number of individuals of Hispanic or Latino origin increased at the same rate as population growth, keeping the share of the population of Hispanic or Latino origin stable at 17 percent. The share of the population in all other racial groups decreased slightly between 2000 and 2010.

Trends were similar in Santa Clara County and the Bay Area overall, with increases in the population of Asian descent and decreases in the White population. However, a much larger share of the population was of Asian descent in Milpitas (62 percent) compared to Santa Clara County (32 percent) and the Bay Area (23 percent) and a smaller share of the population was White. Additionally, the share of the

population of Hispanic or Latino origin was larger in the County (27 percent in 2010) and region (24 percent in 2010) and showed more significant increases between 2000 and 2010.

Table 3.3: Race and Ethnicity, 2000 and 2010

	Milpitas					
	2000		2010		Change 2000-2010	
Ethnicity	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Not Hispanic or Latino	**52,281**	**83.4%**	**55,550**	**83.2%**	**3,269**	**6.3%**
White	14,917	23.8%	9,751	14.6%	-5,166	-34.6%
Black or African American	2,187	3.5%	1,836	2.7%	-351	-16.0%
American Indian and Alaska Native	240	0.4%	137	0.2%	-103	-42.9%
Asian	32,281	51.5%	41,308	61.8%	9,027	28.0%
Native Hawaiian/Pacific Islander	347	0.6%	316	0.5%	-31	-8.9%
Some other race	131	0.2%	93	0.1%	-38	-29.0%
Two or more races	2,178	3.5%	2,109	3.2%	-69	-3.2%
Hispanic or Latino (of any race)	**10,417**	**16.6%**	**11,240**	**16.8%**	**823**	**7.9%**
Total	**62,698**	**100.00%**	**66,790**	**100.00%**	**4,092**	**6.5%**

	Santa Clara County					
	2000		2010		Change 2000-2010	
Ethnicity	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Not Hispanic or Latino	**1,279,184**	**76.0%**	**1,302,432**	**73.1%**	23,248	1.8%
White	744,282	44.2%	626,909	35.2%	-117,373	-15.8%
Black or African American	44,475	2.6%	42,331	2.4%	-2,144	-4.8%
American Indian and Alaska Native	5,270	0.3%	4,042	0.2%	-1,228	-23.3%
Asian	426,771	25.4%	565,466	31.7%	138,695	32.5%
Native Hawaiian/Pacific Islander	5,040	0.3%	6,252	0.4%	1,212	24.0%
Some other race	3,522	0.2%	3,877	0.2%	355	10.1%
Two or more races	49,824	3.0%	53,555	3.0%	3,731	7.5%
Hispanic or Latino (of any race)	**403,401**	**24.0%**	**479,210**	**26.9%**	**75,809**	**18.8%**
Total	**1,682,585**	**100.00%**	**1,781,642**	**100.00%**	**99,057**	**5.9%**

	Bay Area					
	2000		2010		Change 2000-2010	
Ethnicity	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Not Hispanic or Latino	**5,468,585**	**80.6%**	**5,468,939**	**76.5%**	354	0.0%
White	3,392,204	50.0%	3,032,903	42.4%	-359,301	-10.6%
Black or African American	497,205	7.3%	460,178	6.4%	-37,027	-7.4%
American Indian and Alaska Native	24,733	0.4%	20,691	0.3%	-4,042	-16.3%
Asian	1,278,515	18.8%	1,645,872	23.0%	367,357	28.7%
Native Hawaiian/Pacific Islander	33,640	0.5%	41,003	0.6%	7,363	21.9%
Some other race	18,451	0.3%	20,024	0.3%	1,573	8.5%
Two or more races	223,837	3.3%	248,268	3.5%	24,431	10.9%
Hispanic or Latino (of any race)	**1,315,175**	**19.4%**	**1,681,800**	**23.5%**	**366,625**	**27.9%**
Total	**6,783,760**	**100.00%**	**7,150,739**	**100.00%**	**366,979**	**5.4%**

Sources: US Census 2000 and 2010; BAE 2013

Household Income

Households in Milpitas tend to have relatively high incomes, with a median annual income of approximately $94,000 in 2013. This median is eight percent higher than the median for Santa Clara County (approximately $87,000) and 27 percent higher than the median for the Bay Area (approximately $74,000). The high median household income in Milpitas is reflected throughout most of the City's income distribution, which shows a smaller number of households with annual incomes below $50,000 than the income distribution for Santa Clara County or the region. However, Milpitas also has a smaller share of households earning more than $250,000 per year, which constitute six percent of households in

Milpitas, nine percent of households in Santa Clara County, and seven percent of households in the Bay Area.

Although household incomes in Milpitas tend to be somewhat high, the City's large average household size means that household incomes typically support a relatively large number of people. As a result, the higher median household income for Milpitas relative to the County and region may not reflect an ability to pay more for housing after accounting for other expenses associated with supporting a large household.

Table 3.4: Household Income Distribution, 2013

Household Income	Milpitas	Santa Clara County	Bay Area (a)
Less than $15,000	5.8%	7.4%	9.1%
$15,000 to $24,999	5.8%	6.7%	7.6%
$25,000 to $34,999	4.0%	6.0%	7.1%
$35,000 to $49,999	8.9%	9.8%	10.6%
$50,000 to $74,999	15.5%	14.1%	15.9%
$75,000 to $99,999	13.2%	12.3%	12.5%
$100,000 to $149,999	24.9%	19.3%	17.4%
$150,000 to $249,999	16.3%	15.2%	12.4%
$250,000 to $499,999	4.9%	6.5%	5.2%
$500,000 and over	0.9%	2.8%	2.2%
Total (b)	**100.0%**	**100.0%**	**100.0%**
Median Household Income	**$94,218**	**$87,343**	**$74,423**

Notes:
(a) Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties.
(b) Total number of households here may differ from population and household estimates provided by CA Department of Finance.
Sources: Nielsen, 2013; BAE, 2013.

Household Growth Projections

According to ABAG projections, Milpitas is anticipated to experience significant household growth between 2010 and 2040. As shown in Table 3.5, Milpitas is expected to gain approximately 12,500 households between 2010 and 2040, a 65 percent increase, considerably outpacing the growth rate in Santa Clara County (35 percent) and the Bay Area (27 percent). The relatively large amount of projected household growth in Milpitas aligns with the recent surge in residential construction in the City, which demonstrates the City's ability to attract and approve residential projects that are carried through to completion. Household growth in Milpitas is expected to occur at a relatively even pace throughout this period, at an average rate of 417 households per year.

Table 3.5: Estimated Household Growth, Milpitas, Santa Clara County, and the Bay Area, 2010-2040

	2010	2015	2020	2025	2030	2035	2040	Total Change 2010-2040	% Change 2010-2040
Milpitas	19,184	21,230	23,330	25,340	27,490	29,560	31,680	12,496	65.1%
Santa Clara County	604,204	639,160	675,670	710,610	747,070	782,120	818,400	214,196	35.5%
Bay Area (a)	2,608,023	2,720,410	2,837,680	2,952,910	3,072,920	3,188,330	3,308,090	700,067	26.8%

Notes:
(a) Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties.
Sources: ABAG, 2013; BAE, 2013.

Employment Trends & Jobs/Housing Balance

Similar to employment throughout much of Santa Clara County, employment in Milpitas is strongly impacted by the Silicon Valley technology sector. According to the City's 2013 Comprehensive Annual Financial Report, the top three employers in Milpitas are Cisco Systems, KLA-Tencor, and SanDisk, which together accounted for over 6,000 jobs in 2013. The following section provides additional information on employment trends and projections in Milpitas.

Jobs by Industry Sector

Milpitas has experienced strong employment growth in recent years, with an 11-percent increase in jobs located in the City between the third quarter of 2010 and the third quarter of 2012. Employment in Santa Clara County also increased during this period, but at a slightly slower rate (seven percent). Changes in employment varied at the industry level, with some industries experiencing growth and others with net job losses. The industries with the largest employment growth in Milpitas between the third quarter of 2010 and the third quarter of 2012 include manufacturing (1,550 net new jobs), administrative and waste services (612 net new jobs), and construction (435 net new jobs). The industry sector with the most significant decrease in employment during this period was professional, scientific, and technical services, which had a net loss of 302 jobs.

The industry data shown in Table 3.6 demonstrate that Milpitas has a strong manufacturing sector, which accounts for one third (33 percent) of all jobs in the City. Manufacturing is also the largest employment sector in Santa Clara County overall, but accounts for only 17 percent of jobs Countywide. However, these data do not necessarily indicate that a large amount of manufacturing is taking place in Milpitas or Santa Clara County. Technology companies, such as Cisco and KLA Tencor in Milpitas, are typically classified in the computer and electronics manufacturing industry. This means that all types of occupations within these companies, including management, product development, administrative, sales, and other occupations, are categorized as jobs in the manufacturing industry, despite that the production-related occupations associated with these companies are often located elsewhere.

Other significant employment industries in Milpitas include retail (12 percent of employment) and leisure and hospitality (12 percent of employment). These two industries, which together constitute approximately one quarter of all employment in Milpitas, tend to offer relatively low-wage jobs. This

suggests a need for a mix of housing types in Milpitas at various affordability levels in order to accommodate the housing need generated by the City's workforce.

Table 3.6: Jobs by Sector, Q3 2010 and Q3 2012 (a)

	Milpitas					Santa Clara County				
	Q3 2010		Q3 2012		% Change	Q3 2010		Q3 2012		% Change
Industry Sector (a)	#	%	#	%	2010-2012	#	%	#	%	2010-2012
Agriculture, Forestry, Hunting, Mining	12	0.0%	12	0.0%	0.0%	4,267	0.5%	4,100	0.5%	-3.9%
Construction	1,559	4.2%	1,994	4.9%	27.9%	32,433	3.9%	35,433	3.9%	9.2%
Manufacturing	12,016	32.5%	13,566	33.2%	12.9%	152,367	18.1%	156,900	17.5%	3.0%
Wholesale Trade	2,206	6.0%	2,547	6.2%	15.5%	34,933	4.1%	35,100	3.9%	0.5%
Retail Trade	4,965	13.4%	4,938	12.1%	-0.6%	76,167	9.0%	81,133	9.0%	6.5%
Transportation/Warehousing/Utilities (b)	N/A	N/A	N/A	N/A	N/A	11,900	1.4%	12,900	1.4%	8.4%
Information	663	1.8%	1,008	2.5%	52.1%	44,967	5.3%	50,167	5.6%	11.6%
Finance/Insurance	510	1.4%	442	1.1%	-13.3%	18,233	2.2%	20,200	2.3%	10.8%
Real Estate	259	0.7%	317	0.8%	22.2%	12,433	1.5%	13,533	1.5%	8.8%
Professional/Scientific/Technical Srvcs	3,216	8.7%	2,914	7.1%	-9.4%	105,500	12.5%	119,500	13.3%	13.3%
Management of Companies/Enterprises	152	0.4%	206	0.5%	35.5%	9,800	1.2%	10,633	1.2%	8.5%
Administrative/Waste Services	1,342	3.6%	1,953	4.8%	45.6%	47,567	5.6%	52,600	5.9%	10.6%
Educational Services	369	1.0%	530	1.3%	43.5%	33,233	3.9%	35,600	4.0%	7.1%
Health Care/Social Assistance	1,805	4.9%	1,924	4.7%	6.6%	76,767	9.1%	79,833	8.9%	4.0%
Leisure & Hospitality	4,417	11.9%	4,839	11.8%	9.6%	75,133	8.9%	83,133	9.3%	10.6%
Other Services, excl. Public Admin	1,769	4.8%	1,748	4.3%	-1.2%	23,400	2.8%	24,633	2.7%	5.3%
Unclassified (b)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Government (b) (c)	N/A	N/A	1,283	3.1%	N/A	83,267	9.9%	82,233	9.2%	-1.2%
Total	**36,967**	**100%**	**40,876**	**100%**	**11%**	**842,367**	**100%**	**897,633**	**100%**	**7%**

Notes:
(a) Includes all wage and salary employment covered by unemployment insurance.
(b) Local employment for Transportation, Warehousing, and Utilities, Unclassified, and Government in Milpitas was suppressed by EDD due to the small number of firms in Milpitas reporting in this category. Total employment includes jobs in these categories.
(c) Government employment includes workers in all local, state and Federal sectors, not just public administration. For example, all public school staff are in the Government category.
Sources: California Employment Development Department, 2013; BAE, 2013.

Jobs to Workers Ratio

As shown in Table 3.7, Milpitas has a considerable net inflow of workers to the City, with 1.7 jobs for every employed person in Milpitas in 2011. There is also a net inflow of workers to Santa Clara County overall, but the ratio of jobs to employed residents is lower than in Milpitas, at 1.1 jobs for every employed worker. These figures suggest a potential need for additional housing for people employed in Milpitas that currently commute from other areas. This need will likely be addressed in part by the ongoing residential construction activity in Milpitas.

Table 3.7: Jobs to Workers Ratio, 2011

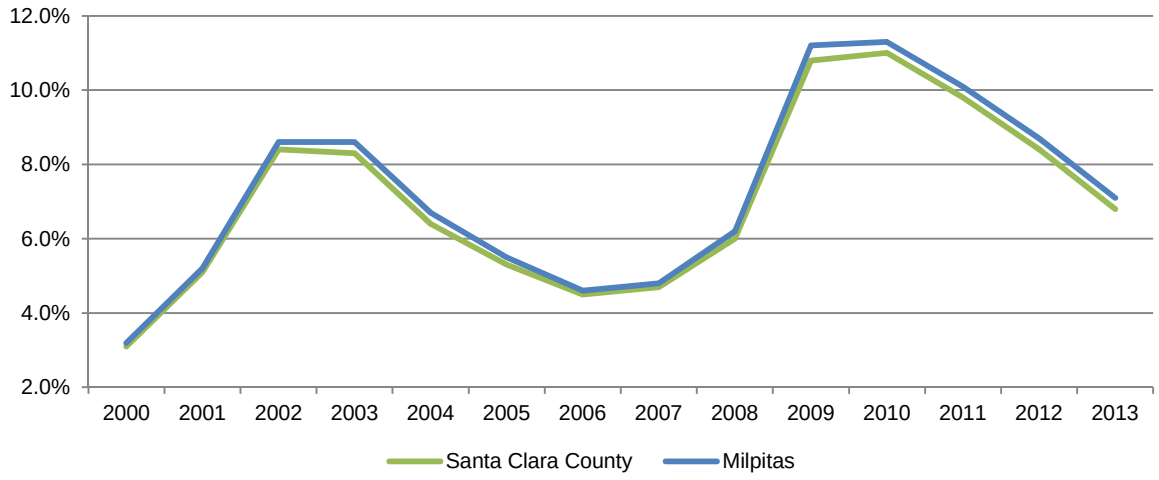
	Milpitas	Santa Clara County
Total Jobs (a) (b)	42,698	938,013
Employed Residents (a)	25,537	835,675
Jobs/Employed Residents	1.7	1.1

Notes:
The American Community Survey (ACS) publishes demographic estimates based on statistical sampling conducted continuously in 2011.
(a) The universe consists of members of the Armed Forces and civilian workers age 16 and older who were at work the week prior to the survey.
(b) Total number of jobs here may differ from estimates provided by the CA Employment Development Department.
Sources: American Community Survey, 2011; California Employment Development Department, 2013; BAE 2013.

Employment Trends

Similar to much of the rest of Silicon Valley and the Bay Area, Milpitas experienced an increase in unemployment beginning in 2007, followed by a gradual decrease in the unemployment rate in more recent years. As shown in Figure 3.1, the unemployment rate in Milpitas has mirrored trends in Santa Clara County since 2000, remaining just slightly higher (0.1 to 0.4 percentage points) than the unemployment rate for the County between 2000 and 2013. The unemployment rate in both the City and County was below five percent in 2006, but began to increase slightly at the start of the recession in 2007. At the peak in 2010, the unemployment rate reached 11.3 percent in Milpitas and 11.0 percent in Santa Clara County, more than twice the unemployment rate in 2006. The unemployment rate decreased in subsequent years, averaging approximately seven percent in the City and County in 2013, which suggests an ongoing economic recovery in the City and County and an associated increase in the employment rate.

Figure 3.1: Unemployment, 2000-2013



Notes:
Data are not seasonally adjusted.
Sources: CA EDD; BAE, 2014.

Employment Projections

According to ABAG projections, Milpitas is expected to experience moderate employment growth between 2010 and 2040. As shown in Table 3.8, ABAG estimates that there will be a 28-percent increase in the number of jobs in Milpitas between 2010 and 2040. During the same period, employment is expected to increase by 33 percent in Santa Clara County and the Bay Area overall, outpacing employment growth in Milpitas. The moderate employment growth rate in Milpitas relative to other areas and the substantial rate of household growth in Milpitas shown in Table 3.5 suggest that the City is poised to provide additional housing units that will help to reduce the disparity between jobs and employed residents identified Table 3.7, potentially offering additional housing opportunities for people employed in Milpitas.

Employment growth is expected to occur at a faster rate during the first ten years of the projection period (2010-2020) than in the subsequent twenty years. Milpitas is expected to gain 7,330 jobs between 2010 and 2020, at an average rate of over 733 jobs per year, and 2,010 jobs between 2020 and 2030, at an average rate of 201 jobs per year. Job growth is then projected to increase slightly between 2030 and 2040, with an average rate of 328 jobs per year.

Santa Clara County and the Bay Area are expected to have a similar growth pattern, with large employment increases between 2010 and 2020 and more moderate employment increases between 2020 and 2030, followed by a slight increase in the rate of employment growth between 2030 and 2040.

Table 3.8: Estimated Job Growth, Milpitas, Santa Clara County, and the Bay Area, 2010 - 2040

	2010	2015	2020	2025	2030	2035	2040	Total Change 2010-2040	% Change 2010-2040
Milpitas	45,190	48,660	52,520	53,480	54,530	56,120	57,810	12,620	27.9%
Santa Clara County	926,270	1,003,780	1,091,270	1,118,320	1,147,020	1,187,010	1,229,520	303,250	32.7%
Bay Area (a)	2,571,920	2,788,160	3,027,840	3,105,650	3,187,040	3,301,510	3,421,890	849,970	33.0%

Notes:
(a) Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties.
Sources: ABAG, 2013; BAE, 2013.

Housing Stock Characteristics

The following section provides information on the existing housing stock and recent building trends in Milpitas along with comparative data for Santa Clara County. This information helps to identify existing and anticipated future housing needs in Milpitas, which can inform the development of housing programs.

Housing Stock Conditions

Milpitas has a relatively large number of new units in the housing stock, as shown in Table 3.9. According to ACS data collected in 2011, the median year built for housing units in Milpitas was 1977, five years newer than the median year built for Santa Clara County overall. Moreover, 73 percent of housing units in Milpitas were built in 1970 or later, compared to 61 percent of housing units in Santa Clara County.

Since housing units typically deteriorate with age, often requiring extensive maintenance or rehabilitation, the relatively new housing stock in Milpitas is likely an indication that a comparatively large number of units in Milpitas are in a state of good repair. Nonetheless, the owners of the limited number of older residential units in Milpitas may be in need of resources to be able to afford necessary maintenance. Milpitas Code Enforcement and Building Department staff estimates that approximately 37 percent of Milpitas homes built prior to 1970 (2,063 units, or 10 percent of the City's total housing stock) are in need of rehabilitation or major repairs.

Table 3.9: Housing Units by Year Built, 2011

	Milpitas		Santa Clara County	
Year Built (a)	**Number**	**Percentage**	**Number**	**Percentage**
2005 or later	1,593	7.8%	28,286	4.9%
2000 to 2004	383	1.9%	38,141	6.6%
1990 to 1999	2,767	13.5%	63,534	11.0%
1980 to 1989	3,135	15.4%	76,970	13.4%
1970 to 1979	6,966	34.1%	142,825	24.8%
1960 to 1969	3,831	18.8%	123,376	21.4%
1959 or earlier	1,747	8.6%	103,300	17.9%
Total	**20,422**	**100.0%**	**576,432**	**100.0%**
Median Year Built	**1977**		**1972**	

Note:
(a) The American Community Survey (ACS) publishes demographic estimates based or statistical sampling conducted continuously in 2011.
Sources: American Community Survey, 2011; BAE, 2013.

Structure Type

The majority of housing units in Milpitas are single-family detached homes, as shown in Table 3.10. According to estimates from the California Department of Finance, 76 percent of all homes in Milpitas are single-family homes (59 percent detached single-family and 17 percent attached single-family). This is a slighter higher proportion than in Santa Clara County (64 percent) and the Bay Area (63 percent), due mainly to the high proportion of attached single-family homes in Milpitas. Accordingly, Milpitas has a smaller share of units in multifamily structures (22 percent) than the County (33 percent) and region (35 percent). Mobile homes represent comparable proportions of units in the City (two percent), County (three percent), and region (two percent).

Table 3.10: Housing Units by Type, 2013

	Milpitas		Santa Clara County		Bay Area	
Milpitas	**Number of Units**	**Percent of Total**	**Number of Units**	**Percent of Total**	**Number of Units**	**Percent of Total**
Single Family Detached	11,703	58.7%	346,145	54.1%	1,505,153	53.6%
Single Family Attached	3,363	16.9%	62,201	9.7%	258,633	9.2%
Multifamily 2 to 4 Units	1,384	6.9%	48,923	7.7%	278,450	9.9%
Multifamily 5+Units	3,057	15.3%	163,124	25.5%	705,899	25.1%
Mobile Home	418	2.1%	19,053	3.0%	59,673	2.1%
Total	**19,925**	**100.0%**	**639,446**	**100.0%**	**2,807,808**	**100%**

Sources: CA Department of Finance, E-5 2013; BAE, 2013.

Residential Building Permit Trends

Residential building permit activity in Milpitas over the past ten years reflects regional and nationwide trends, with large amounts of activity prior to 2007 followed by a marked decrease in activity during the recent recession. However, building permit issuances in Milpitas also reveal the surge in residential construction that the City has experienced over the past few years. Prior to 2013, the peak of building permit activity in Milpitas during the past decade occurred in 2006, during which the City issued permits for 744 units, most (638) of which were in multifamily structures with five units or more. Building

permit activity decreased in 2007, with a total of 174 units permitted, and further decreased in 2008, with only 14 units permitted. Building permit activity in Milpitas has resumed in more recent years, totaling 373 units in 2011 and 131 units in 2012. In 2013, Milpitas issued permits for 842 new units, surpassing totals from any other year in the prior decade.

In contrast to the City's existing housing stock, the housing units recently permitted in Milpitas consist largely of multifamily units. Between 2003 and 2012, 77 percent of all units permitted in Milpitas were in structures with five or more units, and 20 percent were single-family homes. Although trends were similar Countywide, 64 percent of all units permitted in Santa Clara County between 2003 and 2012 were in structures with five or more units, representing a smaller share of building permit activity than in Milpitas. These trends suggest a shift over time toward increasingly high proportions of multifamily residential construction throughout the County and in Milpitas in particular.

Table 3.11: Number of Units Issued Building Permits, 2003-2012

	Units Permitted											Total	Percent
Milpitas	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2003-2013**	**2003-2013**
Single Family	1	5	26	103	79	5	57	6	7	65	212	566	20%
2 Units	0	0	0	0	0	0	0	0	0	0	0	0	0%
3 & 4 Units	0	12	0	3	0	0	0	0	0	7	42	64	2%
5 or More Units	0	201	72	638	95	9	72	56	366	59	588	2,156	77%
Total	**1**	**218**	**98**	**744**	**174**	**14**	**129**	**62**	**373**	**131**	**842**	**2,786**	**100%**
Santa Clara County													
Single Family	2,468	2,675	2,333	2,121	1,923	939	602	814	970	1,460	1,729	18,034	34%
2 Units	62	82	28	10	46	50	28	4	2	28	30	370	1%
3 & 4 Units	88	126	202	90	40	49	7	23	50	62	104	841	2%
5 or More Units	4,388	2,497	3,050	3,899	2,153	2,433	417	3,291	2,043	3,941	5,758	33,870	64%
Total	**7,006**	**5,380**	**5,613**	**6,120**	**4,162**	**3,471**	**1,054**	**4,132**	**3,065**	**5,491**	**7,621**	**53,115**	**100%**

Sources: U.S. Census, 2013; BAE, 2013.

Overcrowding

Although the City has some overcrowded households, overcrowding is not a particularly common problem in Milpitas. A housing unit is typically defined as overcrowded if it houses more than one more person per room (including bedrooms, kitchens, and dining rooms, but not bathrooms or porches) and severely overcrowded if it houses more than 1.5 persons per room.

As shown in Table 3.12, approximately eight percent of Milpitas households were overcrowded in 2011 and approximately three percent were severely overcrowded. Overcrowding is more prevalent among renter households, 13 percent of which were overcrowded, than among owner households, six percent of which were overcrowded. Rates of overcrowding were similar in Santa Clara County, but with a slightly higher rate of overcrowding among renter-occupied households (14 percent) and a lower rate of overcrowding among owner-occupied households (three percent).

Table 3.12: Overcrowded Households, 2011

	Owner Households		Renter Households		All Households	
Milpitas	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Overcrowded (a)	708	5.6%	876	13.0%	1,584	8.2%
Severely Overcrowded (b)	212	1.7%	311	4.6%	523	2.7%
Not Overcrowded	11,932	94.4%	5,876	87.0%	17,808	91.8%
Total	**12,640**	**100.0%**	**6,752**	**100.0%**	**19,392**	**100.0%**
Santa Clara County						
Overcrowded (a)	10,764	3.1%	36,097	13.7%	46,861	7.7%
Severely Overcrowded (b)	3,054	0.9%	15,477	5.9%	18,531	3.1%
Not Overcrowded	332,978	96.9%	226,620	86.3%	559,598	92.3%
Total	**343,742**	**100.0%**	**262,717**	**100.0%**	**606,459**	**100.0%**

Notes:
(a) The U.S. Census defines an overcrowded unit as one occupied by more than 1 person per room (excluding bathrooms and kitchens).
(a) The U.S. Census defines a severely overcrowded unit as one occupied by more than 1.5 persons per room (excluding bathrooms and kitchens).
Sources: American Community Survey, 2011; BAE, 2013.

Housing Market Conditions and Affordability

This section provides information on current housing market conditions in Milpitas, including costs and vacancy rates, and assesses the extent to which the housing market is providing for the needs of various economic segments of the local population. Although there are many ways to assess affordability, housing is typically defined as affordable for a given household if housing costs do not exceed 30 percent of household income. Households with housing costs that exceed this affordability threshold often have less money available to available to spend on other essential goods and services, such as food, healthcare, and transportation, or may have difficulty making rent or mortgage payments. Information on housing market conditions and local demographics helps to identify those segments of the population that face difficulties in securing affordable housing in Milpitas.

Vacancy Trends

Milpitas has low vacancy rates among both rental and for-sale housing units. According to 2010 US Census data, three percent of rental units and one percent of for-sale units in Milpitas was vacant. Vacancy rates were slightly higher in Santa Clara County overall, where four percent of rental units and one percent of for-sale units were vacant, and the Bay Area overall, where six percent of rental units and two percent of for-sale units were vacant. These data indicate a tight residential market in Milpitas for rental and for-sale housing, which often leads to high housing costs and limited housing choices for existing and prospective residents.

Table 3.13: Housing Occupancy and Vacancy Status, 2010

	Milpitas		Santa Clara County		California	
Occupancy Status	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Occupied Housing Units	**19,184**	**96.9%**	**604,204**	**48.9%**	**12,577,498**	**47.9%**
Renter	6,359	32.1%	255,906	20.7%	5,542,127	21.1%
Owner	12,825	64.8%	348,298	28.2%	7,035,371	26.8%
Vacant Housing Units	**622**	**3.1%**	**27,716**	**2.2%**	**1,102,583**	**4.2%**
For rent	206	1.0%	11,519	0.9%	374,610	1.4%
For sale only	152	0.8%	5,067	0.4%	154,775	0.6%
Rented or sold, not occupied	107	0.5%	2,222	0.2%	54,635	0.2%
For seasonal, recreational or occasional use	50	0.3%	3,000	0.2%	302,815	1.2%
For migrant workers	4	0.0%	50	0.0%	2,100	0.0%
Other vacant	103	0.5%	5,858	0.5%	213,648	0.8%
Total	**19,806**	**100.0%**	**1,236,124**	**100%**	**26,257,579**	**100%**
Rental Vacancy Rate		**3.1%**		**4.3%**		**6.3%**
For Sale Vacancy Rate		**1.2%**		**1.4%**		**2.2%**

Sources: US Census, 2010; BAE, 2013.

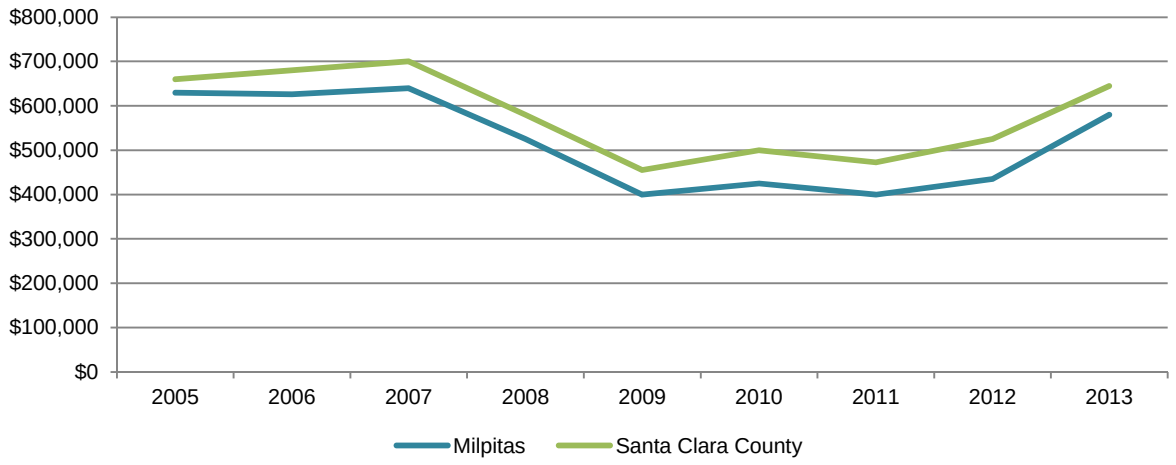
Residential Sale Price Trends

Housing prices in Milpitas fell substantially during the recent recession, but have begun to recover in recent years and are now approaching pre-recession levels. As shown in Figure 3.2, the median residential sale price in Milpitas peaked in 2007 at $640,000. The median decreased by 38 percent in over the next two years, with a low of $400,000 in 2009. The median residential sale price did not change significantly between 2009 and 2012, remaining between $400,000 and $435,000 in each year. However, the median sale price increased to $580,000 in 2013, coming close to the median during the years prior to the recession.

Median sale price trends in Milpitas mirrored trends in Santa Clara County overall between 2005 and 2013. However, the median sale price in Milpitas was slightly lower than the Countywide median each year between 2005 and 2013, with a price difference ranging from $30,000 to $90,000.

The slightly lower median sale price for homes in Milpitas relative to Santa Clara County, coupled with the City's high median income, could suggest that households in Milpitas do not have difficulty affording homes in Milpitas. However, the City's large household size (3.41 people per household; see Table 3.1) means that household incomes in Milpitas tend to support a large number of people, and therefore many households still face difficulties affording housing along with other household expenses, as shown in Figure 3.8 below.

Figure 3.2: Median Residential Sale Price, 2005-2013



Sources: DQ News, 2006-2013; BAE, 2014.

Data on recent home sales in Milpitas demonstrate variation in price between single-family homes and condominiums, though the median sale price for both types of homes is relatively high. Among homes sold in Milpitas between January and August 2013, the median sale price was $630,000, as shown in Table 3.14. Single family homes sold during this period tended to be relatively large; half had four or more bedrooms. The median sale price for condominiums sold during this period was $402,000, approximately two thirds of the median among single-family homes. However, these units also tended to be much smaller; 55 percent were two-bedroom units.

Table 3.14: Sale Price Distribution of Single Family Residences and Condominiums by Number of Bedrooms, Milpitas, January-August 2013

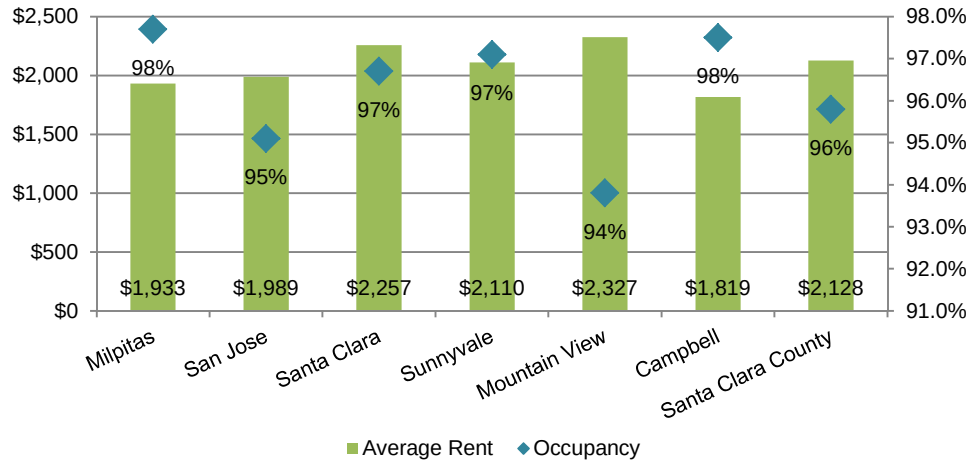
	Number of Units Sold (a)					
Sale Price Range	**1 BRs**	**2 BRs**	**3 BRs**	**4+ BRs**	**Total**	**% Total**
Single-Family Residences						
Less than $400,000	0	1	18	13	32	**14.8%**
$400,000-$599,999	0	4	40	19	63	**29.2%**
$600,000-$799,999	0	3	35	33	71	**32.9%**
$800,000-$999,999	0	0	6	31	37	**17.1%**
$1,000,000 or more	0	1	0	12	13	**6.0%**
Total	**0**	**9**	**99**	**108**	**216**	**100.0%**
% Total	**0.0%**	**4.2%**	**45.8%**	**50.0%**	**100.0%**	
Median Sale Price	**N/A**	**$580,000**	**$555,500**	**$746,250**	**$630,000**	
Average Sale Price	**N/A**	**$712,444**	**$546,226**	**$721,593**	**$640,836**	
Average Size (sf)	**N/A**	**1,618**	**1,352**	**1,863**	**1,618**	
Average Price/sf	**N/A**	**$440**	**$404**	**$387**	**$396**	
Condominiums						
Less than $200,000	1	2	2	0	5	**4.5%**
$200,000-$299,999	1	14	3	0	18	**16.2%**
$300,000-$399,999	4	14	12	0	30	**27.0%**
$400,000-$499,999	0	22	6	0	28	**25.2%**
$500,000 or more	0	9	20	1	30	**27.0%**
Total	**6**	**61**	**43**	**1**	**111**	**100.0%**
% Total	**5.4%**	**55.0%**	**38.7%**	**0.9%**	**100.0%**	
Median Sale Price	**$332,500**	**$400,000**	**$490,000**	**$672,000**	**$402,000**	
Average Sale Price	**$303,500**	**$380,357**	**$468,395**	**$672,000**	**$412,935**	
Average Size (sf)	**821**	**1,100**	**1,326**	**1,764**	**1,178**	
Average Price/sf	**$370**	**$346**	**$353**	**$381**	**$350**	

Note:
(a) Consists of all full and verified sales of single-family residences and condominiums in the 95035 ZIP code between 1/1/2013 and 8/15/2013.
Sources: DataQuick; BAE, 2013.

Rental Market Trends

In general, residential rental properties in Milpitas have high occupancy rates paired with rental rates that are slightly lower than most other Santa Clara County jurisdictions. Data on occupancy and rental rates in Milpitas and other Santa Clara County jurisdictions were provided by RealFacts, which collects data on rental properties with 50 units or more. As shown in Figure 3.3, in the second quarter of 2013 the average rental rate in Milpitas was slightly lower than the average for Santa Clara County at $1,933 per month. However, at 97.7 percent, the occupancy rate for properties in Milpitas was higher than the occupancy rate in most other Santa Clara County jurisdictions. Occupancy rates higher than 95 percent are conventionally thought to indicate a tight rental market, suggesting a potential need for additional rental units to allow for housing choice among existing and prospective tenants.

Figure 3.3: Rental Rates and Vacancy, Second Quarter 2013

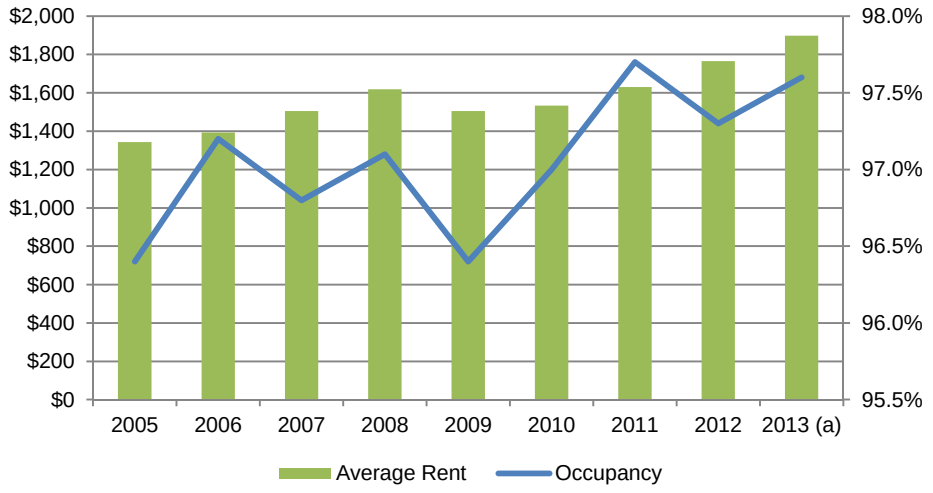


Note:
Data are for rental properties with 50 units or more.
Sources: RealFacts, 2013; BAE, 2014.

Rental and occupancy trends in Milpitas demonstrate fluctuations in the market during the past several years, but overall trends indicate increasingly strong occupancy and high rental rates over time. As shown in Figure 3.4, data from RealFacts indicate that the average rental rate in Milpitas increased steadily between 2005 and 2008, followed by a decrease in 2009. However, by 2011 the average rental rate in the City exceeded the 2008 average, and has increased in each subsequent year. The average rental rate during the first half of 2013 was $1,898 per month, 41 percent higher than the 2005 average.

The occupancy rate in Milpitas has also varied in recent years, but suggests an increasingly tight rental market in the City over time. Between 2005 and 2013, the occupancy rate reported by RealFacts varied from 96.4 percent to 97.7 percent, remaining higher than the 95 percent occupancy rate that is typically thought to indicate a healthy balance between supply and demand. During the first six months of 2013, the average occupancy rate in Milpitas was 97.6 percent, 1.2 percentage points higher than in 2005.

Figure 3.4: Rental Market Trends, Milpitas, 2005-2013

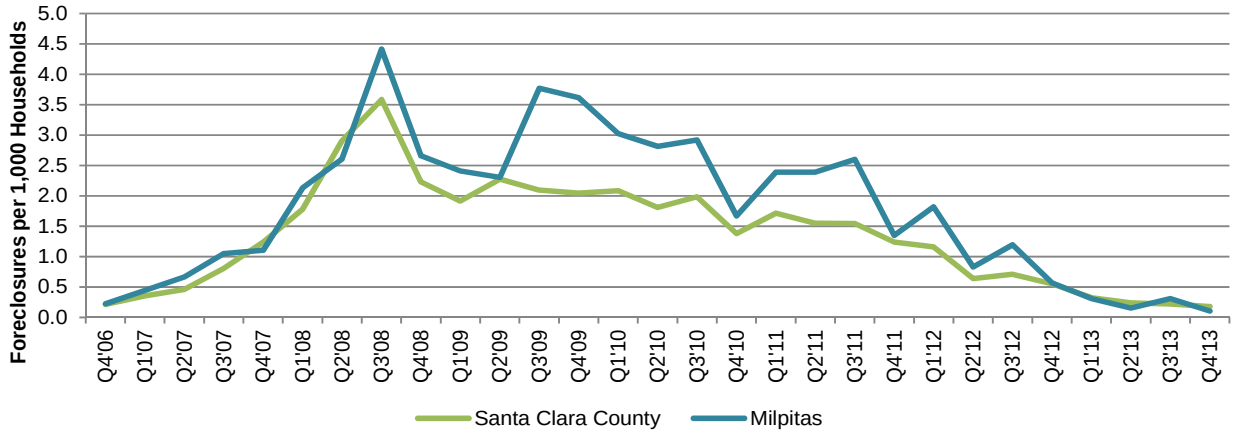


Notes:
Data are for rental properties with 50 units or more.
(a) Data for 2013 are for the first and second quarter of 2013 only.
Sources: RealFacts, 2013; BAE, 2014.

Foreclosures

Similar to many Bay Area jurisdictions, Milpitas had a spike in foreclosures at the start of the recession in 2007 and 2008, but has demonstrated a gradual recovery, particularly in recent months. As shown in Figure 3.5, the rate reached 4.4 foreclosures per 1,000 households in the 3rd quarter of 2008, approximately 20 times higher than the rate in the 4th quarter of 2006. The foreclosure rate began to decrease gradually in the 4th quarter of 2008, but continued to fluctuate well above pre-recession levels through the 3rd quarter of 2012. However, the foreclosure rates during all four quarters of 2013 were comparable to the City's foreclosure rate in the fourth quarter of 2006, suggesting a recovery in the City's housing market. Compared to the County as a whole, Milpitas had a higher foreclosure rate during the recession and much of the subsequent recovery, but a comparable rate throughout 2013.

Figure 3.5: Foreclosures per 1,000 Households, Milpitas & Santa Clara County, Sept 2012--Sept 2013



Source: ForeclosureRadar.com, 2013; BAE, 2013.

Affordability

As discussed above, housing is typically considered affordable if total housing costs do not exceed 30 percent of a household's gross income. For renter households, housing costs include rent plus any utilities paid by the household. For owner households, housing costs include mortgage payments, mortgage interest payments, taxes, insurance, utilities, and any homeowner association fees that apply to the property. Many lower-income households have housing costs that exceed this affordability threshold and therefore have difficulty paying for housing costs along with food, medical care, transportation, and other essential goods and services.

Income Limits

In order to determine eligibility for various housing programs and to evaluate the affordability of housing to households at various income levels, households are often categorized based on the relationship between household income and the Area Median Income (AMI). The California Department of Housing and Community Development (HCD) establishes the AMI for each County in California annually, adjusted by household size, and the upper "income limit" of for extremely low-, very low-, low-, and moderate-income households. Table 3.15 shows the percent of AMI and the 2013 income limits for a four-person household in Santa Clara County that correspond to each income category. As shown, the median income for a four-person household in Santa Clara County was $105,500 in 2013 and the income limit for a low-income household was $84,900.

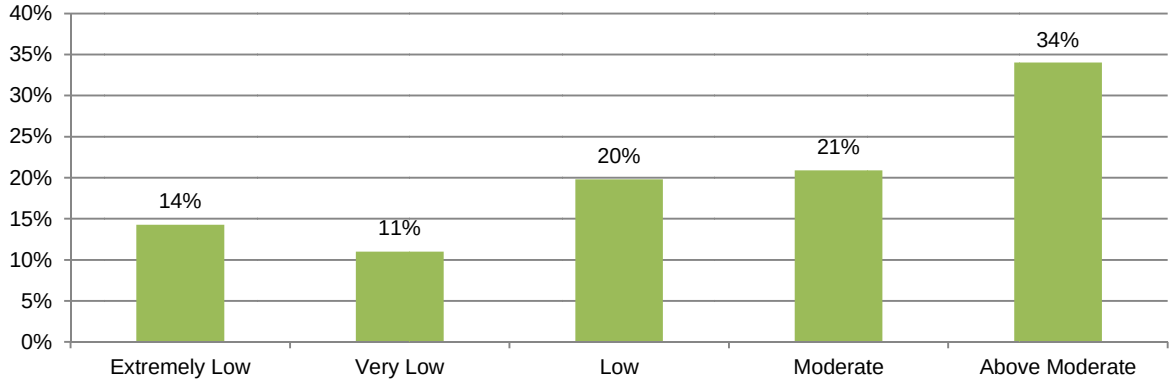
Table 3.15: Household Income Limits, Santa Clara County, 2013

Income Category	% of Area Median Income	Top of Income Range (a)
Extremely Low Income	0% to 30%	$31,850
Very Low Income	31% to 50%	$53,050
Low Income	51% to 80%	$84,900
Moderate	80% to 120%	$126,600
Santa Clara County Median	*100%*	*$105,500*

Notes:
(a) Based on HCD 2013 Household Income Limits for a household of four in Santa Clara County.
Sources: California Department of Housing and Community Development 2013; BAE, 2013.

Figure 3.6 shows the 2013 Milpitas household income distribution by AMI level for a four-person household in Santa Clara County. As shown, approximately 34 percent of Milpitas households have above-moderate incomes, 21 percent have moderate incomes, and 45 percent have low, very low, or extremely low incomes.

Figure 3.6: Household Income Distribution by AMI Level for a Four-Person Household, Milpitas, 2013



Note:
Income distribution shown here reflects the estimated distribution of existing households in Milpitas based on the HCD income limits for a four-person household, and represents an approximation of the distribution of households by income level as though all households are four-person households.
Sources: Nielsen, 2013; HCD, 2013; BAE, 2014.

To put these figures in context, Figure 3.7 shows households of various sizes and at different income levels, along with occupations that could support a household at each income level.

Figure 3.7: Representative Households, Santa Clara County, 2013

Moderate Income Household (80% - 120% of AMI)

Estimated Annual Income: $115,000
One parent is computer programmer, the other is a part time child care worker; they have two children.

Low Income Household (50% - 80% AMI)

Estimated Annual Income: $60,265
One parent is a receptionist, the other is a groundskeeper. They have two children.

Very Low Income Household (50% - 80% AMI)

Estimated Annual Income: $44,900
Single parent is a bookkeeper, and has two children.

Extremely Low Income Household (Up to 30% AMI)

Estimated Annual Income: $19,300
Parent works in a coffee shop at the counter; has one child

Sources: California Department of Housing and Community Development, 2013; California EDD, Labor Market Info, 2013; BAE, 2014.

Ability to Purchase or Rent Homes

Home sale prices and rental rates in Milpitas typically exceed the affordability threshold for lower-income households. As shown in Table 3.16, a household earning the median income for a four-person household in Santa Clara County can afford a single-family home with a sale price up to approximately $476,000, three quarters of the median price of single-family homes recently sold in Milpitas. Just one quarter of single-family homes recently sold in Milpitas sold for $476,000 or less. A smaller percentage of single-family homes were affordable to households earning less than the median income; only 14 percent were affordable to low-income households.

Condominiums provide a more affordable homeownership option for some households. As shown, a household earning the median income for a four-person household in Santa Clara County can afford a condominium sale price up to approximately $408,000,[3] slightly more than the median sale price among condominiums recently sold in Milpitas. Households earning 80 percent of AMI for a four-person household in Santa Clara County can afford 25 percent of condominiums recently sold in Milpitas, provided that these households are able to afford a down payment.

[3] The maximum affordable condominium sale price is lower than the maximum affordable single family home sale price to account for payment of monthly homeowner association fees for condominium properties.

Table 3.16: Affordability of Market Rate For Sale Housing in Milpitas

Single-Family Residences

Income Level	Income Limit (a)	Max. Affordable Sale Price (b)	Percent of SFRs Recently Sold Within Price Range (c)
Extremely Low-Income (Up to 30% AMI)	$31,850	$143,697	1.9%
Very Low-Income (Up to 50% AMI)	$53,050	$239,345	6.9%
Low-Income (Up to 80% AMI)	$84,900	$383,042	13.9%
Median-Income (Up to 100% AMI)	$105,500	$475,983	24.5%
Moderate-Income (Up to 120% AMI)	$126,600	$571,180	39.8%
Median Sale Price			$630,000
Number of Units Sold			216

Condominiums

Income Level	Income Limit (a)	Max. Affordable Sale Price (b)	Percent of Condos on Market Within Price Range (d)
Extremely Low-Income (Up to 30% AMI)	$31,850	$89,980	0.0%
Very Low-Income (Up to 50% AMI)	$53,050	$181,647	4.5%
Low-Income (Up to 80% AMI)	$84,900	$319,363	25.2%
Median-Income (Up to 100% AMI)	$105,500	$408,435	53.2%
Moderate-Income (Up to 120% AMI)	$126,600	$499,669	73.0%
Median Sale Price			$402,000
Number of Units Sold			111

Notes:
(a) Income limits published by California Department of Housing and Community Development for four-person household in Santa Clara County, 2013.
(b) Mortgage terms:

Annual Interest Rate (fixed)	5.23%
Term of mortgage (years)	30
Percent of sale price as down payment	20%
Initial property tax (annual)	1.148%
Mortgage Insurance as percent of loan amount	0.0%
Annual homeowner's insurance rate as percent of sale price	0.2%
Homeowners Association Fee (monthly, condominiums only)	$276
Percent of household income available for housing costs	30%

(c) Consists of all full and verified sales of single-family residences in the 95035 between 1/1/2013 and 8/15/2013
(d) Consists of all full and verified sales of condominiums in the 95035 between 1/1/2013 and 8/15/2013
Sources: California Department of Housing and Community Development, 2013; Freddie Mac, 2013; Santa Clara County Assessor's Office, 2013; CA Dept. of Insurance, 2013; condo.com, 2013; BAE, 2014.

Rental housing in Milpitas is typically affordable to moderate-income households, but average rental rates exceed the affordability threshold for low-, very low-, and extremely low-income households. As shown in Table 3.17, a household earning the median income for a four-person household in Santa Clara County can afford to pay $2,450 in monthly rent. This is slightly more than the average rental rate for a two bedroom/two bathroom unit in Milpitas ($1,986 per month) and slightly less than the average rental rate for a three bedroom/two bathroom unit in Milpitas ($2,641 per month). Households earning 120 percent of AMI for a four-person household in Santa Clara County can afford to pay $2,977 per month for rent and can therefore afford the average rent for a three bedroom/two bathroom unit in Milpitas.

However, the maximum affordable rent for households earning 80 percent of AMI for a four-person household in Santa Clara County is $1,935 per month, slightly less than the average rent for a two bedroom/two bathroom unit in Milpitas, which suggests that low-income households often face difficulties finding adequate affordable units. Households with extremely low and very low incomes have lower affordability thresholds, and therefore many of these households are likely to have housing costs that exceed 30 percent of household income. In most Bay Area cities, rental subsidies or affordability restrictions are often necessary to produce housing affordable to very low- and extremely low-income households.

Table 3.17: Affordability of Market-Rate Rental Housing in Milpitas, 2013

Income Level	Income Limit (a)	Maximum Affordable Rent (b)
Extremely Low-Income (Up to 30% AMI)	$31,850	$608
Very Low-Income (Up to 50% AMI)	$53,050	$1,138
Low-Income (Up to 80% AMI)	$84,900	$1,935
Median-Income (Up to 100% AMI)	$105,500	$2,450
Moderate-Income (Up to 120% AMI)	$126,600	$2,977
	2 Br/ 2 Ba Unit	**3 Br/2 Ba Unit**
Average Rent in Milpitas (c)	$1,986	$2,641

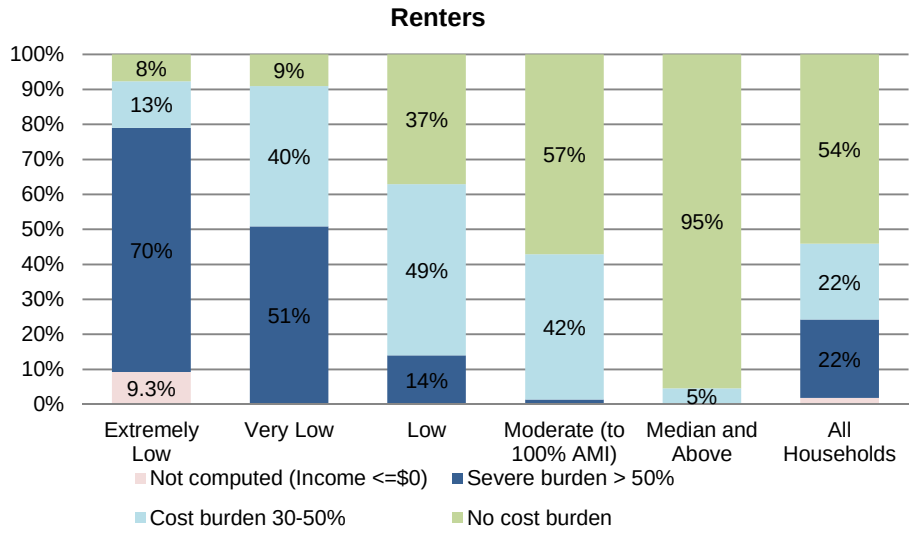
Notes:
(a) Income limits published by CA Department of Housing and Community Development for four-person household in Santa Clara County, 2013.
(b) Assumes 30 percent of household income spent on rent and utilities, based on Santa Clara County Housing Authority utility allowance.
(c) Rental rates provided by RealFacts, Q1 2013.
Sources: CA HCD, 2013; Contra Costa County Housing Authority, 2013; RealFacts, 2012; BAE, 2014.

Cost Burden

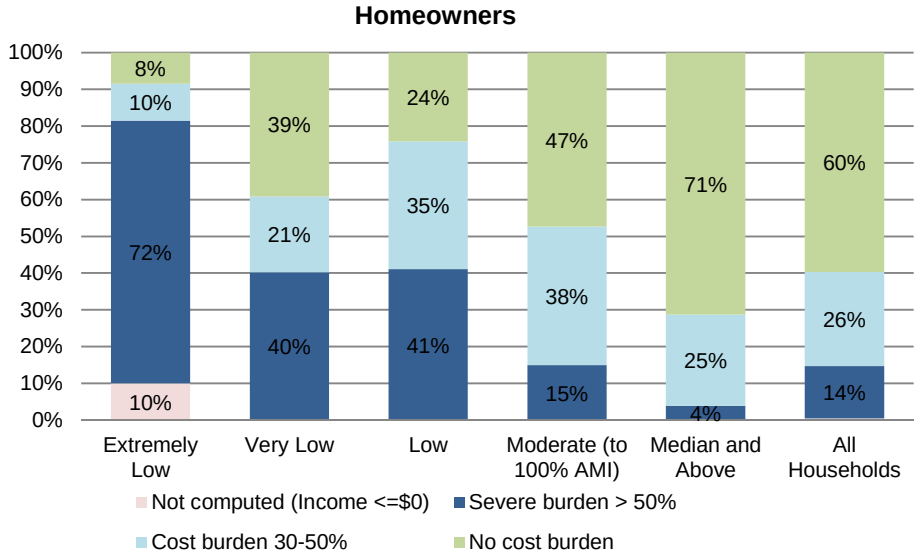
A large portion of Milpitas households have housing costs that exceed the affordability threshold, and therefore experience housing cost burden. Households are considered cost burdened if housing costs exceed 30 percent of household income and are considered severely cost burdened if housing costs exceed 50 percent of household income.

Housing cost burden is most prevalent among renters and lower-income households, as shown in Figure 3.8. According to ACS data collected between 2006 and 2010 (the most recent period for which these data are available), 44 percent of renter households and 38 percent of owner households had housing costs that exceed the affordability threshold. Among extremely low-income households, only eight percent of owners and renters had housing costs that did not exceed the affordability threshold. These findings are consistent with the affordability analysis presented above, which revealed a significant gap between housing costs and the amount that lower-income households can afford to pay for housing.

Figure 3.8: Housing Cost Burden by Household Income Level, Milpitas



Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS) special tabulations from the American Community Survey, 2006-2010; BAE, 2013.



Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS) special tabulations from the American Community Survey, 2006-2010; BAE, 2013.

Assisted Housing at Risk of Conversion

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

preservation or replacement of those units, and to identify those organizations that could assist in these efforts.

Inventory of Existing Affordable Units

Milpitas has a total of 1,233 existing units with affordability restrictions and 15 additional units with affordability restrictions currently under construction. Projects that consist entirely of affordable units account for 456 of affordable units in the City, while 777 existing affordable units and the 15 affordable units that are under construction are in mixed-income projects. The City's large affordable housing stock in mixed-income projects is the result of City policies that encourage developers of market-rate residential projects to add affordability restrictions to a portion of units in each project. Table 3.18 shows the inventory of affordable housing units in Milpitas and the earliest dates of termination of affordability restrictions for each project.

Table 3.18: Inventory of Affordable Rental Housing Units, Milpitas, 2014

Affordable Developments	Affordable Units	Year Built	Tenure	Senior/ Family	Target Affordability	Expiration Date
Terrace Gardens 186 Beresford Court	148	1989	Rental	Senior	148 L (Section 8)	None (a)
Summerfield Homes Great Mall Parkway & S. Abel Street	22	1999	Ownership	Family	22 L	2029
Parc West 950 South Main Street	68	2005	Rental	Family	35 L, 33 M	2045
Senior Housing Solutions 751 Vasona	5	2007	Rental	Family	5 ELI Individuals	None (a)
Devries Place Senior Housing 163 N. Main Street	103	2008	Rental	Senior	102 VL, 1 M	None (a)
Scattered Sites on Edsel Court (1129 and 1143) and Shirley Drive (1116 and 1124)	4	2008	Rental	Family	4 VL	2063
Aspen Family Apartments 60 Mihalakis Drive	101	2009	Rental	Family	100 VL, 1M	None (a)
Senior Housing Solutions 1170 N. Park Victoria	5	2011	Rental	Senior	5 ELI Individuals	None (a)
TOTAL	**456**					
Mixed-Income Projects						
Sunnyhills Apartments 1724 Sunnyhills Drive	149	1971	Rental	Family	Section 8	2018
Montevista Apartments 1001 S. Main Street	153	2001	Rental	Family	77 VL, 76L	2040
Crossing at Montague 775 E. Capitol	94	2003	Rental	Family	94 VL	None (a)
Parc Metro S. Main Street and E. Curtis Avenue	28	2005	Ownership	Family	10 L, 18 M	None (a)
Parc Place E. Curtis Avenue and Hammond Way	58	2006	Ownership	Family	18 VL, 6 L, 34 M	2051
Luna at Terra Serena E. and W. Sides of Abel Street, N. of Curtis Avenue	25	2007	Ownership	Family	25 M	2052
Paragon 1696 S. Main Street	29	2007	Ownership	Family	9 VL, 20M	2044
Terra Serena E. and W. Sides of Abel Street, N. of Curtis Avenue	63	2007	Ownership	Family	63 M	2062
Centria East Great Mall Parkway and Main Street	26	2008	Ownership	Family	9 VL, 7 L, 10M	2053
Town Center Villas 300 Shaughnessy Drive	16	2008	Ownership	Family	16 M	2054
Cerano Apartments Murphy Ranch Road	88	2011	Rental	Family	20 VL, 30 L 38 M	2064
South Main Street Senior Lifestyles 1600 S. Main	48	Under Construction	Rental	Family	48 VL	2069
Shea Properties S. Main and S. Abel	8	Under Construction	Rental	Family	8 VL	None (a)
Coyote Creek Murphy Ranch Road	7	Under Construction	Ownership	Family	7 L	2059
TOTAL	**792**					
GRAND TOTAL	**1,248**					

Note:
(a) Affordable units with no expiration date must remain affordable in perpetuity.
Sources: City of Milpitas, 2014; BAE, 2014.

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

Originally financed under the Section 236 and Section 8 programs in 1981, the owner of Sunnyhills attempted to prepay their mortgage in 1990 under Sections 220 and 221 of the Low Income Housing Preservation and Resident Homeownership Act of 1990 (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. The property owner renewed the contract with HUD in 2011 to continue affordability restrictions until 2014 and in 2014 again renewed the contract to continue affordability restrictions until 2018. Although the property owner has demonstrated an interest in maintaining the property as affordable by renewing the contract with HUD multiple times rather than taking opportunities to convert, Sunnyhills does have the potential to convert to market rate during the ten-year timeframe following Housing Element adoption.

Cost of Replacement vs. Preservation

In addition to quantifying the number of assisted units at risk of conversion, jurisdictions must estimate the costs associated with preserving the affordability of the at-risk units as well as the cost to replace the at-risk units with new affordable units. Although costs vary considerably between projects, Table 3.19 provides an estimated range of the cost to preserve or replace at-risk housing units.

In Project-Based Section 8 properties, such as Sunnyhills Apartments, the owner of the building receives rent from each unit equal to the HUD established Fair Market Rent (FMR) for the area. Where the FMR is less than actual market rents, the owner realizes less income from the property than he or she would without affordability restrictions. Hence, in order to incentivize a property owner to continue to contract out his or her buildings as a Project-Based Section 8 property once mortgage restrictions expire, an ongoing subsidy is required to make up for the gap between FMR and actual market rent. Table 3.19 shows the gap between FMR and actual market rents in Milpitas for various unit sizes. As shown, the monthly gap for Sunnyhills totals approximately $43,000. If the property owner were willing to enter into a rental subsidy agreement with the City or some other entity that would subsidize the rents on behalf of the lower-income renters, this would require an ongoing annual payment of approximately $514,000. Based on a 30-year mortgage term at six percent interest, it would take an initial investment of approximately $7.1 million to reduce the monthly debt service by $43,000 per month.

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

acquire a property in order to preserve affordability can be similar to the cost of new construction, after accounting for renovation or rehabilitation costs.

Table 3.19: Estimated Costs to Preserve 149 Affordable Units at Sunnyhills Apartments

Unit Type	# Units	FMR (a)	Market Rents (b)	Per Unit Gap (c)	Total Gap (d)
Studio	24	$1,105	$1,710	$605	$14,520
1 BR	39	$1,293	$1,690	$397	$15,483
2 BR	50	$1,649	$1,923	$274	$13,700
3 BR	31	$2,325	$2,295	-$30	-$930
4 BR	5	$2,636	$2,641	$5	$25
Total	149				$42,798
Yearly Cost to Preserve 149 Units (e)					**$513,576**
Total Cost to Preserve Units (f)					**$7,138,348**

Notes:
(a) 2014 Fair Market Rents for Santa Clara County as established by HUD.
(b) Prevailing market rents in the City of Milpitas, as reported by RealFacts.
(c) Represents the difference between Fair Market Rents and prevailing market rents.
(d) The total difference between rents received by project sponsors and the potential rental income the project could receive if all units were rented at prevailing market rates.
(e) Represents the yearly cost to preserve current affordability levels in current 2014 dollars.
(f) Represents the net present value of the yearly rent subsidy based on a 30 year mortgage period and an interest rate of six percent.
Sources: RealFacts 2013; HUDUSER 2014; BAE 2014.

As shown Table 3.20, the estimated cost to replace the 149 affordable units at Sunnyhills are substantially higher than the preservation cost estimates shown in Table 3.19, ranging from $30 million to $73 million. Construction costs for replacement units were estimated based on construction costs for recently-constructed multifamily projects in the Bay Area and per-square foot costs estimated in RS Means, a standard source used to estimate construction costs. Land acquisition costs were assumed to range from zero (assuming a land donation from the City or another entity) to $90 per square foot. The high end of this range was based on estimated land costs in Milpitas, as discussed in further detail in Chapter 5. Per-unit land costs are estimated using an assumed project density, with lower-density projects having a higher per-unit land cost. While this suggests that preservation is the more economical options, other factors,

Table 3.20: Estimated Costs to Replace 149 Affordable Units at Sunnyhills Apartments

	Cost per Unit	
Replacement	**Low Estimate**	**High Estimate**
Total Cost per Unit	**$201,000**	**$490,000**
Land Acquisition	$0	$196,000
Construction	$175,000	$230,000
Financing/Other	$26,000	$64,000
Total Cost - All Units	**$29,949,000**	**$73,010,000**
Assumptions		
Land Acuisition Costs (per sq. ft.) (a)	$0	$90
Residential Construction Costs (per sq. ft.) (b)	$175	$230
Units per Acre	60	20
Average Sq. Ft/Unit (incl. common areas)	1,000	1,000
At-Risk Units	149	

Notes:
(a) Low estimate of land acquisition cost assumes no land cost due to land donation or use of City-owned property. High cost of land acquisition is based on current residential land prices in Milpitas, as discussed in Chapter 5.
(b) Residential construction costs are based on RS Means and information on recent multifamily projects in the Bay Area.
Sources: LoopNet, 2014; RS Means, 2013, BAE, 2014.

However, as noted above, the owner of Sunnyhills has preserved affordability at the property multiple times when affordability restrictions were set to expire, and may renew the HUD contract for the property again when it expires in 2018 without requiring subsidies from the City.

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

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

- Mortgage Revenue Bonds
- State Grant Programs, such as MHP
- HOME Program
- Federal Grant Programs
- Low Income Housing Tax Credits
- Housing Trust Fund of Santa Clara County

Qualified Entities

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

HCD maintains a listing of affordable housing developers and property managers who have expressed an interest in working with local communities on preservation of affordable housing projects. This database lists organizations that are interested in working in any county within the State of California, including such well-known affordable housing providers as Mercy Housing, Inc., and EAH, Inc. The database also lists numerous organizations that have expressed interest in working on preservation projects in Santa Clara County in particular. This list includes such organizations as the Mid-Peninsula Housing Coalition and Eden Housing. A partial listing of these organizations is shown in Table 3.21. The organizations listed here represent some of the entities that the City of Milpitas might consider as potential partners in the event that it becomes necessary to assemble a team to preserve affordability at Sunnyhills if conversion to market rate housing is imminent.

Table 3.21: Partial List of Qualified Entities for Santa Clara County, 2014

Qualified Entity	City	Phone Number
A. F. Evans Development, Inc.	Oakland	(510) 891-9400
Affordable Housing Foundation	San Francisco	(415) 387-7834
BRIDGE Housing Corporation	San Francisco	(415) 989-1111
California Community Reinvestment Corp.	Glendale	(818) 550-9800
California Housing Finance Agency	Sacramento	(916) 326-8801
California Housing Partnership Corporation	San Francisco	(415) 433-6804
Cambrian Center, Inc.	San Jose	(408) 559-0330
Charities Housing Development Corp.	San Jose	(408) 282-1125
Christian Church Homes of Northern California, Inc.	Oakland	(510) 632-6714
Community Development & Preservation, LLC	Los Angeles	(310) 208-1888
Community Home Builders and Associates	San Jose	(408) 977-1726
Community Housing Assistance Program, Inc.	Orange	(714) 744-6252
Community Housing Developers, Inc.	San Jose	408) 279-7677
Community Housing Improvement Systems & Planning Assoc. Inc.	Salinas	(831) 757-6251
EAH, Inc.	San Rafael	(415) 258-1800
Eden Housing, Inc.	Hayward	(510) 582-1460
KDF Communities, LLC	Newport Beach	(949) 622-1888 x 207
Linc Housing Corporation	Long Beach	(562) 684-1100
Maximus Properties, LLC	Calabasas	(818)449-4004
Mercy Housing California	San Francisco	415-355-7160
Mid-Peninsula Housing Coalition	Foster City	(650) 356-2900
National Affordable Housing Trust	Columbus	(614) 451-9929
National Church Residences	Columbus	(614) 451-2151
National Housing Development Corporation	Rancho Cucamonga	(909) 291-1400
National Housing Trust	Walnut Creek	(925) 945-1774
Palo Alto Housing Corp	Palo Alto	(650) 321-9709
Palo Alto Senior Housing Project, Inc.	Palo Alto	(650) 494-1944
Related Companies of California	Irvine	(949)660-7272
Resources for Community Development	Berkeley	(510). 841.4410
ROEM Development Corporation	Santa Clara	(408) 984-5600
Satellite Housing Inc.	Berkeley	(510) 647-0700
South County Housing, Inc	Gilroy	(408) 842-9181
The John Stewert Company	San Francisco	(415) 345-4400
The Trinity Housing Foundation	Lafayette	(925) 385-0754

Sources: CA HCD, 2014; BAE, 2014.

Special Housing Needs

In addition to planning for the total projected housing need in the City, the Housing Element must plan for housing needs among certain groups that tend to have particular challenges with respect to securing appropriate affordable housing. These groups are defined as groups with special housing needs and include large families, female-headed households, extremely low income households, persons with disabilities, senior households, farm workers, and homeless persons and families. This section profiles the populations with special housing needs in Milpitas to assist in identifying programs that might be needed to accommodate special needs populations.

Large Households

Milpitas has a slightly larger proportion of large households than Santa Clara County, consistent with the City's large household size. As shown in Table 3.22, 2011 ACS data indicate that 16 percent of all households in Milpitas were large households (defined as households with five or more persons),

compared to 13 percent in Santa Clara County overall. Large households were particularly common among renters; 21 percent of renter households and 13 percent of owner households had five or more persons in 2011.

Table 3.22: Household Size by Tenure, 2011

	Owner		Renter		Total	
Milpitas	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
1-4 persons	11,032	87.3%	5,360	79.4%	16,392	84.5%
5+ persons	1,608	12.7%	1,392	20.6%	3,000	15.5%
Total	**12,640**	**100.0%**	**6,752**	**100.0%**	**19,392**	**100.0%**
Santa Clara County						
1-4 persons	302,751	88.1%	226,788	86.3%	529,539	87.3%
5+ persons	40,991	11.9%	35,929	13.7%	76,920	12.7%
Total	**343,742**	**100.0%**	**262,717**	**100.0%**	**606,459**	**100.0%**

Sources: American Community Survey, 2011; BAE, 2013.

As suggested by the data on recent home sales shown in Table 3.14, Milpitas has a large number of homes with three or more bedrooms. As of 2011, 75 percent of units in Milpitas had three or more bedrooms, compared to 58 percent of units in Santa Clara County, as shown in Table 3.23. Large homes were more prevalent among owner-occupied homes, 88 percent of which had three or more bedrooms. Approximately half (51 percent) of renter-occupied homes had three or more bedrooms.

Table 3.23: Existing Housing Stock by Number of Bedrooms, 2011

	Owner Households		Renter Households		Total	
Milpitas	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
No bedroom	116	0.9%	0	0.0%	116	0.6%
1 bedroom	207	1.6%	990	14.7%	1,197	6.2%
2 bedrooms	1,253	9.9%	2,286	33.9%	3,539	18.2%
3 bedrooms	5,861	46.4%	2,385	35.3%	8,246	42.5%
4 bedrooms	4,805	38.0%	786	11.6%	5,591	28.8%
5 or more bedrooms	398	3.1%	305	4.5%	703	3.6%
Total	**12,640**	**100.0%**	**6,752**	**100.0%**	**19,392**	**100.0%**
Santa Clara County						
No bedroom	1,705	0.5%	18,866	7.2%	20,571	3.4%
1 bedroom	7,105	2.1%	80,235	30.5%	87,340	14.4%
2 bedrooms	51,346	14.9%	97,254	37.0%	148,600	24.5%
3 bedrooms	144,497	42.0%	46,608	17.7%	191,105	31.5%
4 bedrooms	108,093	31.4%	16,051	6.1%	124,144	20.5%
5 or more bedrooms	30,996	9.0%	3,703	1.4%	34,699	5.7%
Total	**343,742**	**100.0%**	**262,717**	**100.0%**	**606,459**	**100.0%**

Sources: American Community Survey, 2011; BAE, 2013.

Female-Headed Households

Single-parent households often face difficulties affording housing because households with a single income typically have lower incomes than two-earner households, and may have additional childcare expenses that further reduce disposable income. Female-headed households are more likely than other households to have incomes below the poverty line and therefore often struggle to find suitable housing

that is affordable. Although affordability is often a primary consideration with respect to housing for female-headed households, proximity to low-cost childcare or other services is also essential for some families.

Milpitas has a relatively large proportion of female-headed families and female-headed families with children. According to ACS data, 15 percent of all households in Milpitas in 2011 were female-headed households and 11 percent were female-headed households with children under 18. In Santa Clara County overall, 11 percent of all households were female-headed families and six percent were female-headed families with children under 18. Moreover, 14 percent of all family households in Milpitas are female-headed families with children, compared to nine percent of family households in Santa Clara County.

Table 3.24: Family Characteristics, 2011

	Milpitas		Santa Clara County	
Household Type	**Number**	**Percent**	**Number**	**Percent**
2 or more person household:	**16,861**	**86.9%**	**472,879**	**78.0%**
Family households:	15,927	82.1%	429,293	70.8%
Married-couple family:	11,919	61.5%	332,402	54.8%
With own children under 18 years	6,011	31.0%	179,771	29.6%
Other family:	4,008	20.7%	96,891	16.0%
Male householder, no wife present:	1,122	5.8%	31,298	5.2%
With own children under 18 years	265	1.4%	16,592	2.7%
Female householder, no husband present:	2,886	14.9%	65,593	10.8%
With own children under 18 years	2,175	11.2%	38,200	6.3%
Nonfamily households:	934	4.8%	43,586	7.2%
Male householder	859	4.4%	26,928	4.4%
Female householder	75	0.4%	16,658	2.7%
One-person household:	**2,531**	**13.1%**	**133,580**	22.0%
Total Households	**19,392**	**100.0%**	**606,459**	**100.0%**

Note:
The American Community Survey (ACS) publishes demographic estimates based on statistical sampling conducted continuously in 2011.
Sources: American Community Survey, 2011; BAE, 2013.

Although Milpitas has a small share of families with incomes below the poverty line, female-headed families are disproportionately impacted by poverty. As shown in Table 3.25, four percent of all families in Milpitas had incomes below the poverty line in 2011, compared to seven percent of families in Santa Clara County. However, the rate of poverty was significantly higher for female-headed families in Milpitas, 17 percent of which had incomes below the poverty line in 2011. The share of female-headed families with incomes below the poverty line was similarly high in Santa Clara County at 19 percent.

Table 3.25: Poverty Status, 2011

Milpitas	Total	Total Below Poverty Level	Percent Below Poverty Level
Maried-couple Family	11,919	212	1.8%
Other Family			
Male Householder, no Wife Present	1,122	0	0.0%
Female Householder, no Husband Present	2,886	475	16.5%
Total Families Below Poverty Line	**15,927**	**687**	**4.3%**
Santa Clara County			
Maried-couple Family	332,402	14,420	4.3%
Other Family			
Male Householder, no Wife Present	31,298	2,897	9.3%
Female Householder, no Husband Present	65,593	12,590	19.2%
Total Families Below Poverty Line	**429,293**	**29,907**	**7.0%**

Sources: American Community Survey, 2011; BAE, 2013.

Extremely Low-Income Households

Extremely low-income households are defined as households earning less than 30 percent of area median income. Because of these households have highly limited incomes, deep income targeting is needed to provide housing affordable to extremely low-income households. Some extremely low-income households may benefit from specific housing solutions such as housing with supportive services or single-room occupancy units.

Approximately 1,900 Milpitas households have incomes below 30 percent of AMI, accounting for approximately ten percent of all households in the City. Extremely low-income households account for a relatively large share of renter households in Milpitas (20 percent) and a relatively small share of owner households (five percent). Although figures for Santa Clara County are similar to Milpitas, the County has a slightly larger proportion of extremely low-income households overall (13 percent), among renter households (22 percent) and among owner households (six percent). As shown in Figure 3.8, the vast majority of extremely low-income households in Milpitas experience housing cost burden.

Table 3.26: Housing Problems among Extremely Low-Income Households

	Milpitas			Santa Clara County		
	Renters	Owners	Total	Renters	Owners	Total
Total Number of ELI Households (a)	1,240	645	1,885	53,020	22,375	75,395
Percent with Any Housing Problems (b)	83.9%	81.4%	83.0%	80.6%	71.4%	77.9%
Percent with Cost Burden (c)	83.1%	82.2%	82.8%	79.0%	70.9%	76.6%
Percent with Severe Cost Burden (d)	69.8%	72.1%	70.6%	66.8%	60.3%	64.9%
Total Number of Households (d)	6,350	12,335	18,685	243,350	353,400	596,745
Percent ELI Households	19.5%	5.2%	10.1%	21.8%	6.3%	12.6%

Notes:
(a) Extremely low income (ELI) households are those who earn less than 30 percent of area median income.
(b) Housing problems refers to housing units that lack complete kitchen or plumbing facilities, that are overcrowded, or contain households that are cost burdened. Does not include households for which cost burden data was unavailble.
(c) Includes all households that pay greater than 30 percent of household income towards housing costs. Does not include households for which cost burden data was unavailble.
(d) Includes all households that pay greater than 50 percent of household income towards housing costs. Does not include households for which cost burden data was unavailble.
Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS) special tabulations from the American Community Survey, 2006-2010; BAE, 2013.

Seniors

Senior households often have special housing needs due to mobility limitations and other physical limitations, restricted incomes, high healthcare costs, or a combination of these factors. Many seniors are able to live independently in standard housing units, particularly with installation of accessibility features such as ramps and grab bars. Some seniors that are able to live independently may choose to move to smaller housing units that require minimal maintenance or to homes with enhanced access to transit, health care, or other services. Other seniors will need housing that provides additional services on site, such as meals, housekeeping, or medical care. Regardless of the type of housing or additional services needed, housing affordability is a key issue for a large share of senior households, many of which have limited incomes.

Although Milpitas has a slightly smaller population age 65 or older than the County as a whole, the senior population in the City has grown substantially over the past decade. As shown in Table 3.27, people age 65 and older accounted for ten percent of the population of Milpitas in 2010, which represents a 44-percent increase in the senior population in Milpitas between 2000 and 2010. Countywide, the population age 65 and older accounted for 11 percent of the population in 2010, a 23 percent increase since 2000. These data suggest a potential need for additional senior housing units in Milpitas during coming years as the population continues to age and a portion of aging baby boomers begin to need or want special housing accommodations.

Table 3.27: Senior Households, 2000 and 2010

	2000		2010		% Change
Milpitas	**Number**	**Percent**	**Number**	**Percent**	**2000-2010**
Under 65	58,287	93.0%	60,451	90.5%	3.7%
65 and older	4,411	7.0%	6,339	9.5%	43.7%
65 to 74	2,877	4.6%	3,775	5.7%	31.2%
75 to 84	1,241	2.0%	2,031	3.0%	63.7%
85 +	293	0.5%	533	0.8%	81.9%
Total	**62,698**	**100.0%**	**66,790**	**100.0%**	**6.5%**
Santa Clara County					
Under 65	1,522,058	90.5%	1,584,698	88.9%	4.1%
65 and older	160,527	9.5%	196,944	11.1%	22.7%
65 to 74	87,193	5.2%	106,521	6.0%	22.2%
75 to 84	55,347	3.3%	62,948	3.5%	13.7%
85 +	17,987	1.1%	27,475	1.5%	52.7%
Total	**1,682,585**	**100.0%**	**1,781,642**	**100.0%**	**5.9%**

Sources: US Census, 2000 and 2010; BAE 2014.

A large share of senior households, particularly senior renter households, has low incomes. As shown in Table 3.28, 87 percent of senior renter households and 49 percent of senior owner households have incomes below 80 percent of AMI. Moreover, 60 percent of senior renter households and 12 percent of senior owner households have incomes equal to or less than 30 percent of AMI. This underscores the importance of affordability for senior housing units in Milpitas.

Table 3.28: Household Income of Senior Households by Tenure, Milpitas

Senior Renter Households	**Number**	**Percent**
<=30% MFI	490	59.8%
>30% to <=50% MFI	145	17.7%
>50% to <=80% MFI	75	9.1%
>=80% MFI	110	13.4%
Total	**820**	**100.0%**
Senior Owner Households	**Number**	**Percent**
<=30% MFI	215	12.3%
>30% to <=50% MFI	390	22.3%
>50% to <=80% MFI	250	14.3%
>=80% MFI	895	51.1%
Total	**1,750**	**100%**

Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS) special tabulations from the American Community Survey, 2006-2010; BAE, 2013.

Because senior households tend to have low incomes, they often spend a large portion of their income on housing costs. As shown in Table 3.29, a significant share of senior households, particularly those that rent their homes, have housing costs that exceed the affordability threshold. Among senior renter households in Milpitas, 73 percent of all households have housing costs that exceed 30 percent of household income and 48 percent have housing costs that 50 percent of household income. The

prevalence of housing cost burden is highest for lower-income senior households in Milpitas; 87 percent of extremely low-income senior renter households and 72 percent of very low-income senior renter households have housing costs that exceed the affordability threshold.

A significantly smaller share of senior owner households in Milpitas has a housing cost burden. As shown, 34 percent of all senior owner households in Milpitas pay more than 30 percent of the household income on housing costs and 15 percent pay more than 50 percent of the household income on housing costs. Similar to extremely low-income senior renter households, 79 percent of extremely low-income senior owner households pay more than 30 percent of household income on housing costs. However, the prevalence of cost burden is significantly lower for very low-income owner households, 37 percent of which experience housing cost burden. Many lower-income senior owner households that do not have excessive housing costs are households that have owned the same home for many years and now own the home free and clear, and therefore no longer need to make mortgage payments.

Table 3.29: Housing Cost Burden for Senior Households, Milpitas

	Extr. Low <30% AMI	Very Low <50% AMI	Low <80% AMI	Moderate >80% AMI	All Senior Households
Elderly Renter Households	**490**	**145**	**75**	**110**	**820**
% with any housing problems (a)	85.7%	72.4%	66.7%	13.6%	72.0%
% Cost Burden >30% (b)	86.7%	72.4%	66.7%	13.6%	72.6%
% Cost Burden >50% (c)	62.2%	51.7%	20.0%	0.0%	48.2%
Elderly Owner Households	**215**	**390**	**250**	**895**	**1,750**
% with any housing problems (a)	81.4%	37.2%	46.0%	18.4%	34.3%
% Cost Burden >30% (b)	79.1%	37.2%	46.0%	18.4%	34.0%
% Cost Burden >50% (c)	51.2%	16.7%	28.0%	1.1%	14.6%

Notes:
(a) Housing problems refers to housing units that lack complete kitchen or plumbing facilities, that are overcrowded, or contain households that are cost burdened.
(b) Includes all households who pay greater than 30 percent of household income towards housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs includes mortgage payments, taxes, insurance, and utilities.
(c) Includes all households who pay greater than 50 percent of household income towards housing costs. For renters,
Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS) special tabulations from the American Community Survey, 2006-2010; BAE, 2013.

Milpitas offers a number of housing resources for seniors. As shown in Table 3.30, there are seven residential care facilities, one skilled nursing facility, and three subsidized independent living housing developments in Milpitas for seniors. Residential care facilities for the elderly, also known as “assisted living” or “board and care” facilities, provide assistance with some activities of daily living while still allowing residents to be more independent than in most nursing homes. Skilled nursing facilities, also known as nursing homes, offer a higher level of care, with registered nurses on staff 24 hours a day.

In addition, Milpitas recently approved a 389-unit senior independent living development with 48 units affordable to very low-income households. The City of Milpitas donated the land for this project, which is valued at $12.4 million. The development is approved but not yet constructed.

Table 3.30: Housing Resources for Seniors, Milpitas 2013

Residential Care Facilities for the Elderly	Location	Capacity
Carmont Home	1636 Edsel Drive	6
Fla Care Homes	79 Heath Street	6
Hamilton Residential Care Home	998 Hamilton Avenue	6
Jennison Care	878 Nieves Street	6
Soriano Residential Care Home	227 West Capitol Avenue	6
Sunny Care Senior Home	239 S. Temple Drive	6
Sweet Dreams Care Home	1187 Park Grove Drive	6
Total		**42**
Skilled Nursing Facilities		
Milpitas Care Center	120 Corning Avenue	35
Total		**35**
Subsidized Independent Senior Rental Housing		
Devries Place Senior Apartments	163 N. Main Street	103
Terrace Gardens	186 Beresford Court	148
Senior Housing Solutions (a)	1170 N. Park Victoria Drive	10
South Main Senior Lifestyles (approved; not yet constructed)	1600 S Main St	48
Total		**309**

Note:
(a) Senior Housing Solutions consists of two single family homes, each occupied by five senior residents.
Source: California Department of Social Services, 2013; California Healthcare Foundation, 2013; City of Milpitas, 2014; BAE, 2014.

Persons with Disabilities

A disability is a physical or mental impairment that limits one or more major life activities. People with disabilities vary substantially in the manner and degree to which they are affected by the disability, and housing needs for persons with disabilities vary accordingly. Persons with disabilities may require units equipped with wheelchair accessibility or other special features that accommodate physical or sensory limitations. Depending on the severity of the disability, people may live independently with some assistance in their own homes, need car-free access to transportation and other services, or require assisted living and supportive services in special care facilities. Many persons with disabilities face barriers to finding employment and have limited incomes and are therefore unable to afford market-rate housing. In general, affordability, accessibility, and service provision are key considerations in providing housing for this special needs group.

Milpitas has a slightly smaller proportion of individuals with disabilities than Santa Clara County overall. According to ACS data, seven percent of Milpitas residents and eight percent of Santa Clara County residents reported having one or more disabilities in 2011, as shown in Table 3.31. Ambulatory difficulties were the most common type of disability reported; three percent of Milpitas residents and four percent of Santa Clara County residents reported having an ambulatory difficulty. Disabilities were most common among residents age 65 and older; 32 percent of Milpitas residents 65 and older and 34 percent of Santa Clara County residents age 65 and older reported having one or more disabilities.

Table 3.31: Persons with Disabilities by Disability Type, 2011

	Milpitas		Santa Clara County	
Age Cohort (a)	**With a Disability**	**% of Age Cohort**	**Number**	**% of Total Disabilities**
Under 5 Years with a Disability	**0**	**0.0%**	**939**	**0.8%**
Ages 5-17 with a Disability	**294**	**2.8%**	**10,026**	**3.3%**
Hearing difficulty	0	0.0%	1,277	0.4%
Vision Difficulty	0	0.0%	2,248	0.7%
Cognitive disability	160	1.5%	6,876	2.2%
Ambulatory disability	188	1.8%	2,446	0.8%
Self-care disability	23	0.2%	3,078	1.0%
Ages 18-64 With a Disability	**2,007**	**4.6%**	**61,342**	**5.3%**
Hearing difficulty	350	0.8%	11,593	1.0%
Vision Difficulty	443	1.0%	8,613	0.7%
Cognitive disability	902	2.1%	26,149	2.2%
Ambulatory disability	770	1.8%	27,161	2.3%
Self-care disability	453	1.0%	10,878	0.9%
Independent living disability	861	2.0%	24,673	2.1%
Ages 65+ With a Disability	**2,089**	**31.9%**	**67,165**	**33.5%**
Hearing difficulty	478	7.3%	27,392	13.6%
Vision Difficulty	363	5.5%	12,449	6.2%
Cognitive disability	431	6.6%	18,081	9.0%
Ambulatory disability	1,173	17.9%	40,740	20.3%
Self-care disability	434	6.6%	17,090	8.5%
Independent living disability	895	13.7%	33,384	16.6%
Total Population With a Disability	**4,390**	**6.7%**	**139,472**	**7.8%**
Hearing difficulty	828	1.3%	40,262	2.2%
Vision Difficulty	806	1.2%	23,310	1.3%
Cognitive disability	1,493	2.3%	51,106	2.8%
Ambulatory disability	2,131	3.3%	70,347	3.9%
Self-care disability	910	1.4%	31,046	1.7%
Independent living disability	1,756	2.7%	58,057	3.2%

Note:
The American Community Survey (ACS) data used in this table are estimates based on statistical sampling conducted continuously in 2011.
(a) Total population includes all noninstitutionalized civilians. Subtotals may not add to total due to persons reporting more than one type of difficulty.
Sources: American Community Survey, 2011; BAE 2013.

California Housing Element law was amended in 2011 to require that Housing Elements include an evaluation of special housing needs for persons with developmental disabilities. A developmental disability is defined as a disability that originates before an individual attains age 18 years, can be expected to continue indefinitely, and constitutes a substantial disability for that individual. Developmental disabilities include mental retardation, cerebral palsy, epilepsy, and autism, but do not include disabilities that are solely physical in nature.

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

The San Andreas Regional Center provides these services in Santa Clara, Monterey, San Benito, and Santa Cruz Counties. According to information provided by the San Andreas Regional Center, there are 629 individuals with developmental disabilities currently living in Milpitas, approximately three percent of the population with developmental disabilities Countywide.

Table 3.32: Persons with Developmental Disabilities, 2014

Age Cohort	Milpitas	Santa Clara County
Under 3	189	4,943
3 to 17	339	12,808
18 to 59	82	1,957
60+	19	1,198
Total	**629**	**20,906**

Sources: San Andreas Regional Center, 2014; BAE, 2014.

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

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

As shown in Table 3.33 below, Milpitas has ten adult residential facilities with a combined capacity of 55 and two group homes with a combined capacity of ten. Adult residential facilities offer 24-hour non-medical care for adults that are unable to provide for their daily needs due to physical or mental disabilities. Group homes, small residential facilities that serve children or adults with chronic disabilities, provide 24 hour care by trained professionals.

Table 3.33: Community Care Facilities, Milpitas, 2013

Adult Residential Facilities	Location	Capacity
Capri Home II	324 San Andreas Court	3
Easter Home	400 Easter Avenue	6
Glacier Villa	1257 Glacier Drive	6
Helping Hands Residential Care Home 2	349 Spring Valley Lane	4
JD-Len Care Home	1250 Lassen Avenue	6
La Crosse Home	256 La Crosse Drive	6
Our Lady of Manaoag Care Home	222 Autrey Street	6
Santos Care Home	1706 Mr. Ranier Avenue	6
Sunrise House	1221 Sunrise Way	6
Victoria House	539 N. Park Victoria Road	6
Total		**55**
Group Homes		
Angel Group Home 1	275 Rodrigues Avenue	4
Angel Group home 2	145 N. Gadsden Drive	6
Total		**10**

Source: California Department of Social Services, 2013; BAE, 2013.

Farmworkers

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

Farmworkers constitute a small share of workers in Milpitas and Santa Clara County. As shown in Table 3.34, the USDA Census of Agriculture reported that there were approximately 5,600 farmworkers in Santa Clara County in 2007, the most recent year for which these data are available. Although the Census of Agriculture does not provide data specific to Milpitas, Table 3.6 indicates that there were only 12 jobs in the Agriculture, Forestry, Hunting, and Mining sector in the third quarter of 2012. Together, the data in Table 3.6 and Table 3.34 suggest that Milpitas has few farmworkers and that the need for farmworker housing in the City will be minimal during the 2015-2023 Housing Element Update cycle.

Table 3.34: Farmworkers, Santa Clara County, 2007

	Number	Percent of Total
Permanent Workers (employed for more than 150 days)	2,842	50.8%
Seasonal Workers (employed less than 150 days)	2,747	49.2%
Total	**5,589**	**100.0%**

Note:
Workers consist of hired farm labor (workers on payroll).
Source: USDA Census of Agriculture, Table 7, 2007; BAE, 2013.

Homeless Families and Individuals

The causes of homelessness are complex and vary widely from one individual or family to the next. While difficulty affording housing is a primary cause of homelessness, other factors such as health conditions, trauma, a lack of social support systems, mental health issues, and problems with substance abuse can increase the likelihood that an individual or family will become homeless. Some families and individuals are homeless for a temporary period and experience one or a few episodes of homelessness during their lifetime, while others experience chronic homelessness, which lasts for a year or more or occurs several times within a few years.

Every two years, Santa Clara County conducts a comprehensive count and survey of the County's homeless population to better understand the nature and extent of homelessness in the County and determine how to best target resources to serve the homeless population. The most recent Homeless Census and Survey was conducted in 2013 and provides detailed data on the homeless population in Santa Clara County. According to the survey results, there were 7,067 individuals experiencing homelessness in the County at the time of the survey. An estimated 19,063 people in Santa Clara County experienced homelessness at some point during 2013. The survey found that the primary cause of homeless was job loss for 46 percent of homeless individuals, alcohol and drug use for 17 percent of homeless individuals, and eviction for 12 percent of homeless individuals. The County's homeless population included 2,518 chronically homeless individuals, 718 veterans, and 203 unaccompanied children under 18 years old.

The 2013 Santa Clara County Homeless Census and Survey found that there were 95 homeless individuals in Milpitas, a decrease of 44 people from the 2011 survey. However, due to the highly unstable nature of homelessness and the difficulties associated with counting the homeless population in a particular jurisdiction, these figures should not be assumed to broadly represent trends over time. All 95 homeless individuals in Milpitas were unsheltered, which includes individuals living on the street or in abandoned buildings, cars, vans, RVs, or encampment areas.

Table 3.35: Homeless Individuals, 2013

Milpitas	2011	2013	% Change 2011-2013
Sheltered	0	0	N/A
Unsheltered	139	95	-31.7%
Total	**139**	**95**	**-31.7%**
Santa Clara County			
Sheltered	1,898	1,957	3.1%
Unsheltered	5,169	5,674	9.8%
Total	**7,067**	**7,631**	**12.9%**

Sources: Santa Clara County Homeless Census and Survey, 2013; BAE, 2014.

Milpitas provides CDBG funding to nearby service providers to aid in addressing the need for shelters and support services for homeless individuals and families. EHC Lifebuilders (EHC) is a primary provider of shelter and support services for the Milpitas homeless population, operating these services out of a

central location in San Jose. The City of Milpitas provides EHC with CDBG funding to cover the cost of 4,500 Person Shelter Days (PSD) for 55 unduplicated Milpitas residents at EHC's Reception Center on Little Orchard Street in San Jose, the closest overnight shelter that serves Milpitas' homeless population. The City also provides CDBG funding to the YMCA Domestic Violence Department Support Network Program and Next Door Solutions to Domestic Violence, both of which address domestic violence issues by providing supportive services and emergency shelters in Santa Clara County. 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, the City provides daytime warming centers at the City's Community and Senior Centers during the winter.

Milpitas also collaborates 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 2014, Santa Clara County provided the following resources:

- 587 year-round shelter beds (192 for families, 375 for adult individuals, 20 for children only);
- 321 seasonal shelter beds;
- 1,214 transitional housing beds (755 for families, 459 for individuals), and
- 3,338 permanent supportive housing beds (1,429 for families, 1,909 for individuals).

The Santa Clara County Housing Authority implements a range of programs to help lower-income individuals afford rental units, many of which can help people who are homeless or at risk of homelessness. These include Section 8 Housing Choice Vouchers, the Veterans Affairs Supportive Housing Program, and the Shelter Plus Care Program. The Veterans Affairs and Shelter Plus Care programs provide supportive services in addition to housing payment assistance. However, the resources for all of these programs are limited, and individuals in need of these services are therefore not always able to access them.

4. SITES INVENTORY

This chapter of the Housing Element details the projected housing need in Milpitas between 2015 and 2023 according to the City's RHNA and assesses the City's capacity to accommodate the projected need during the planning period. The Housing Element Update process calls on each jurisdiction to demonstrate that there are enough residentially-zoned sites in the jurisdiction to accommodate the RHNA, as well as demonstrate that there are enough sites that are zoned to densities adequate to facilitate affordable housing. As this chapter will demonstrate, Milpitas has adequate sites zoned to sufficient densities to accommodate the City's RHNA during the 2015 to 2023 Housing Element Update period.

Projected Housing Needs

The RHNA for Milpitas during the 2015-2023 Housing Element Update Cycle totals 3,290 units, as shown in Table 4.1. Of this total, approximately 31 percent is comprised of units affordable to very low-income households, 17 percent is comprised of units affordable to low-income households, 17 percent is comprised of units affordable to moderate-income households, and 35 percent is comprised of units affordable to above moderate-income households. The total allocation is equivalent to an annual average need of approximately 411 housing units for the eight-year time period.

Table 4.1: Milpitas Regional Housing Needs Allocation, 2015-2023

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

Sources: ABAG, 2013; BAE, 2013.

Milpitas's 2015-2023 RHNA allocation represents approximately six percent of the total Santa Clara County RHNA figure of 58,836 housing units. It is noteworthy that Milpitas's share of the RHNA for the County is higher than the City's current share of the County's total households (three percent).

Sites Inventory

The Housing Element Update is required to include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment,[4] to demonstrate

[4] Sites refer to locations for potential housing development. In some instances, these sites are comprised of several parcels (identified by APN's).

that the City has sufficient land to accommodate its fair share of the region's housing needs during the upcoming Housing Element Cycle (2015-2023). The Housing Element is also required to analyze zoning and infrastructure serving these sites to ensure that residential development is feasible during the planning period. This section provides an overview of the City's inventory of potential residential sites. A detailed list of the sites is provided in Appendix B.

Milpitas has the capacity to accommodate at least 8,920 new residential units during the current Housing Element planning period, significantly exceeding the City's RHNA goals. The City's potential residential sites for the 2015-2023 Housing Element Update cycle include:

- Sites with planned or proposed residential projects in the development pipeline (6,146 units);
- Vacant or underutilized sites zoned for high-density residential development (1,729 units); and
- Vacant or underutilized sites zoned for mixed-use development with high-density residential development potential (1,011 units);
- Vacant or underutilized sites zoned for low-density residential development (34 units).

In addition to identifying adequate sites to meet the RHNA, Milpitas must also show that the available sites are capable of supporting housing demand from all economic segments of the community as specified by the City's RHNA. HCD develops default densities that are presumed to support the development of housing for lower-income households, and jurisdictions can reference these default densities to demonstrate that sites are capable of accommodating the City's RHNA goals for units affordable to lower-income households. The default density for Milpitas is 20 units per acre.[5] Although housing developed at a density of 20 units per acre often consists of market-rate units that are not affordable to lower-income households, the default densities provide a metric to demonstrate that it is possible to develop affordable housing on sites in the City's inventory, particularly if programs are in place to further facilitate affordable housing development.

Projects in the Development Pipeline

Milpitas has experienced a considerable amount of residential development activity in recent years; this momentum is continuing at present, with a large number of units in the City's development pipeline. As shown in Appendix B, there are 19 residential projects that are proposed, planned, or under construction in Milpitas, with a total of 6,146 units. The location of each pending project is shown in Figure 4.1. While most of these are market-rate units, 56 units will be subject to affordability restrictions that will make units affordable to very low-income households and 7 will be subject to affordability restrictions that will make units affordable to low-income households. All affordable units in the City's pipeline will be subject to affordability restrictions for 55 years.

Table 4.2 shows a summary of the projects in the City's development pipeline along with the RHNA numbers assigned to the City of Milpitas for the 2015-2023 planning period. As shown, Milpitas has

[5] The default density is 20 units per acre for all cities in Santa Clara County with a population of fewer than 100,000 people (http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php).

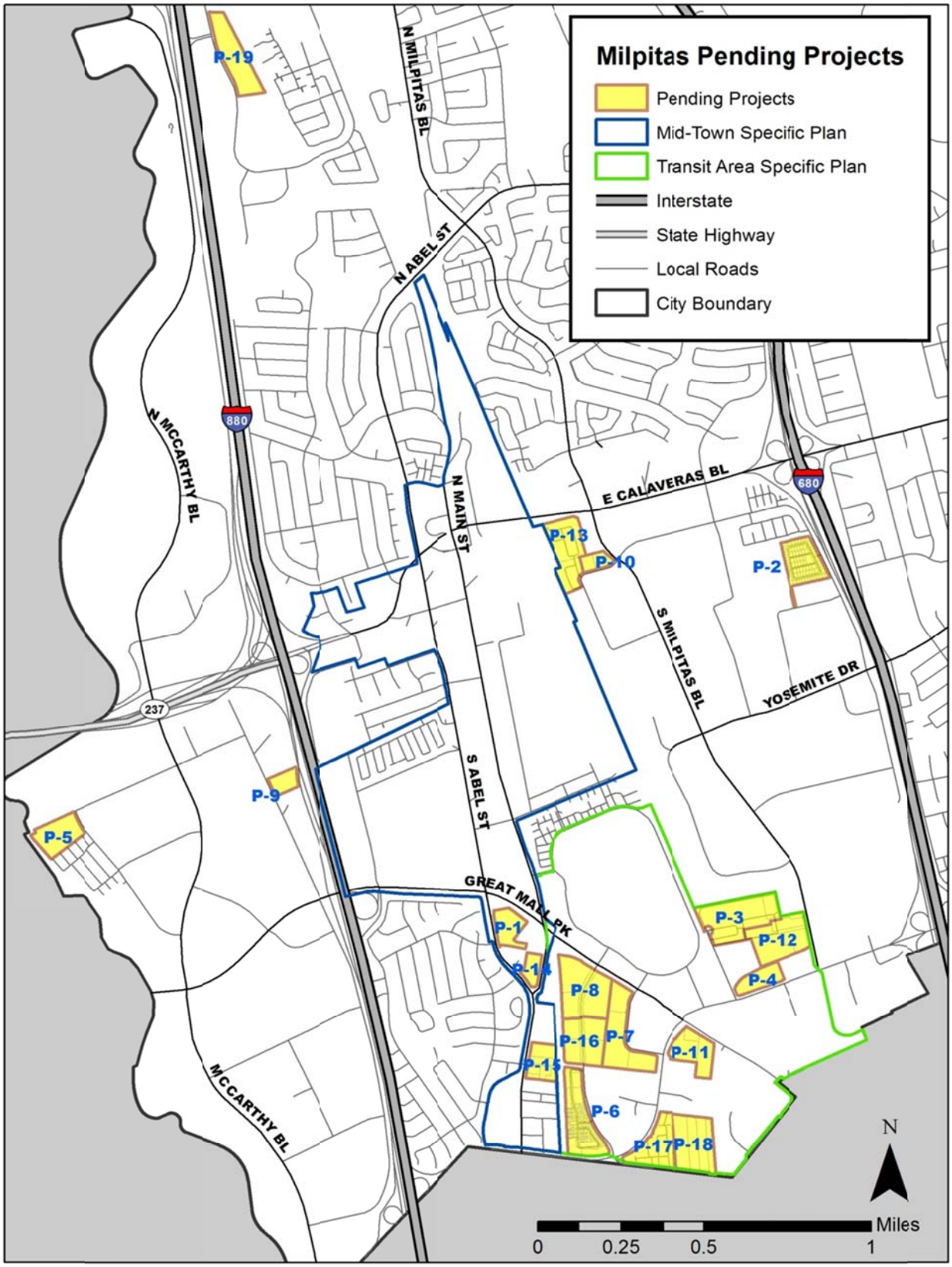
enough units in the pipeline to greatly exceed the City's RHNA for units affordable to households with above-moderate incomes, but does not have enough units in the pipeline to meet the City's RHNA for units affordable to very low-, low-, and moderate-income households. If all units in the pipeline are built, there will be a remaining need for 948 units affordable to very low-income households, 563 units affordable to low-income households, and 565 units affordable to moderate-income households during this Element's planning period. The following sections in this chapter will address the City's capacity to meet this remaining need on sites that are zoned for residential or mixed-use development and that are not subject to pending development applications or currently under construction.

Table 4.2: Pending Residential Projects, Milpitas, 2014

	Income Group Served				Total
	Very Low	Low	Moderate	Above Moderate	Units
Pending Projects (a)	56	7	0	5,807	5,870
2015-2023 RHNA	1,004	570	565	1,151	3,290
Remaining Need	**948**	**563**	**565**	**N/A**	**2,076**

Note:
(a) Pending projects include residential all projects planned, proposed or under construction in Milpitas.
Source: City of Milpitas, 2014; BAE, 2014.

Figure 4.1: Pending Residential Projects, Milpitas, 2014



Potential Housing Sites

In addition to the substantial pipeline, Milpitas has sufficient sites zoned and available to accommodate at least 2,774 additional new residential units between 2015 and 2023. Based on the default densities for Milpitas, these sites can accommodate at least 2,740 units affordable to very low-, low-, or moderate income households, exceeding the remaining RHNA need identified in Table 4.2. In addition, the City's available sites can accommodate 34 new units at a density lower than the City's default density, which would likely be affordable to households with above-moderate incomes. The inventory of potential sites that are not currently subject to development applications was developed from two sources:

- First, the City reviewed the list of available sites that were presented in the 2010 Housing Element. The 2010 Housing Element included information on 14 potential housing sites, many of which were comprised of more than one Assessor's Parcel Number (APN). To the extent that these sites are still available for residential development (i.e. have not been recently developed and are not subject to pending or approved development applications), the 2015-2023 Housing Element includes the sites in the inventory of housing opportunity sites.

- Additional sites in the Midtown Specific Plan and TASP areas that are zoned for residential or mixed-use development and are currently vacant or occupied by marginal commercial uses were added to the sites inventory. These sites have a high probability of being redeveloped within the Housing Element planning period, based on current market and development trends in Milpitas. The extension of BART service adjacent to these areas will further stimulate redevelopment of vacant or obsolete uses in the City's two Specific Plan areas.

All of the housing opportunity sites that have been identified as potential sites for meeting the City's RHNA for very low-, low-, and moderate-income households are located within the City's two Specific Plan Areas and are zoned at densities that meet or exceed the default density for Milpitas (20 units per acre). Opportunity sites in the Specific Plan areas have minimum densities ranging from 21 to 41 units per acre and maximum densities ranging from 40 to 94 units per acre. Opportunity sites vary in size from 0.7 acres to 9.5 acres, and all but one site measure one acre or more. Of the 20 sites identified in the Specific Plan Areas, 14 measure at least two acres.

Although some of the opportunity sites in the Specific Plan Areas are currently occupied by commercial uses, the City has re-zoned these parcels to allow for high-density residential uses in order to stimulate redevelopment in these areas. The rezoning has already led a number of developers to redevelop properties that were previously occupied by marginal commercial uses in both Specific Plan Areas, resulting in thousands of residential units that have recently been completed or are in the City's development pipeline in the two Plan Areas. As a result, the identified housing opportunity sites, including sites that are not currently vacant, are poised for redevelopment to residential uses during the 2015-2023 Housing Element planning period.

The inventory of potential high-density residential and mixed-use sites presumes that the opportunity sites will be developed at the lowest end of the allowable density range. This is a conservative assumption, as many pending and completed projects in Milpitas's Specific Plan areas have been developed or have pending applications at densities well above the minimum densities, and some have provided affordable units to become eligible for density bonuses that allow for densities in excess of the maximum that would otherwise apply. If each of the high-density sites are instead assumed to be developed at the midpoint of the allowable density range, the high-density residential sites can accommodate 2,419 units, exceeding the total remaining need identified in Table 4.2, and the mixed-use sites can accommodate 1,426 units.

In addition, the site inventory reduces the acreage by nine percent on mixed-use sites (MXD) to account for the potential development of non-residential uses. This adjustment is based on recent mixed-use developments in the Midtown and TASP Plan Areas that have been redeveloped with residential and commercial uses and is consistent with the methodology from the City's 2010 Housing Element. While it is possible for MXD sites to be developed entirely with non-residential uses, the recent trend within Milpitas is for parcels in these areas to be developed primarily with residential uses.

Although most of the sites identified in the site inventory are located within one of the City's Specific Plan areas, Table 4.3 and Appendix B include a 4.9-acre vacant parcel on North Park Victoria Drive that is zoned for single-family residential uses. The site is located along the west side of North Park Victoria Drive across from the intersection with Country Club Road, inside the Urban Growth Boundary. The location and size of this parcel suggest that it is most suitable for housing that is affordable to households with above-moderate incomes. This site could yield approximately 34 units under current zoning (R1-6 at seven units to the acre).

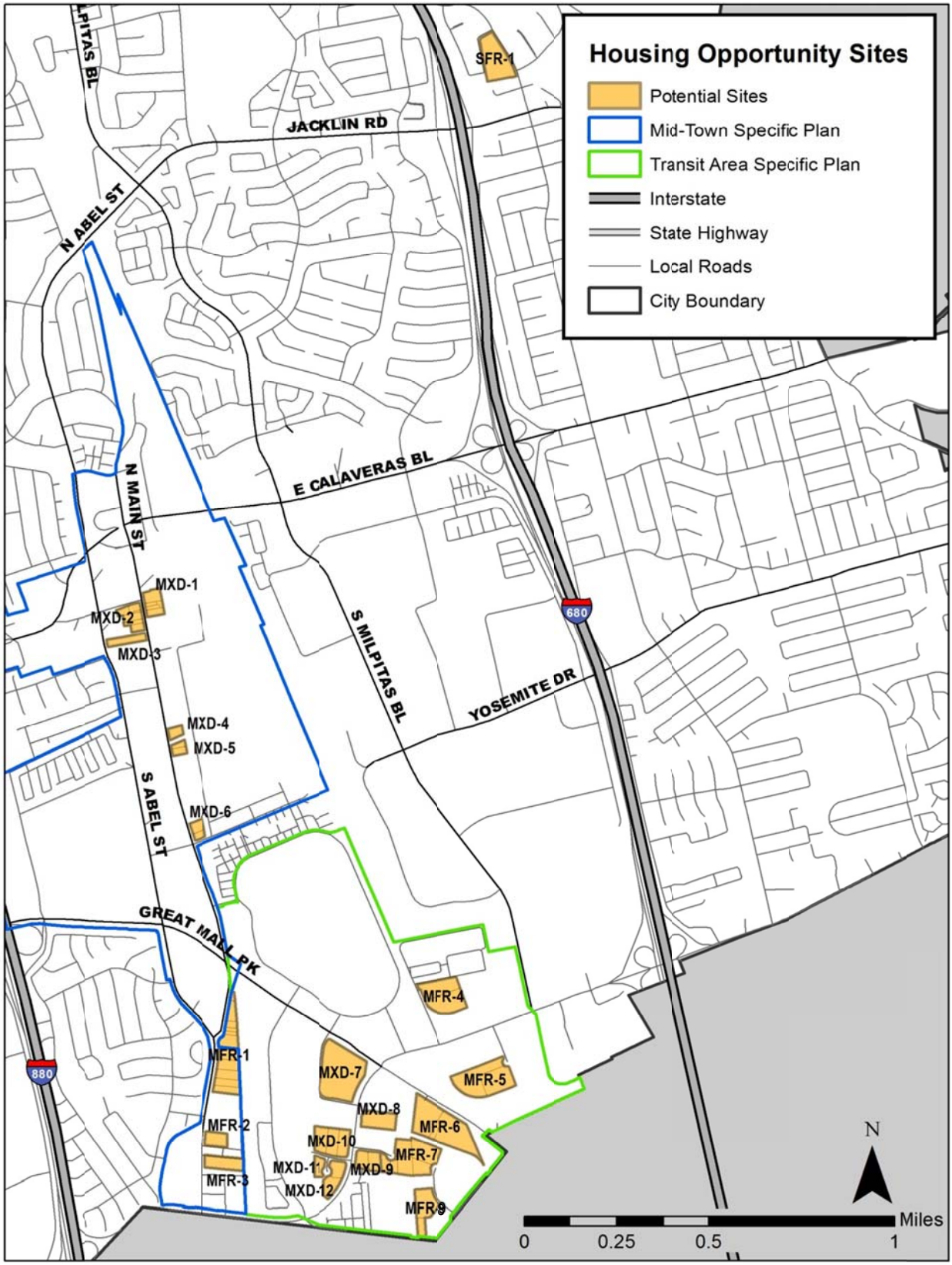
Table 4.3 provides a summary of the development potential on the City's residential opportunity sites, Figure 4.2 shows the location of each site, and detailed information on the sites is provided in Appendix B.

Table 4.3: Summary of Potential Housing Sites, Milpitas, 2015-2023

Site Number	Total Parcels	Acreage	Yield at Midpoint Density	Estimated Yield (a)
High-Density Residential/Potential Affordable Housing Sites (b)				
MFR-1	10	7.6	383	311
MFR-2	1	1.4	51	44
MRF-3	1	2.2	78	68
MFR-4	2	5.9	300	244
MFR-5	2	7.4	499	304
MFR-6	2	9.4	632	385
MFR-7	6	7.4	376	305
MFR-8	2	3.2	99	68
Total	**26**	**44.6**	**2,419**	**1,729**
Mixed-Use/Potential Affordable Housing Sites (c)				
MXD-1	5	2.1	48	40
MXD-2	5	1.9	44	37
MRF-3	1	1.3	31	25
MXD-4	1	0.7	16	13
MXD-5	2	2.8	65	54
MXD-6	2	1.1	25	21
MXD-7	1	9.5	580	353
MXD-8	1	2.5	155	95
MXD-9	2	2.1	98	80
MXD-10	3	4.5	209	170
MXD-11	1	1.0	47	38
MXD-12	2	2.3	106	86
Total	**26**	**31.9**	**1,426**	**1,011**
Total Potential Affordable Housing Sites				
	52	**76.6**	**3,844**	**2,740**
Low-Density Residential/Above-Moderate Income (d)				
SFR-1	1	4.9	N/A	34

Notes:
(a) The estimated yield for high-density residential and mixed-use sites uses the minimum density allowed by the zoning ordinance to provide a conservative estimate of the number of units that can be accommodated on eac of the opportunity sites.
(b) High-density residential sites are defined as sites zoned for residential use at densities equal to or higher than the "default densities" for Milpitas (20 units/acre) and are therefore capable of accommodating housing affordable to very low-, low-, and moderate-income households.
(c) All mixed-use sites shown are zoned at densities equal to or higher than the "default densities" for Milpitas (20 units/acre) and are therefore capable of accommodating housing affordable to very low-, low-, and moderate-income households.
(d) Low-density residential sites are defined as sites zoned for residential use at densities lower than the "default densities" for Milpitas (20 units/acre) and are therefore presumed to be sites for units serving above moderate-income households.
Source: BAE, 2014.

Figure 4.2: Housing Opportunity Sites, Milpitas, 2015-2023



Additional Considerations

Additional Sites Not Quantified

Milpitas has a number of potential housing sites in addition to the sites listed in Table 4.3 and Appendix B that have not been quantified in this Housing Element Update. Sites that were not quantified include sites that would require zoning changes to allow residential development, sites on which residential development potential is limited, and sites that require a use permit for residential uses. While not needed to meet the City's RHNA goals, these sites are described here for informational purposes, because they do offer additional residential development potential beyond the figures shown in Table 4.3 and Appendix B, and could be used for residential development during the 2015-2023 planning period.

Sites that could accommodate housing after zoning changes include a set of City-owned parcels in the northern portion of the Midtown Specific Plan area that total 2.23 acres. The site is bound by North Main Street to the west and north, a Southern Pacific Railroad line to the east, and Weller Lane to the south. The site is currently vacant and is zoned for parks and open space, but the City has considered rezoning the site for residential uses. Existing residential uses abut the northwestern edge of the site. Because the site is City-owned, it would provide an opportunity for Milpitas to facilitate affordable housing development by providing low- or no-cost land to an affordable housing developer.

Additional sites that were not quantified in this Housing Element Update include the hillside areas, which allow for a limited amount of residential development. Due to the high cost associated with development on the hillside and extending services to this area, sites in the hillside areas would be suitable for high-end units that serve households with above-moderate incomes. While these sites continue to provide residential development opportunities within the City, significant development in the hillside areas is unlikely during the 2015-2023 planning period as a result of the high cost of hillside development, geologic hazards, and low-density zoning designations in the hillside areas. Because the units in the City's development pipeline greatly exceed the City's RHNA for above-moderate income households, the additional potential for high-end residential development that is offered in the hillside areas was not quantified in this Housing Element.

Finally, the Milpitas Zoning Ordinance allows for residential development subject to approval of a use permit in the Town Center (TC) zoning designation, which is intended primarily for commercial uses. With use permit approval, live-work units and residential uses are permitted in the TC zone at densities up to 40 units per acre. Two approved projects in the City's residential development pipeline are located on sites with the TC zoning designation, as shown in Appendix B. Additional residential development in these areas may be possible throughout the 2015-2023 planning period, but are not quantified in this Element.

Adequacy of Infrastructure and Services

The housing sites identified in this Chapter are largely infill sites served by existing infrastructure and services. However, the majority of the City's housing sites are located within the TASP and Midtown

Specific Plan Areas, and residential development on these sites would therefore involve the conversion of older industrial and commercial sites to residential and mixed land uses. In some cases, this transition requires infrastructure investments to provide service to new residential development.

Since the majority of the City's potential housing sites are located in the TASP and Midtown Specific Plan Areas, there is a considerable amount of existing and planned transportation infrastructure to serve the sites. The potential housing sites are generally located in close proximity to two major freeways, two light rail stations, and a future BART Station. However, traffic congestion can be problematic in Milpitas under current conditions, and future growth is expected to add to the existing traffic problems. The City has implemented a fee for new development in the TASP area to generate funding to address potential impacts resulting from development in the area. Furthermore, traffic impacts are expected to be mitigated somewhat because the Specific Plan areas have easy access to transit, allowing many residents to commute without the use of a car.

Aside from these potential transportation issues, remaining infrastructure, such as water, sewers, and storm drains, are adequate to support the planned growth in Milpitas. Chapter 5 of this Housing Element provides more detailed information on the adequacy of roads, water, wastewater, storm drainage, and solid waste removal to serve new residential development in Milpitas.

In addition to physical infrastructure needs, new development will require fire and emergency medical assistance services, which are provided throughout Milpitas by the Milpitas Fire Department (MFD). The TASP EIR identified a need to address potential limitations to the MFD's capacity to provide these services to new development, resulting in the creation of two community facilities districts (CFDs) in the TASP. Additional property taxes are assessed on properties in the CFDs, funds from which are used to support additional police, fire, and recreation services.

Environmental Constraints

Potential environmental constraints to developing the housing sites identified in this Housing Element include potential earthquakes, flooding, and hillside erosion. Similar to the rest of the Bay Area, Milpitas is subject seismic hazards due to proximity to active fault lines. However, none of the City's housing opportunity sites are located on landfill, reducing the potential extent of earthquake damage somewhat. All structures built in Milpitas are required to meet building code requirements for earthquake safety. Some of the City's housing sites in the Transit Area are located within the 100-year floodplain. Although flood depths would be very shallow, a combination of on-site and off-site improvements may still be required before building in areas that could experience potential flooding.

In addition, since many of the potential sites are located in a transitional area changing from older industrial and heavy commercial uses to a mixed-use community, it is possible that there are hazardous materials on some of the potential sites. While there are no known contamination issues on any of the potential opportunity sites, further study will be required before redevelopment of some sites, and some may require environmental remediation before development can take place.

A final environmental issue relates to vibration levels that may affect future development inside and outside the TASP area related to the UPRR and BART right-of-way. To make sure that vibration levels do not exceed acceptable levels, the TASP includes mitigation measures to address potential issues related to vibration, and development in the TASP is potentially subject to siting or construction features that to reduce the impacts of ground vibration. Housing Element sites outside the TASP but within 300 feet of an active UPRR and/or BART alignment are also subject to an analysis of vibration impacts and are required to provide for vibration reduction consistent with the direction of TASP policies.

Zoning for Special Housing Needs

As discussed in Chapter 3, individuals and households with special housing needs often have difficulty securing housing that is adequate to meet those needs. In addition to identifying adequate sites to meet the City's RHNA, the Housing Element is required to ensure that there are sites that have the ability serve groups with special housing needs. As discussed below, Milpitas has taken key steps to facilitate the production of housing for individuals and households with special housing needs, including farmworker housing, manufactured housing, single-room occupancy developments, emergency shelters, and transitional and supportive housing.

Farmworker Housing

Although the need for farmworker housing is expected to be minimal in Milpitas during the 2015-2023 Housing Element planning period, the City facilitates a variety of housing types that can serve farmworkers and their families. During the previous (2007-2014) Housing Element Update period, Milpitas updated the City's Zoning Ordinance to allow farmworker housing by right in all agricultural zones. Additionally, many farmworker households can meet their housing needs through standard residential units, provided that units are affordable. As a result, zoning regulations and other programs that facilitate affordable housing production in Milpitas in general help to serve any potential need for farmworker housing in the City. In some cases, this housing need may be met by single-room occupancy units, which are discussed below.

Manufactured Housing

Although manufactured housing does not serve any special needs group in particular, it is generally less expensive to construct than other housing and therefore can provide a more affordable option for some households with special housing needs. During the previous (2007-2014) Housing Element planning period, Milpitas amended the City's Zoning Ordinance to allow manufactured housing in all single-family (R-1) zoning districts. Program D.5.3 states that the Milpitas will modify the City's zoning ordinance during the upcoming planning period to allow manufactured housing in all zoning districts where residential development is allowed, subject to the same architectural and development standards as other dwellings in the same zone.

SRO Housing

Single room occupancy (SRO) units typically serve extremely low-income households that are unable to afford market-rate housing or affordable housing targeted to households earning more than 30 percent

of AMI. SROs provide small units that may have shared kitchen and bathroom facilities or may provide a small bathroom or kitchenette in each unit. During the 2007-2014 Housing Element planning period, the City of Milpitas updated the City's Zoning Ordinance to allow SROs in all multifamily zoning districts, subject to approval of a conditional use permit.

Emergency Shelters

California Senate Bill 2 (SB 2) required that all jurisdictions designate at least one zoning district where emergency shelters are allowed by right. During the 2007-2014 Housing Element Update period, Milpitas amended the City's Zoning Ordinance to allow emergency shelters by right in the highway services (HS) Zoning District. According to the City's Land Use Plan, there are 271 acres of land designated as HS, of which 44 acres are undeveloped. Parcel sizes range from less than one-half acre to 23 acres. The median parcel size is 1.3 acres, and the average parcel size is about three acres. Fifteen parcels are below one acre in size. Thus, the HS zone has parcels that would be of an appropriate size for a homeless shelter. In addition, some properties in the HS zone have vacant commercial and other properties that could be converted to an emergency shelter, which is often more feasible than building an emergency shelter on vacant land.

The following locations include HS zoned parcels:

- West of I-880 and south of Calaveras Boulevard
- West of I-880, North of Montague Expressway
- Jacklin Road near I-680
- Along North Milpitas Boulevard near Minnis Circle

Transitional and Permanent Supportive Housing

In addition to requiring that jurisdictions zone for emergency shelters, SB 2 required that all jurisdictions explicitly identify transitional and supportive housing as an allowed use in all residential zoning districts, subject only to the restrictions that apply to other residential uses in the same zone. In 2013, Milpitas amended the City's Zoning Ordinance to identify transitional and supportive housing by right in all single-family and multifamily residential zones in compliance with SB 2. However, the Zoning Ordinance was not amended to explicitly allow transitional and supportive housing in mixed-use zoning districts. Chapter 6 of this Housing Element includes a program to amend the City's Zoning Ordinance to allow transitional and supportive housing in all zoning districts that allow residential uses (see Program D.4.3).

Financing and Subsidy Sources

Along with a sufficient number of residential sites zoned to appropriate densities, affordable housing production in Bay Area jurisdictions requires local, State, and Federal financing sources to bridge the gap between affordable rent and sale prices and the prices needed to support new construction. Almost all affordable housing developments in the Bay Area rely on a combination of financing from several public and private sources in order to become financially feasible.

Federal Programs

CDBG Program: Through the CDBG program, the federal Department of Housing and Urban Development (HUD) provides funds to local governments for funding a wide range of housing and community development activities for low- and moderate-income individuals and households. Cities with at least 50,000 residents, including Milpitas, are designated CDBG entitlement communities and receive annual allocations directly from HUD.

Based on previous allocations, Milpitas expects to receive an annual allocation of approximately $400,000 and an additional $50,000 in Program Income from the Single Family Housing Rehabilitation Program for a total of $450,000 per year (a substantial decline of approximately $200,00 per year compared to the previous Housing Element cycle). Milpitas typically uses CDBG funds for site acquisition, rehabilitation, first-time homebuyer assistance, development of emergency and transitional shelters and fair housing/housing counseling activities. Additional activities in support of the new construction of affordable housing include site clearance and the financing of related infrastructure and public facility improvements.

HOME Program: The HOME Investment Partnership Program (HOME) provides grants to support a broad range of housing activities. Eligible activities include home purchase or rehabilitation financing for eligible homeowners and first-time buyers, site acquisition, and construction or rehabilitation of affordable housing. Milpitas does not receive HOME funds directly from HUD; however the City can compete for funds that are allocated by the State of California and can work with affordable housing developers to support applications for these funds.

Section 8 Assistance: The Section 8 program is a federal program that provides rental assistance to very-low income persons in need of affordable housing. Tenant-based Section 8 Assistance allows households to find housing in the private market, provided that the housing meets the program requirements. The program provides a rent voucher that pays the difference between the current fair market rent and what the household can afford to pay (defined as 30 percent of household income). At present, 627 Milpitas households receive Section 8 Vouchers. The Santa Clara County Housing Authority administers the Section 8 program for households in Milpitas.

In addition to tenant-based Section 8, HUD offers project-based Section 8 assistance to housing developments that provide units to low-income households. Similar to tenant-based Section 8, project-based Section 8 Assistance provides the difference between fair market rent and the rent that households can afford to pay.

State Programs

California Housing Finance Agency (CalHFA): The California Housing Finance Agency operates several programs that help to create affordable rental and ownership housing opportunities for low- and

moderate-income households. These programs, funded by the sale of tax-exempt bonds, provide permanent financing of affordable housing developments, as well as financing for homebuyers.

Low Income Housing Tax Credit Program: Created by the 1986 Tax Reform Act, the Low Income Housing Tax Credit (LIHTC) Program is one of the primary sources of financing for affordable housing. Although enabling legislation for LIHTC was passed at the federal level, allocations of the tax credits are made by the State of California.

Affordable housing developers utilize this program in combination with City and additional funding sources to encourage the construction and rehabilitation of rental housing for lower- income households. The program allows investors an annual tax credit over a ten-year period, provided that the housing meets affordable income requirements. The tax credit is typically sold to large investors at a syndication value.

To be eligible for a tax credit, 20 percent of the units in a housing development must rent to very-low-income households earning less than 50 percent of area median income, or 40 percent of the units must rent for incomes under 60 percent of the median. California law also requires that developments retain these levels of affordability for at least 55 years.

Mortgage Credit Certificate (MCC) Program: The Mortgage Credit Certificate Program (MCC), authorized by Congress in 1984, provides financial assistance in the form of a tax credit to first-time homebuyers. Similar to the LIHTC Program, the MCC Program was authorized by the federal government, but is administered by the State. The MCC reduces the amount of federal income taxes otherwise due to the federal government; however, the mortgage tax credit cannot be claimed as a refund. The MCC program enables program participants to reduce their federal income tax withholdings, creating additional net spendable household income.

Santa Clara County administers the MCC Program on behalf of all participating cities located in the County. Program eligibility requirements determine the maximum sale price of homes purchased through the MCC program and the maximum income for households that receive tax credits through the program. In 2014, the maximum sale price for homes purchased through the MCC program in Santa Clara County was $673,616.[6] The maximum income for a household participating in the MCC program in Santa Clara County was $81,040 per year for one- or two-person households and $101,300 for households with three or more people.

[6] The maximum eligible sale price is higher in specified "targeted areas". However, the only Census tract in Santa Clara County that is designated a targeted area is located in San Jose, and therefore the targeted area maximum sale price does not apply to any areas in Milpitas.

Local Programs

Redevelopment Housing Set-aside Funds: In 2011, the California legislature mandated the dissolution of all redevelopment agencies (RDAs) throughout the State. Prior to 2011, RDAs in California jurisdictions, including Milpitas, set aside 20 percent of all tax increment revenues generated from redevelopment project areas to fund housing projects that increased, improved, or preserved the supply of affordable housing. Housing developed with these set-aside funds were required to remain affordable to low- and moderate-income households for at least 55 years for rentals and 45 years for ownership housing. Prior to the dissolution of the RDA, Milpitas used these set-aside funds to facilitate the development of a significant number of affordable units in the City. Between 1999 and 2014, the City provided $42.8 million in RDA-funded grants, loans, and land dedication to residential projects in Milpitas, assisting in the development of 874 units affordable to lower-income households (see Table 4.4 for a detailed list). Similar to many jurisdictions throughout the State, Milpitas will now face challenges with identifying funding sources to facilitate affordable housing production due to the loss of the City's RDA.

Milpitas Housing Authority: Following the dissolution of RDAs, jurisdictions have been able to retain the housing set-aside funds generated through redevelopment activity. Milpitas currently has approximately $7 million of remaining set-aside funds that can be used to support affordable housing programs in the City. In addition, the City receives approximately $200,000 to $250,000 per year from repayments on loans previously issued through the use of RDA housing set-aside funds, which the city can use to support housing programs. However, these repayments amount to only a fraction of the funds previously generated on an annual basis from the RDA housing set-aside.

Housing Trust of Silicon Valley: The Housing Trust of Silicon Valley provides housing assistance throughout Santa Clara County through three core program areas: first-time homebuyer loans, multifamily loans, and the Finally Home Grant program. The multifamily loan program supports nonprofit developers constructing or rehabilitating affordable multifamily rental housing. The Finally Home Grant program provides grants for security deposits to assist families or individuals moving from homelessness or unsuitable housing into permanent housing. Between 2007 and 2014, the City of Milpitas contributed $1.1 million to the Housing Trust of Silicon Valley.

Table 4.4: Residential Projects Receiving Assistance from the Milpitas RDA, 2009-2014

	Total	Total City	Type of Funding			Affordability Level				Tenure	
Project Name	**Units**	**Funding**	**Loans**	**Grants**	**Land**	**Above Mod**	**Mod**	**Low**	**Very Low**	**Owner**	**Renter**
2009-2006											
DeVries Place Senior Housing	103	$9,600,000	$9,600,000			0	1	0	102	0	103
Aspen Family Apartments	101	$2,300,000	$2,300,000			0	1	0	100	0	101
Centria East	137	$770,000	$770,000			111	10	7	9	137	0
Crossing at Montague Apartments	470	$1,190,000	$1,190,000			376	0	0	94	0	470
Montevista Apartments	306	$3,000,000	$3,000,000			0	153	76	77	0	306
Parc Metro	382	$1,500,000	$1,500,000			354	18	10	0	382	0
Senior Group Home (Senior Housing Solutions)	1	$800,000	$800,000			0	0	0	1	0	1
Parc Place	258	$1,974,000	$1,974,000			200	34	6	18	258	0
1999-2007 Total	**1,758**	**$21,134,000**	**$21,134,000**	**$0**	**$0**	**1,041**	**217**	**99**	**401**	**777**	**981**
2007-2014											
Paragon	147	$1,199,997	$1,199,997			118	20	0	9	147	0
Terra Serena	94	$6,500,000	$1,800,000	$4,700,000		31	63	0	0	94	0
Town Center Villas	65	$800,000	$800,000			49	16	0	0	65	0
Senior Group Home (Senior Housing Solutions)	1	$750,000	$750,000			0	0	0	1	0	1
South Main Senior Lifestyles	389	$12,400,000			$12,400,000	341	0	0	48	0	389
2007-2014 Total	**696**	**$21,649,997**	**$4,549,997**	**$4,700,000**	**$12,400,000**	**539**	**99**	**0**	**58**	**306**	**390**
1999-2014 TOTAL	**2,454**	**$42,783,997**	**$25,683,997**	**$4,700,000**	**$12,400,000**	**1,580**	**316**	**99**	**459**	**1,083**	**1,371**

Sources: City of Milpitas, 2014; BAE, 2014.

Opportunities for Energy Conservation

HCD requires that the Housing Element provide an assessment of opportunities for energy conservation in residential development and document City policies and programs that assist in curbing residential energy use. In addition to aiding in the attainment of environmental goals, reducing energy consumption often leads to lower gas and electricity bills, thereby reducing housing costs.

The City of Milpitas facilitates energy conservation through its residential development and zoning policies by encouraging high-density residential development near transit amenities. Through implementation of the Midtown and Transit Area Specific Plans, Milpitas has supported a significant amount of ongoing multifamily residential development in areas within walking distance to the City's future BART Station, scheduled to begin passenger service in 2018, and an existing VTA light rail station. As a result, the Specific Plans encourage transit use among occupants of new developments in the City, thereby reducing car trips and the associated energy usage.

Additionally, 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, which will constructed using funding generated by the TASP impact fees.

Milpitas promotes energy conservation in new construction through enforcement of Title 24, Part 6 of the California Code of Regulations (Energy Efficiency Standards for Residential and Nonresidential Buildings). These regulations were adopted in 1978 and most recently updated in 2013 (with changes going into effect July 1, 2014). All new construction must comply with the standards in effect on the date a building permit application is made.

Milpitas further promotes energy conservation in new construction through implementation of the City's Green Building Ordinance (adopted in 2008 and updated in January 2014), which applies to both residential and nonresidential construction. The City also implements additional green building policies, including:

- The U.S. Green Building Council's LEED rating system for non-residential buildings and Build 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 must include a completed LEED or GreenPoint Rated checklist for informational purposes.
- New city buildings and renovation projects over 5,000 square feet are required to be evaluated for feasibility to achieve at least a LEED Silver certification.

In addition, the City provides outreach on an ongoing basis to inform residents about the Pacific Gas and Electric Energy Savings Assistance Program. This program provides income-qualified customers with

services to help reduce energy use and decrease energy costs, including minor home improvements, replacement of old appliances, and information on energy conservation.

5. HOUSING CONSTRAINTS

In addition to identifying adequate sites for housing, the Housing Element is required to analyze potential governmental and non-governmental constraints to housing production and present programs to mitigate these constraints to the extent necessary and possible (Government Code, Section 65583(a)). Governmental constraints typically consist of regulations that limit opportunities to develop housing, impose requirements that unnecessarily increase the cost to develop housing, or make the development process so arduous as to discourage housing development. Non-governmental constraints are often related to land prices, construction costs, the availability of financing, infrastructure capacity constraints, and environmental features. Although local governments have little control over non-governmental constraints, identification of these constraints can be helpful to Milpitas in formulating housing programs.

Governmental Constraints

Government regulations can affect housing costs through local land use policies, zoning regulations and development standards, subdivision regulations, urban limit lines, and development fees. Lengthy approval and processing times may also constrain development.

Recent development trends in Milpitas indicate that the City's regulations and policies support residential development, particularly development of high-density housing near transit and other transportation corridors. The City's development pipeline, which consists of over 5,000 residential units, demonstrates the success of City policies in facilitating residential development. Recent housing construction in Milpitas has consisted primarily of multifamily developments built at significantly higher densities than the City's older housing stock, as intended by adoption of the Midtown and Transit Area Specific Plans.

General Plan

In 2014, the Milpitas City Council authorized funding for a comprehensive update to the City's General Plan, which will occur over the next two to three years. The last comprehensive update to the Milpitas General Plan occurred in 1994. In 2002 and 2008, the General Plan was amended to incorporate the land use designations, design guidelines, and other policies defined by the Midtown Specific Area Plan and the Transit Area Specific Plan (TASP), respectively. The General Plan was updated again in 2010 to integrate the City's Park and Recreation Master Plan and Bikeway Master Plan into the document and to provide updates to exhibits, tables, and figures. Concurrent with this Housing Element Update, the City is updating the Safety Element of the General Plan to address flooding hazards.

The General Plan distinguishes between land use designations on the Valley Floor and designations in the Hillside areas. On the Valley Floor, there are eight residential land use designations along with three mixed-use designations and one commercial designation that allow for residential development. The residential designations range in density from Single Family Low (three to five units per acre) to Very High Density Transit-Oriented Residential (41 to 75 units per acre, or up to 90 units per acre with a use permit).

The mixed-use zones that allow for residential development range in density from the Mixed-Use (Residential) designation, which allows 21 to 30 units per acre, to the Boulevard Very High Density Mixed-Use designation, which allows 41 to 75 units per acre. The Town Center designation, which allows for densities up to 40 units per acre provided that certain findings are made, is the only commercial designation that allows for residential development.

The three land use designations in the Hillside area are intended to provide for only a limited amount of residential development and therefore allow for only low-density residential development. The Very Low Density land use designation applies mostly to land outside of the City's Urban Service Area and Urban Growth Boundaries, and allows for one unit per ten acres. The Low and Medium Density designations allow for up to one and three units per acre, respectively.

The land use designations that allow for residential development are shown in Table 5.1 along with the residential density allowed in each.

Table 5.1: General Plan Land Use Residential Designations

Land Use Designation	Residential Density (units/acre)
Valley Floor	
Residential	
Single Family Low	3 to 5
Single Family Moderate	6 to 15
Multifamily Medium (a)	7 to 11
Multifamily High	12 to 20; up to 40 with PUD approval
Multifamily Very High	31 to 40; 41 to 60 with TOD Overlay (b)
Urban Residential	41 to 75; up to 25% additional with CUP approval
Mobile Home Park	6 to 7
Mixed Use	
Mixed Use (Residential)	21 to 30; 31-40 with TOD Overlay (b)
Residential-Retail High Density Mixed Use	31 to 50; Up to 60 with a Use Permit
Boulevard Very High Density Mixed Use	41 to 75
Commercial	
Town Center	Up to 40 (b)
Hillside	
Very Low Density	Up to 0.1
Low Density	Up to 1
Medium Density	Up to 3

Notes:
(a) TOD Overlay does not change the standards for density and development intensity for the underlying land use designation.
(b) TOD Overlay is provided through the zoning ordinance rather than the General Plan.
(c) Findings are necessary to build residential in land with the Town Center designation.
Sources: City of Milpitas, 2010; BAE, 2014.

Zoning Ordinance

The City's Zoning Ordinance facilitates residential development through implementation of high-density residential zoning designations. Milpitas has adopted two Specific Plans with many sites zoned for high-density residential development and created a TOD Overlay District that further augments allowable residential densities, reduces setbacks and parking requirements, and increases height limits in areas

near transit. Builders have responded to these changes by proposing and building many housing units in the City's Specific Plan Areas. While a large share of these have been market rate units and are therefore unaffordable to lower-income households, the City's affordable housing policies have also resulted in the development of affordable units in both Specific Plan Areas. The Zoning Ordinance, other development standards, and the permitting process do not constitute barriers to residential development in Milpitas.

The City's Zoning Ordinance has five basic residential zoning districts and three mixed-use zoning districts that allow residential development. Within the single family (R-1) zoning designation, there are eight subcategories to specify differences in minimum lot sizes. In addition, the City has overlay districts that modify the underlying zoning for the areas covered by the overlays, including a Mobile Home Park (MHP) Overlay, a High Rise (HR) Overlay, and a Transit Oriented Development (TOD) Overlay.

The City of Milpitas also enforces minimum site development standards for new residential developments through the City's Zoning Ordinance. These standards include lot width, setbacks, lot coverage, and maximum building height, along with other development standards. As with other stipulations of the Zoning Ordinance, some of the site development standards that apply to the base zoning districts are modified in areas located within the City's Overlay Districts.

Table 5.2 summarizes the allowable densities, development types, site development standards, and other requirements that apply to residential and mixed-use zoning districts and Table 5.3 shows the manner in which these standards and requirements are modified by various overlay districts.

Base Zoning Densities and Permitted Land Uses: Table 5.2 provides a summary of the base zoning regulations for the five residential and three mixed-use categories that allow residential development in Milpitas, before accounting for any modifications to the base zoning from overlay districts. As shown, the allowable densities range from very low densities ranging from 80 acres per dwelling unit in certain hillside areas to 60 units per acre in the R5 or MXD3 zone. Second units are permitted without a conditional use permit in all single family zoning districts, and all residential zones allow transitional and supportive housing, subject to the same requirements as other projects in the zoning district. Although transitional and supportive housing are not explicitly identified as permitted uses in mixed-use zoning districts, Program D.4.3 states that the City will amend the Zoning Ordinance to identify transitional and supportive housing as permitted uses in all mixed-use zoning districts that allow residential uses, subject to the same requirements that apply to other residential uses in each zone.

Base Zoning Height Limits: Consistent with the density ranges shown in Table 5.2, the development standards put forth in the Zoning Ordinance provide a range of residential height limits that vary substantially between zoning districts. Height limits range from 17 feet under certain conditions in the hillside (R1-H) zone to 150 feet in MXD3 zone. Most single-family zoning districts (R1 and R2) allow heights up to 30 feet, while multifamily and mixed-use zoning districts have height limits ranging from 35 feet to 150 feet.

Base Zoning Setbacks: Setback requirements for residential uses are somewhat similar between zoning districts, with the exception of the Hillside (R1-H) District. However, the setbacks in the R4, R5, and Mixed Use districts are slightly smaller in general than the setbacks in the R1 and R2 Districts to permit efficient utilization of sites. Setbacks in the R1-H District are larger than the setbacks in other residential districts, in keeping with the low-density designations for the City's hillside areas.

Base Zoning Parking Requirements: Table 5.2 also provides information on the parking requirements specified in the Zoning Ordinance. For the R1 and R2 residential districts, two spaces per unit are required for units with three or fewer bedrooms. Units with four or more bedrooms require three spaces per unit plus one additional space for each additional bedroom. Parking requirements for R3, R4, R5, and the MXD zones are as follows:

- Studios: one covered parking space/unit.
- One-bedroom units: 1.5 covered parking space/unit.
- Two- and three-bedroom units: two covered parking spaces/unit.
- Four-bedroom units: three parking spaces/unit, of which at least two must be covered.
- Five-bedroom units: four parking spaces/unit, of which at least two must be covered.
- Guest parking requirements: projects with structured parking must provide 15 percent additional parking spaces over the required number of spaces. All of these spaces may be uncovered. For projects with private garages, 20 percent additional parking spaces are required. All of these spaces may be uncovered.

Table 5.2: Residential Zoning District Regulations

Zoning District	Density (units/acre)	Minimum Lot Size (SF)	Height	Front Setback	Side Setback	Rear Setback	Residential Types Permitted (w/o CUP) (a)	Parking Requirements
R1-H	0.002 to 0.1, depending on the average slope of the parcel (max)	435,600	W side of crestline: 17'/1 story E side of crestline: 27'/2 stories	25' (b)	40'	40'	Single family & 2nd Unit	3 bedrooms or fewer: 2 spaces per unit 4 + bedrooms: 3 per unit, plus 1 per each additional bedroom
R1-10	4 (max)	10,000	30'	25'	8' one side; Total 20'	30' or 35' (c)		
R1-8	5 (max)	8,000	30'	25'	7' one side; Total 17'	25' or 30' (c)		
R1-6	7 (max)	6,000	30'	20'	Adjacent to garage 6' Total 13'	25'		
R1-5	9 (max)	5,000	30'	20'	Adjacent to garage 6' Total 10'	20'		
R1-4	11 (max)	4,000	30'	20'	6' one side	15' for single-story units; 20' for units with 2+ stories		
R1-3	15 (max)	3,000	30'	20'	5' one side			
R1-2.5	17 (max)	2,500	30'	20'	5' one side			
R2	7 (min) to 11 (max)	6,000 (single family); 8,000 (duplex)	30' (2.5 stories)	20'	Single family, 1 story: 4' one side; total 12' Single family, 2 story: 6' one side; total 15' Duplex, 1 story: 7' one side; total 12' Duplex, 2 story: 8' one side; total 20'	Single family: 25' Duplex: 25' or 30' (c)	Single family & Duplex	
R3	12 (min) to 20 (max)	2,000/dwelling unit	35' (3.5 stories)	20'	1 story: 5' one side; total 12' 2-2.5 story: 10' one side; total 25' 3-3.5 story: 12' one side; total 30'	1 story: 30' 2-2.5 story: 35' 3-3.5 story: 40'	Multifamily	Studio: 1 covered per unit 1 bedroom: 1.5 covered per unit 2-3 bedrooms: 2 covered per unit 4 + bedrooms: 3 per unit, plus 1 additional space for each additional bedroom (at least two covered) Guest Parking: projects with structured parking: 15% of the total required, may be uncovered; projects with private garages: 20% of the total required, may be uncovered.
R4	31 (min) to 40 (max)	None	60' (4 stories)	8' (min) to 15' (max)	10'	10'		
R5	41 (min) to 60 (max)		75' (6 stories)	12'(min) to 20' (max)	15'; or 20' for buildings over 3 stories that abut residential uses	15' or 20' for buildings over 3 stories that abut residential uses		
MXD	21 (min) to 30 (max)	Size must be large enough to accommodate all space requirements.	45' (3 stories)	8' (min) to 15' (max)	0' (min) to 10' (max)	10'		
MXD2	31 (min) to 40 (max)		75' (6 stories)			10' or 15' when abutting residential use. 20' for buildings over 60' or 4 stories.		
MXD3	41 (min) to 60 (max)		150' (12 stories, or 20 with CUP approval)	12' (min) to 20' (max)	15' or 20' when abutting residential use. 30' for buildings over 60' or 4 stories.	15' or 20' when abutting residential use. 30' for buildings over 60' or 4 stories.		

Note:
(a) Transitional and supportive housing is a permitted use in all residential zones.
(b) This assumes that slope is less than 16 percent.
(c) First number applies to single story units. Second number applies to units with 2 or more stories.

Overlay Districts: As discussed above, Milpitas has a TOD Overlay, HR Overlay, and MHP Overlay that modify the underlying zoning for the areas covered by the overlay districts to allow additional residential density or flexibility in development standards or residential uses permitted. Table 5.3 shows the zoning district regulations as modified by each of these overlay districts. Only those zoning districts that are affected by each overlay district are shown in the table.

The TOD Overlay allows for considerable increases in density and building heights and reductions in parking requirements. Because the TOD Overlay is applied in areas near transit, the increased density provided by the Overlay helps to support transit use, potentially leading to a reduced need for car trips, which makes reductions in parking requirements feasible.

The HR Overlay is intended to allow for high-density residential development in the areas where it is applied, allowing up to 150 dwelling units per acre.

The main purpose of the MHP Overlay District is to promote the expansion and diversification of the available housing opportunities within the City of Milpitas by establishing standards for the creation of planned mobile home parks.[7] The MHP Overlay District establishes a zoning designation that permits and establishes regulations related to parking requirements, minimum mobile home park size, and maximum densities.

[7] Paragraph A of Section XI-10-12.04 of the Zoning Code.

Table 5.3: Residential Zoning District Regulations as Modified by Overlay Districts

Zoning District	Density (units/acre)	Minimum Lot Size (SF)	Unit Types Permitted (w/o CUP)	Parking Requirements	Height	Front Setback	Side Setback	Rear Setback
Transit Oriented Development Overlay								
R3 (TOD)	21 minimum 40 maximum	No change	No change	Reduce by 20%. Guest parking is the same.	60' (4 stories)	8' (min) to 15' (max)	8' (min) to 15' (max)	No change
R4 (TOD)	41 minimum 60 maximum				75' (6 stories)	12' (min) to 20' (max)	No change	No change
R5 (TOD)	41 minimum 75 maximum				No change	No change	No change	No change
MXD2 (TOD)	31 minimum 50 maximum				No change	No change	No change	No change
MXD3 (TOD)	41 minimum 75 maximum				Up to 24 stories possible with Planning Commission review	No change	No change	No change
High Rise Overlay								
MXD3	60 minimum 150 maximum	No change	No change	No change	No change	No change	No change	No change
Mobile Home Park Overlay								
Highway Services (HS)	7 mobile homes. Can be increased to 8 homes/acre with findings by Planning Commission.	25 acres per park	Mobile Home Parks for single family dwelling uses and residential quarters for employees.	2.5 spaces per home-one of which must be contiguous to mobile home.	No change	35' from a public street	25' if abutting a residential district. Otherwise 15'.	25' if abutting a residential district. Otherwise 15'.

Note:
Only those zoning districts for which development standards are modified by the overlay districts are listed.
No change = No change due to overlay district.
Sources: City of Milpitas, 2014: BAE, 2014.

Standards for Second Units

Second units are allowed by right in all single-family (R1) zoning districts in Milpitas, subject to the standards specified in the City's Zoning Ordinance. Among other standards, the City's Zoning Ordinance requires that second units have a maximum of one bedroom, are no more than 15 feet in height (17 feet in Hillside areas), and that second units adhere to size and setback requirements. The original home must be owner-occupied at the time an application for a second unit is submitted. One parking space is required for second units, which can be uncovered and tandem. Overall, the City's regulations pertaining to second units are fairly flexible and do not pose a constraint to second unit production.

Urban Growth Boundary

Milpitas voters approved an Urban Growth Boundary (UGB) in 1998 that substantially limits development in the hillside areas on the eastern side of the City by limiting the extension of City services to areas outside of the UGB. The primary goals of the UGB are to preserve the existing character of the hillside, protect the views of the hillside from the valley floor, and reduce the cost of extending public service and infrastructure to new development. The UGB is intended to remain in place through 2018 and can only be amended through a majority vote of the electorate.

The ordinance that enacted the City's UGB stipulates that the City will begin a comprehensive review of the UGB beginning in 2015, in preparation for the expiration of the UGB in 2018. Following this review, City Council will have the authority to determine whether to allow the UGB to expire, renew the UGB, or place a measure on a ballot to let Milpitas voters decide if the UGB will be renewed. However, the zoning that is in place would not be impacted as a result of the expiration of the UGB. Therefore, no changes in allowable density or other development standards in the hillside areas would result if the UGB is allowed to expire.

The Urban Growth Boundary primarily impacts the above moderate-income housing market and has had little or no impact on the feasibility of producing housing for low- and moderate-income households. Residential development in the hillside area would be unlikely to be affordable to lower-income households due to the high cost of hillside construction, the prestige associated with a view or hillside home, and the high cost of extending utility and road extensions to hillside areas. Additionally, developing high-density housing in the hillside area would require large-scale grading, cuts, and fills, and would have substantial adverse environmental impacts. A limited amount of residential development is permitted beyond the Growth Boundary, subject to a slope density formula that dictates minimum lot sizes, as reflected in the City's General Plan and Zoning Ordinance, discussed above.

The City has mitigated impacts from the growth boundary on the supply of housing by significantly increasing the residential development potential of land within the existing urbanized area. The increase in the City's residential development potential resulting from the rezoning of several hundred acres of former commercial and industrial sites within the Specific Plan Areas to very high residential densities and mixed use development greatly exceeds the loss of development potential outside the Urban Growth Boundary. Moreover, the viability of affordable housing in the Specific Plan Areas is far greater than it would be on sites in the hillsides, given the increased feasibility of high-density development on the valley floor and the areas' proximity to mass transit and urban services. Additionally, the UGB is in keeping with Plan Bay Area, which aims to focus new development within the existing urban footprint and in areas served by transit.

Density Bonus Ordinance

Milpitas adopted a Density Bonus Ordinance (Section XI-10-54-15 of the Zoning Code) in 2005 that provides increases in allowable densities for projects that provide a minimum proportion of affordable units. A number of recent projects in Milpitas, including Shea Properties, Edsel Court, and Summerfield Homes, have provided affordable units and received incentives in accordance with the City's Density Bonus Ordinance. The Density Bonus applies to all zoning districts that allow residential development and all projects with at least five dwelling units. In addition to providing higher densities, the Ordinance also allows reduced parking standards. Table 5.4 provides a summary of the key features of this Ordinance.

Table 5.4: Milpitas Density Bonus Ordinance

Attribute	Milpitas Housing Density Bonus (a)
Percent of Units Required to be Affordable	5% of units to be affordable to very low-income, or 10% of units to be affordable to lower-income households, or a senior housing development (no affordability restrictions), or 10% of units to be affordable to moderate-income households, if the development is a condominium.
Resale/Rent Restrictions	For very low- and low-income housing, a 30-year restriction applies, if required by other funding programs or if the City provides at least one incentive in addition to the Density Bonus. Otherwise, there is a minimum 10-year restriction.
Maximum Amount of Density Bonus	Sliding scale. Very low (percentage of very low-income units ranges from 5% to 11% and accompanying density bonus ranges from 20% to 35%); Low (percentage of low-income units ranges from 10% to 20% and accompanying density bonus ranges from 20% to 35%), and Moderate (percentage of moderate-income units ranges from 10% to 40% and accompanying density bonus ranges from 5% to 35%). For senior housing, since 100% of units in a development must be targeted to seniors, a uniform density bonus of 20% applies.
Rounding of Density Bonus Units	All fractions are rounded up to provide for more density.
Number of Incentives Provided (b)	Under the minimum required percentage of units for very low-, low- and moderate-income households, one incentive is provided. If a project doubles the percentage of affordable units, e.g., 10% of units for very low-income; 20% of units for lower-income, or 20% of units for moderate, then two incentives are provided. If a project triples the percentage of affordable units, e.g., 15% of units for very low-income; 30% of units for lower-income, or 30% of units for moderate, then three incentives are provided.
Reduced Parking Incentive	There are three ways that the reduction in the number of parking spaces provides a cost benefit to developers. First, for developments outside the TOD Overlay District, the number of required spaces for each unit size is lower (except for four-bedroom units). Secondly, parking spaces do not need to be covered, and thirdly, there is no requirement for guest parking.

Notes:
(a) Excludes density bonuses related to provision of child care facilities in residential developments.
(b) The actual incentives are not defined. Incentives must result in more affordable housing costs.
Sources: City of Milpitas Zoning Ordinance, XI-10-54.15.

Affordable Housing Goals

Although the City of Milpitas does not have an Inclusionary Zoning Ordinance, the City's Zoning Ordinance includes an Affordable Housing Goal (Section XI-10-6.03) that stipulates that at least 20 percent of units in new residential developments should be affordable. To achieve this goal, the City negotiates with residential developers on a project-by-project basis for the inclusion of units affordable to lower-income households. As a result of these negotiations, market-rate developers have agreed to further the City's affordable housing goals by providing on-site inclusionary units, in-lieu fees, land dedication, and off-site development. The ordinance provides the City with flexibility to waive the requirement for a particular project if compliance would render a project financially infeasible.

The City offers a range of incentives to developers that agree to provide affordable units, including loans, grants, and fee reductions or waivers. In addition to financial assistance, the City may allow for modifications to development standards that intensify land utilization, thereby lowering per-unit land costs. Modifications to development standards may include reduced parking requirements, increased height limits, density bonuses, or reduced setbacks. The City provided these incentives to several recent residential projects, including Parc Place, Paragon, Aspen Apartments, DeVries Place, Shea Properties, Edsel Court, and Summerfield Homes, assisting in the provision of over 300 affordable units.

The Milpitas Zoning Ordinance does not specify the income group targeting for affordable units, allowing the City to negotiate with developers based on project specifics and prevailing market conditions. During the height of the recent recession (2008-09), the price for market-rate condominiums approached the price of deed-restricted units targeted to moderate-income households. Because prices were similar and deed-restricted units are subject to resale restrictions, the City and developers encountered problems in marketing deed-restricted moderate-income units. To respond to this challenge, the City devoted a portion of its redevelopment housing set-aside funds to offer second mortgages, making the deed-restricted units affordable to low-income buyers.[8]

Since the City's affordable housing goals do not provide specific affordability targets and some projects are exempted from providing affordable units, the program is flexible enough to mitigate any potential negative impacts on housing production. While compliance with the City's affordable housing target could result in a decrease in the profitability of residential development or an increase in the cost of market rate housing in the City, the flexibility in the City's policy has allowed Milpitas to continue to support market-rate residential development while providing affordable units, as evidenced by the City's considerable ongoing residential construction activity.[9]

The City's affordable housing goal has resulted in 967 affordable units in mixed-income developments built, under construction, or approved in Milpitas in addition to units provided in developments that are 100 percent affordable. A significant share of affordable units in mixed-income developments were produced during the previous Housing Element cycle with financial assistance from the City, with much of the City's financial assistance originating from the RDA, as shown in Table 4.4. Due to the dissolution of the RDA, Milpitas will need to rely more heavily on alternate mechanisms to incentivize the inclusion of affordable units in market-rate developments in the upcoming years. Incentives are likely to include fee waivers or reductions and modifications to development standards, which the City has a history of providing to developments with affordable units. Additionally, Chapter 6 of the Housing Element Update includes programs to generate additional funding for affordable housing production, which can

[8] Since much of the new residential development is located in a former redevelopment project area, the City was able use its housing set-aside funds to support the affordable housing required under the City's Zoning Ordinance and California Redevelopment Law.

[9] Much of this boom can be attributed to higher densities and other development incentives provided under the City's two specific plans as well as to an increase in demand due to job growth in Silicon Valley.

be used to provide financial assistance to projects that provide affordable residential units (see Policy D.1).

Building Codes and Enforcement

The City of Milpitas has adopted the California Building Code (CBC), the California Electrical Code, the California Mechanical and Plumbing Code, and the California Fire Code. It also enforces California Energy Commission's Title 24 standards for energy efficiency. City codes are updated regularly to reflect changes made in state and national codes and standards.

The City has not adopted any special requirements beyond those in the CBC. Class B (or better) roofing is required in new residential construction on the Valley Floor. Structures on the hillsides are subject to special engineering criteria for high wind, fire-retardant roofing standards, and sprinkler requirements, representing an added cost for the small number of homes that may be built in these areas. The City allows the use of the more flexible State Historic Building Code for historic structures, although the number of eligible structures is small.

While the CBC contains no prohibitions on exterior building materials, the Midtown and Transit Area Specific Plans disallow certain materials, including vinyl, aluminum, and T-111 siding, and horizontal sliding or plastic snap-in windows. These prohibitions are not likely to affect housing affordability or the level of housing production. Affordable housing projects in the City have been constructed with stucco or wood exteriors, allowing them to better blend with the surrounding community and convey an image of quality and durability.

Site Improvement Requirements

Residential developers are responsible for constructing road, water, sewer, and storm drainage improvements to extend services to new housing sites when needed. Developers are also often responsible for offsetting the any off-site impacts from a project such as increased run-off or added congestion at a nearby intersection.

The City's Subdivision Ordinance establishes the requirements for new subdivisions, including local street rights-of-way and curb-to-curb widths, sanitary sewer and storm drainage lines, and easements. These requirements do not restrict market rate housing development and while there are no special provisions or exceptions for affordable units, the City Council has the discretion to consider such exceptions in order to enhance the feasibility of a project. The City allows narrower streets within new subdivisions if these streets are privately owned and maintained, and if safety and emergency access concerns are adequately addressed.

Design Review

The City of Milpitas requires design review for projects within the "S" overlay zoning district only, which generally applies in commercial, industrial, multifamily residential, and hillside areas. Since most single family homes are outside the S district, alterations to individual homes (such as remodels and additions)

are not usually subject to design review. New multifamily projects are typically evaluated through a site plan review process, which includes an evaluation of design attributes by the Planning Commission. The City does not have a design review process that is separate from Planning Commission review.

The City has not adopted citywide residential design guidelines, but has adopted guidelines for the Midtown and Transit Specific Plan Areas.[10] These Guidelines cover site planning and building design, including massing, windows, materials, color, roof design, landscaping, signage, and lighting. In addition, there are specific guidelines by building type, covering mixed-use and multifamily residential. These guidelines do not pose a constraint, and are intended to ameliorate concerns that could arise when new residential projects are proposed that have higher densities than most of the City's existing housing stock.

It has been the City's experience that these guidelines do not have a significant impact on development costs. Moreover, developers have reported that the guidelines are straightforward and help to provide certainty on the type of projects that can be approved in various locations in Milpitas.

Permit Processing

Lengthy permit processing times can serve as a constraint to housing production and affordability by adding to financing costs. However, permit processing times in Milpitas are reasonable and do not constitute a development constraint. Projects that are consistent with the City's Zoning Ordinance, General Plan, and any applicable specific plans typically receive planning entitlements (if needed) within six to eight months, provided that extensive environmental analysis is not necessary. Building permits are issued within 30 working days after the City receives a complete application.

Processing Time for Planning Approvals. Residential projects that are consistent with the General Plan and Zoning Ordinance typically receive planning approval within six to eight months from the date that a complete application is submitted, provided that an Environmental Impact report is not required. Projects for which an Environmental Impact Report is required under the California Environmental Quality Act may require a year before planning approvals are processed. Projects requiring a General Plan Amendment or a major rezoning may also require longer processing times.

Milpitas has taken steps to help to reduce processing times for new residential projects in the City's Specific Plan Areas by preparing plan-level Environmental Impact Reports (EIRs) for each of the City's Specific Plans prior to adoption. These plan-level EIRs enable new projects that are developed in either of the Specific Plan Areas to rely heavily on those documents to assess broad-based and cumulative impacts (such as geologic hazards and air quality), rather than preparing entirely new EIRs. Projects in the Midtown Specific Plan and TASP Areas only require additional environmental review if

[10] The Appendix to the Transit Area Specific Plan provides detailed design guideline information for new residential construction in both Specific Plan Areas.

the project has the potential for impacts not already considered in the plan-level EIR, shortening the processing time associated with environmental review.

Table 5.5 identifies the typical processing time for various planning entitlements. Few projects will require all of the entitlements shown in the table (for example, small-scale projects consistent with General Plan and zoning designations do not generally require EIRs, General Plan Amendments, Rezones, or Variances), and some review and approval procedures may run concurrently, so processing times shown in the table are not additive. The City encourages the joint processing of related applications for a single project (for example, a rezone petition may be reviewed in conjunction with the required site plan**,** a tentative tract map, and any necessary variances for the same project). These procedures save time, money, and effort for both the public and private sector and often decrease the costs for the developer.

Table 5.5: Permit Processing Times

Type of Approval or Permit	Typical Processing	Approval Body
Minor Conditional Use Permi	1-2 weeks	City Staff
Site Plan Review (Building Permit)	1 - 6 weeks	City Staff
Minor Site Development Permit	4 – 6 weeks	Planning Commission Subcommittee
Site Development Permit	8 – 12 weeks	Planning Commission
Conditional Use Permit	8 -12 weeks	Planning Commission
Variance	8 - 12 weeks	Planning Commission
Zone Change	12 - 24 weeks	City Council
General Plan Amendment	12 - 24 weeks	City Council
Final Subdivision Map	6 weeks	Community Development Director
Tract Subdivision Maps	14 -16 weeks	City Council
Parcel Subdivision Maps	8 -12 weeks	Planning Commission
Negative Declaration	4 - 6 weeks (a)	Planning Commission
Environmental Impact Report	4 - 6 months (a)	Planning Commission or City Council (b)

Notes:
(a) After project is deemed complete.
(b) Depending on entitlement.
Sources: City of Milpitas, 2014; BAE, 2014.

Processing Time for Building Permits. Once zoning approval is obtained, building permit processing times are relatively short. The City is in compliance with the Permit Streamlining Act and typically issues building permits within 30 working days after complete applications are received. To expedite the process, an applicant may request an outside Plan Checker from the City's approved list. Milpitas encourages developers to participate in pre-development conferences and meetings with staff before applications are submitted in order to address concerns early and avoid subsequent delays.

The Zoning Code stipulates the residential types permitted, conditionally permitted, or prohibited in each zone that allows residential uses. Permitted uses are those uses allowed without discretionary review, as long as the project complies with all development standards. Most conditionally permitted

uses require Planning Commission approval of a conditional use permit (CUP).[11] However, a Minor CUP can be approved at the staff level, which is usually completed within two weeks or less. While Minor CUPs do not apply to most residential uses, live-work spaces can be approved with a Minor CUP in some cases. Typical findings necessary to approve a CUP include that the project is consistent with the General Plan and that the use is compatible with surrounding uses. Table 5.6 shows which housing types are permitted, not permitted, or conditional uses in each residential zone.

Table 5.6: Housing Types Permitted by Zoning District

	Residential Zones					Mixed Use Zones			
Use	**R1**	**R2**	**R3**	**R4**	**R5**	**MXD**	**MXD 2 (ground)**	**MXD2 (upper)**	**MXD3**
Condominiums & Condo Conversions	NP	SFR: C Duplex: C	C	C	C	C	C	C	C
Duplex (Two Dwellings)	NP	P	NP	NP	NP	NP	NP	NP	NP
Group Dwelling	NP	NP	NP	C	C	NP	NP	NP	NP
Guest House	C	NP	NP	NP	NP	NP	NP	NP	NP
Manufactured Home	P	NP (b)	NP (b)	NP (b)	NP (b)	NP (b)	NP (b)	NP (b)	NP (b)
Multifamily Dwellings (3+ Units)	NP	NP	P	P	P	P	NP	P	P
Planned Unit Development	P	P	P	P	P	P	P	P	P
Second Units	P	SFR: P Duplex: NP	NP	NP	NP	NP	NP	NP	NP
Single Family Dwellings	P	P	NP	NP	NP	NP	NP	NP	NP
Single-room Occupancy Residences	NP	NP	C	C	C	NP	NP	NP	NP
Transitional and Supportive Housing	P	P	P	P	P	(a)	NP	(a)	(a)

Notes:
C - Conditional Use Permit
P - Permitted
NP - Not Permitted
(a) Transitional and supportive housing are not identified as permitted uses in MXD districts. Program D.4.3 states that the City will amend the Zoning Ordinance to allow transitional and supportive housing in all mixed-use zoning districts that allow residential uses.
(b) Manufactured homes are permitted in the R1 zoning district but not in other zoning districts that allow residential development. Program D.5.3 states that the City will amend the Zoning Ordinance to allow manufactured homes in all zoning districts that allow residential uses.
Sources: City of Milpitas, 2014; BAE, 2014.

Projects proposed outside of the City's Site and Architectural and Hillside Overlay Districts that are consistent with the General Plan and zoning require only a building permit. Most single-family zoning districts in Milpitas are located outside of the Site and Architectural and Hillside Overlay Districts.

Processing Times in the Site and Architectural and Hillside Overlay Districts. Additional planning entitlements are required for projects proposed within the City's Site and Architectural and Hillside Overlay Districts. The City works closely with developers to expedite approval procedures to the extent possible in order to facilitate the development process.

[11] Parties wishing to appeal a Planning Commission decision can file an appeal with the City Council.

In most cases, the additional planning entitlements and review process that apply in the Site and Architectural Overlay District do not substantially impact housing affordability. Milpitas works to expedite the review process by maintaining a close working relationship between City staff, developers, and decision-making bodies. Furthermore, the Site and Architectural Overlay District overlaps substantially with the City's two Specific Plan Areas, which facilitate residential development through streamlined environmental review, high-density zoning designations, and other provisions, counterbalancing any potential impacts of enhanced review requirements. The substantial recent residential development activity in these areas demonstrates that these additional review processes do not pose a substantial constraint to development.

Although the additional review required for projects in the Hillside Overlay area may extend processing times somewhat, the Hillside zoning districts are intended to allow only a limited amount of development and do not constitute significant opportunities for residential projects. Moreover, geographical features generally make the development of affordable housing in these areas infeasible, regardless of the entitlements required.

Development Fees

Like cities throughout California, the City of Milpitas collects development fees to recover the capital costs of providing community services and the administrative costs associated with processing applications. New housing typically requires payment of impact fees for schools, parks, and traffic, connection fees for sewer, storm drainage, and water, and building permit fees, wastewater treatment plant fees, and a variety of service charges. In addition, developers of larger projects may incur costs in complying with the City's Affordable Housing Policy, either by building affordable units or by providing land or capital to affordable housing developers.

Table 5.7 shows total fees for two residential prototypes in Milpitas.

- The first prototype is a three-bedroom, two-story single family home measuring 2,000 square feet on a 5,000 square foot lot outside of the Hillside Combining District and the two Specific Plan Areas.

- The second prototype is a 150-unit multifamily development that is wood-frame construction on 4.5 acres (density is 34 units per acre). Each unit has two bedrooms and is 1,200 SF in size with 200 SF of parking space per unit. Fees for this prototype were calculated both outside the two Specific Plan Areas and within the TASP.

According to the estimates presented in Table 5.7, development fees for a single family home total approximately $43,800 in development fees. Development fees for a multifamily project outside the TASP average approximately $29,200 per unit, while development fees for a multifamily project inside the TASP average approximately $42,800 per unit. These figures underestimate actual fees because they do not include the City's traffic impact fee, which varies by location and is difficult to model.

Table 5.7: City of Milpitas Residential Development Fees, 2014

	Outside TASP		Inside TASP
Fee Type	**Single Family (a)**	**Multifamily (b)**	**Multifamily (b)**
Sewer Connection	$1,908	$1,406	$1,406
Water Connection	$1,910	$1,164	$1,164
Storm Drainage Connection Fee	$1,100	$503	$503
Treatment Plant Fee	$880	$690	$0
Fire Fees	$1,476	$377	$377
School Impact	$6,520	$3,912	$3,912
Park In-Lieu Fee	$22,370	$18,427	$0
Total Building Department Fees (c)	$7,315	$2,463	$2,463
Approvals Process Review (d)	$286	$214	$214
Transit Area Impact Fee	$0	$0	$32,781
Total (e)	**$43,765**	**$29,156**	**$42,820**

Notes:
(a) Single family fees based on a three-bedroom, two-story, 2,000 SF home situated on a 5,000 SF lot.
(b) Multifamily fees based on a wood-construction building with 150 units on 4.5 acres (34 units per acre) with 200 SF of parking per unit. Each unit is 1,200 SF in size.
(c) Includes building permit and plan check fees. Assumes there are no additional fees for a grading permit, Zoning or General Plan changes.
(d) Includes review by Planning, Engineering, Building Inspection and Fire Departments. Estimates are based on total staff review costs for a recent project.
(e) The City of Milpitas assesses traffic impact fees that vary greatly by street location. Since there is no uniform way to calculate these fees, they are not included in this table.
Sources: City of Milpitas, 2014; BAE, 2014.

In addition to development fees, the City charges planning fees to processs planning applications as needed, as shown in Table 5.8. The majority of these fees would apply to subdivisions or multifamily housing, but some, such as a conditional use permit or variance, could also apply to single family housing. These fees are necessary to cover the staff time that is required to process applications associated with proposed developments.

Table 5.8: City of Milpitas Residential Planning Fees, 2014

Fee Category	Amount
Variance	Single-Family: $375 Multifamily: $3,000 initial deposit
Conditional Use Permit	Single-Family: $375 Multifamily: $3,000 initial deposit
General Plan Amendment	$20,000 initial deposit
Zoning Change	$5,000 initial deposit
Site Development Permit	Minor: $750 initial deposit New Buildings: $20,000 initial deposit
Planned Unit Development	$20,000 initial deposit
Specific Plan	$20,000 initial deposit
Development Agreement	$20,000 initial deposit
Tentative Tract Map	$10,000 initial deposit
Tentative Parcel Map	$5,000 initial deposit

Sources: City of Milpitas, 2014; BAE, 2014.

City staff report that the City's fees for projects outside of the TASP are generally comparable with other jurisdictions in Silicon Valley. The TASP impact fee brings fees for projects in the TASP slightly higher than average, but the fee is necessary to cover the cost of infrastructure improvements needed to serve new development.

Development fees have increased in Milpitas since the prior Housing Element Update, but have not constrained residential development. Due to high demand for housing in Silicon Valley, land use policies in Milpitas that facilitate high-density residential development, and the City's access to existing transportation amenities and a future BART station, Milpitas has maintained strong residential construction activity with the current fee rates. The City also has a history of working to provide fee reductions for developments that provide affordable units in order to mitigate potential constraints to the development of affordable housing.

Infrastructure and Public Facility Constraints

Most of the housing sites shown in Chapter 4 are in developed areas that are fully served by infrastructure, primarily within the Midtown and Transit Area Specific Plan Areas. Although the conversion of older industrial and heavy commercial sites to residential and mixed land uses in the Specific Plan Areas requires that additional infrastructure investment be undertaken to serve new development, the EIRs that were prepared for these Specific Plans addressed the adequacy of infrastructure in both areas and established mitigation measures where necessary and possible. Because the EIR for the TASP was completed after the EIR for the Midtown Specific Plan, and therefore accounted for any potential infrastructure constraints arising from implementation of both Specific

Plans, the findings of the TASP EIR can be used to evaluate infrastructure constraints that would impact the development of the housing sites identified in Chapter 4.

Roads: Even in the absence of new development in the Transit Area, traffic congestion is often a problem in Milpitas during peak hours. The Environmental Impact Report for the Transit Area Specific Plan discusses impacts of planned growth in the area on the roads and highways in Milpitas. The EIR concludes that there will be significant, unavoidable environmental impacts on the transportation system, including the following:

- Freeway speeds and delays on I-680, I-880, and SR-237/Calaveras Blvd segments will be below the Congestion Management Program LOS Standards.
- There will be substandard roadway segment operation during peak hours along numerous roads.
- Growth in the Transit Area will contribute to substandard intersection operations during peak hours along 15 key intersections. However, impacts at two intersections are more easily mitigated than are impacts at other affected intersections.

In the detailed listing of impacts, 13 intersections are identified that could operate at unacceptable levels of service when the area is built out. These intersections are divided into two groups. The first group consists of roads that are not programmed for improvements and includes the following intersections:

1. Tasman/Alder Drive
2. McCarthy Boulevard/Alder Drive
3. Tasman Drive/N. First St.
4. Montague Expressway/Milpitas Boulevard
5. Montague Expressway/First Street

The second group consists of intersections that can be improved once funds are generated through the Transit Area Impact Fee:

1. Tasman Drive/I-880 SB Ramps
2. Great Mall Parkway/I-880 NB Ramps
3. Montague Expressway/McCarthy Boulevard-O'Toole Avenue
4. N. Capitol Avenue/Trade Zone Boulevard-Cropley Avenue
5. Great Mall Parkway-E. Capitol Avenue/Montague Expressway
6. Montague Expressway/Zanker Road
7. Montague Expressway/S. Main Street-Oakland Road
8. Montague Expressway/McCandless Drive-Trade Zone

Freeway congestion is a regional issue, and therefore requires a regional solution. In the long run, it is hoped that more development located near transit will reduce some of the auto trips throughout the Bay Area, including new trips associated with new development in the Transit Area. It is anticipated that

the light rail system and future BART extension to Milpitas will help to manage future congestion in the City, as will the improvement of bicycle and pedestrian facilities planned for the Specific Plan Areas.

Water: The City's current Urban Water Management Plan was adopted in June 2011. As described in the Plan, the City of Milpitas receives potable water from the San Francisco Public Utilities Commission (SFPUC) and the Santa Clara Valley Water District (SCVWD) and has one existing and one future groundwater well that can provide emergency water supply when necessary. In addition, the City operates and maintains a recycled water system owned by the City of San Jose South Bay Water Recycling Program (SBWR). During normal rainfall periods, the City has sufficient water supply to meet water demands through 2035. However, the City could be impacted by shortages in drought periods, during which the two water wholesalers may not have sufficient supplies to meet demand. If a shortage occurs, it may be necessary to reduce water deliveries through drought rationing options, such as calls for voluntary water conservation or mandatory reductions.

The Transit Area Development Impact Fee will fund the design and construction of a second SCVWD water connection to improve the City's water supply. The fee will also provide partial funding toward an additional water supply tank and pump station. These potable water supply improvements are anticipated to occur in five to ten years. The fee will also cover costs to extend the City's recycled water system, which provides water that can be used for irrigation and industrial processes. Some residential projects in the TASP (Harmony, Pace, and Milpitas Station) have already planned or constructed extensions.

In addition, new development is required to install water saving devices required by the Uniform Plumbing Code as adopted by the City of Milpitas. These devices reduce water consumption and reduce wastewater. New irrigation systems for landscaping must meet Statewide conservation requirements and shall be served by recycled water wherever possible.

Wastewater: Wastewater from Milpitas is directed to the San Jose/Santa Clara Water Pollution Control Plan (WPCP) for treatment. Improvements needed within the Transit Area to existing sewer mains are identified in the 2004 Sewer Master Plan Revisions and 2009 Sewer Master Plan Update. The Transit Area Development Impact Fee provides partial funds to construct the improvements necessary to transport wastewater from developing portions of the Transit Area to the City's sewage treatment trunk lines connecting the City to the treatment plant.

The additional capacity required to accommodate cumulative growth in the city, including buildout of the TASP, can be accommodated by the City's contracted capacity at the WPCP. The City has contractual rights to 14.25 mgd, but could need to acquire an additional 0.75 mgd of biochemical oxygen demand treatment capacity at the WPCP. The City will monitor the increase in demand generated by growth throughout the City, including the net increase attributable to the TASP, to determine when additional capacity will be needed.

Storm Drainage: Much of Milpitas, including portions of both Specific Plan Areas and some of the City's housing opportunity sites, is located within the lower floodplain areas of local watersheds and is subject to flood hazards. As a result, area-wide planning is required and special construction methods must be applied to development within much of the TASP and in some other areas in the City. Milpitas updated the City's Storm Drain Master Plan in 2013 to mitigate flooding risk in the City, including the two Specific Plan Areas. In addition, the Santa Clara Valley Transportation Authority has constructed several storm drain improvements that were needed for the planned BART extension to Milpitas.

In addition to area-wide improvements, storm drainage studies for new development projects are performed on a case-by-case basis, with mitigation measures determined for each project. These measures may include on-site improvements, such as raising development sites with fill or adding a storm water retention pond, and off-site improvements, such as the widening of channels or culverts downstream. These improvements are typically financed by the developer as a condition of approval.

Most of the large residential projects built during the last few years, including affordable projects, have been subject to storm drainage improvement requirements. While the storm drainage improvements add to development costs, they have not been a constraint to development, as evidenced by the recent construction of housing projects in the floodplain, and are necessary public safety measures.

Solid Waste: The City of Milpitas sends its recycling to the Republic Waste Services (Republic) Recyclery for processing and sends its garbage to the Newby Island Sanitary Landfill (NISL) for disposal. The City's collection and disposal contracts with Republic (and affiliate companies) end September 5, 2017. Recent studies estimate that the NISL may remain open until approximately 2025, dependent upon the facility obtaining an extension of its State permit. The City offers residential and commercial recycling programs and maintains outreach programs promoting source reduction and waste prevention.

Although residential and commercial development in the Transit Area will increase recycling and garbage generation, the Transit Area EIR states that development in the Transit Area will not cause an appreciable change in the filling rate of the NISL, due primarily to effective diversion rates (recycling program participation).

Environmental Constraints

Both commercial and residential development in Milpitas are constrained by steep hillsides to the east, wetlands to the west, and City boundaries on the north and south. Although some development on the hillsides is possible, the area has significant seismic and landslide risks, and residents in the area are subject to ongoing geologic and wildfire risks. Additionally, hillside homes are expensive to construct and often have significant environmental impacts. Because of the City's various environmental constraints, future housing development in the City will consist largely of infill projects and redevelopment of existing uses. In most cases, properties that are redeveloped are expected to consist

of obsolete industrial buildings that will be redeveloped to accommodate high-density residential uses in the two Specific Plan Areas.

Like much of the Bay Area, the City of Milpitas is located in a seismically active area, with the Hayward Fault Zone located two miles to the east of the TASP area. In Milpitas and throughout the Bay Area, housing must meet building code standards which reflect the area's earthquake and liquefaction hazards.

The potential for flooding constitutes an additional environmental constraint that could limit housing production in Milpitas. Approximately 50 percent of the City, including some of the City's housing sites, is located within the 100-year floodplain. Although flood depths would be very shallow, a combination of on-site and off-site improvements may still be required before building in areas that could experience flooding. Milpitas is in the process of implementing the City's Storm Drain Master Plan, which was updated in 2013 to reduce the impacts of flooding in Milpitas. Concurrent with this Housing Element Update, the City is also updating the Safety Element of the General Plan to address current flooding hazards and establish goals, policies, and objectives to protect the community from the risk of flooding. The Santa Clara Valley Water District has scheduled additional projects that will further reduce the risk of flooding in Milpitas.

Although some environmental constraints might impact the cost of new housing, these constraints are relatively common in the Bay Area, and the City is limited in its ability to reduce their impact on housing costs without endangering public safety.

Housing for Persons with Disabilities

Although many persons with physical disabilities do not require special housing, a proportion of the City's disabled population requires housing that is specially adapted to accommodate their disabilities. Housing can be made available to those individuals that require accessibility features by making modifications to existing housing units to make these units accessible and by ensuring that new housing units incorporate accessibility features. Some individuals with disabilities also benefit from living near transit and supportive services, and some may require housing with supportive services on site.

The City ensures that new housing developments comply with California building standards (Title 24 of the California Building Code), which have more rigorous accessibility requirements than the ADA, and provides applicants with a check list to assist them in developing plans that are compliant with Title 24 and ADA before they are submitted. Building Department staff is well versed in accessibility requirements and able to assist applicants when needed. In addition to requiring that residential buildings meet accessibility requirements, the City requires ADA-compliant parking, accessible entries, accessible paths of travel through areas being altered, and accessible restrooms, drinking fountains and public phones.

Pursuant to State law, Milpitas does not require discretionary review of small group homes (six or fewer residents) for persons with disabilities. The City allows small group homes in all residential zones and allows large group residential facilities in the R3 and R4 zones. Milpitas does not have any zoning, design review, or building code provisions that conflict with the goal of providing a barrier-free environment and does not impose zoning, building code, or permitting procedures to housing serving individuals with disabilities other than those allowed by State law. There are no City-mandated constraints on housing for persons with disabilities and no spacing requirements for group homes in Milpitas.

The City encourages residential retrofitting to make existing homes more accessible for persons with disabilities and provides funding for retrofits. During the last Housing Element planning period, Milpitas assisted 63 households with funding for home retrofits to accommodate accessibility features at a total cost of $185,000. The City also works with applicants who need special accommodations in their homes to ensure that building code requirements do not create a constraint.

The City of Milpitas adopted Zoning Ordinance amendments in 2013 to establish a procedure for requesting reasonable accommodations for persons with disabilities and for City review of reasonable accommodation requests. In addition to these amendments, the Zoning Ordinance [Section 10-54.08(B)(9)] allows accessibility ramps and associated railings in any front, side or rear setback, provided that these features are no closer than three feet from the property line.

Potential Non-Governmental Constraints

Apart from governmental constraints, there are often non-governmental constraints that limit the production of both market-rate and affordable housing. Non-governmental constraints to housing production often consist of market-related conditions, such as the cost of land and construction and the availability of financing, which can significantly constrain housing production for low- and moderate-income households in particular.

Land Costs

The cost of land has a considerable impact on development costs, and high land prices impact the feasibility of residential development throughout the Bay Area, including Milpitas. A study completed in July 2013 reported that recent land sales in Milpitas varied from approximately $41 to $78 per square foot, and data on recent land sales and currently selling properties indicate that current prices for land zoned for high-density residential development in Milpitas typically range from approximately $70 to $90 per square foot. However, the actual sale price of land in Milpitas could vary substantially from these figures based on a number of factors.

Jurisdictions can influence the impact of land prices on development costs by increasing the number of units that can be built on a given piece of land. Although land zoned at higher densities often costs more per acre than land zoned at low densities, higher-density zoning typically reduces the cost of land

on a per-unit basis. The densities allowed in the Midtown and Transit Area Specific Plan areas, as well as the increased densities allowed in the Transit Oriented Development Overlay District demonstrate that Milpitas has implemented higher densities to decrease housing development costs on a per-unit basis in key areas of the City.

In addition to zoning land at densities that help to reduce housing costs, Milpitas has facilitated residential development by providing City-owned land to residential developers at no cost. In 2013, Milpitas gave 5.94 acres to the developer of a senior housing project on Main Street, which is planned for 389 units, 48 of which will be affordable to lower-income households. Depending largely on the outcome of the Redevelopment Successor Agency's disposition agreement with the State, Milpitas may be able to provide affordable housing developers with additional sites that were formerly controlled by the City's Redevelopment Agency to at low or no cost in the future.

Construction Costs

According to RS Means, a standard source used to estimate construction costs, construction costs for an average-quality 1,600-square foot single-family home in Milpitas average approximately $190,000 to $265,000 per unit, or approximately $120 to $165 per square foot. However, construction costs vary substantially depending on product type, building design, and the quality of finishes, and construction costs are often considerably higher for custom or luxury-quality housing units. In addition, soft costs such as financing, permit fees, and marketing add to the total development costs for a project.

On a per-square-foot basis, construction costs for multifamily residential units tend to be slightly higher than construction costs for single-family homes. RS Means estimates that average construction costs range from approximately $175 to $230 per square foot for a one- to three-story multifamily project and approximately $200 to $230 for a four- to seven-story multifamily residential project in Milpitas. Assuming an average unit size of 1,200 square feet (including common areas), these estimates result in construction costs ranging from approximately $210,000 to $280,000 per unit in Milpitas. In addition to the cost of unit construction, parking adds substantial additional costs to multifamily construction, which vary considerably based on the type of parking provided. Structured parking can average $30,000 or more per space, while underground parking can cost $40,000 per space or substantially more.

The high land and development costs in Milpitas mean that, without subsidies, new rental units affordable to very low and low-income households are difficult to provide at a feasible rate of return to a developer or investor. This also tends to hold true for for-sale housing at the moderate income level.

Financing

Although the constrained availability of construction and permanent financing for new development projects has hindered housing production nationwide during the past several years, financing has become somewhat more accessible as the housing market recovers. Residential developers reported that lenders substantially restricted the availability of financing for new residential construction

following the 2007 mortgage crisis. While private lenders often offered loans equal to 70 to 90 percent of the building value prior to the crisis, many began limiting loans to 50 percent of the building value after 2007. Furthermore, lenders instituted strict standards to determine whether developers would qualify for loans, even at the reduced loan-to-value ratios. These lending standards significantly lowered the pace of new housing development throughout the Bay Area and nationally.

The availability of mortgages for homebuyers was also severely restricted following the 2007 subprime mortgage crisis, but lenders have begun to make financing more accessible as the housing market has shown signs of recovery. Prior to 2007, prospective homebuyers were often able to purchase homes with little or no down payment. However, in response to the 2007 mortgage crisis, lenders instituted strict lending standards, typically requiring a 20 percent down payment and high credit scores. One outcome of these stricter standards was reduced access to homeownership for low- and moderate-income households unable to afford the large down payment required to purchase a home.

As the housing market and economic conditions in general have improved, lenders have begun to relax some of the lending restrictions that were instituted after 2007. Although lending standards continue to be less flexible than they were prior to the mortgage crisis, and may remain so indefinitely, loans have become more accessible for developers and individual homebuyers in recent years than in the years immediately following the height of the housing crisis.

Current home mortgage interest rates for home loans are at historically low levels, averaging 3.98 percent in 2013 for a 30-year fixed-rate mortgage. This means that prospective homebuyers that are able to qualify for home loans under the more stringent current lending standards are often able to benefit from low interest rates, reducing ownership costs.

6. HOUSING PLAN

This chapter presents Milpitas's housing goals during the 2015-2023 planning period as well as policies and programs to support these goals. While Milpitas has long had an active set of housing programs, much of the activity was dependent on federal, state, and Redevelopment Agency funding resources. Given the limitations imposed by current budget constraints and reductions in available funding, this Housing Element adds policies and programs balanced with these limitations. All policies and programs have been reviewed to maximize development of affordable housing, effectively utilize funding for affordable housing activities, provide housing for special needs populations, and provide housing for all economic segments of the community. It should be noted that certain prior programs have been modified or deleted to reflect current market and fiscal conditions, as well as accomplishments during the previous Housing Element period.

Housing Goals, Policies, and Programs

Housing policies and programs are grouped under six major goals:

Goal A: **Provide Adequate Sites.** Maintain adequate sites to accommodate the City's share of the regional housing need, including sites that are appropriate for the development of housing affordable to very low-, low-, moderate- and above moderate-income households.

Goal B: **Maintain and Preserve Housing Resources.** Maintain high-quality residential neighborhoods and preserve existing housing resources, including units affordable to extremely low-, very low-, low-, and moderate-income households and market rate units.

Goal C: **Facilitate New Housing Production.** Promote new housing development and remove public infrastructure constraints to new housing development.

Goal D: **Support Housing Diversity and Affordability.** Support the development of a diverse range of housing types, including rental and ownership units, housing affordable to all economic segments of the community, and housing for individuals with special housing needs.

Goal E: **Eliminate Housing Discrimination.** Ensure equal housing opportunity for all households and equal access to the City's housing resources.

Goal F: **Promote Energy Conservation.** Promote energy efficiency in residential development in Milpitas, including reduction of energy use through better design and construction in individual homes and energy-efficient urban design.

Goal A: Provide Adequate Sites

Ensure provision of adequate sites to accommodate the City's share of the regional housing need, including sites that are appropriate for the development of housing affordable to very low-, low-, moderate- and above moderate-income households.

Policy A.1: **Facilitate land acquisition and site assembly.**

Program A.1.1: The City will continue to work with local property owners to assemble small sites for future developments.

Responsible Department:	Planning & Neighborhood Services
Funding Source:	Department Budget for Staff
Time Frame:	Ongoing

Policy A.2: **Consider land use re-designations as needed**

Program A.2.1: Although the City is able to accommodate its share of the regional housing need without rezoning during the current Housing Element period, the City will consider land use re-designations as needed in order to accommodate specific residential projects.

Responsible Department:	Planning & Neighborhood Services
Funding Source:	Department Budget
Time Frame:	Ongoing

Goal B: Maintain and Preserve Housing Resources

Maintain high-quality residential neighborhoods and preserve existing housing resources, including units affordable to extremely low-, very low-, low-, and moderate-income households and market rate units.

Policy B.1: **Enforce housing codes and regulations to correct code violations while minimizing the displacement of residents.**

Program B.1.1: The City will continue to enforce its existing codes through its Code Enforcement Program. This program has been strengthened through the passage of the Neighborhood Beautification Ordinance (NBO), which establishes guidelines for the overall maintenance and preservation of neighborhoods citywide.

Responsible Department:	Planning & Neighborhood Services
Funding Source:	General Fund
Time Frame:	Ongoing

Program B.1.2: Through its Replacement/Relocation Program, the City will assist any households displaced through code enforcement activities to relocate to other suitable housing that is affordable to the households that are displaced.

Responsible Department: Planning & Neighborhood Services
Funding Source: City Housing Authority
Time Frame: Ongoing

Policy B.2: **Provide assistance for the rehabilitation of housing units occupied by very low-income and low-income households.**

Program B.2.1: Through the Housing Rehabilitation Program, the City will provide funds to assist very low- and low-income owner households to undertake repairs to their homes to bring them up to standard condition and prolong the useful life of the local housing stock. The City will give priority for participation in this program to very low-, and low-income homeowners who are subject to code enforcement actions that could otherwise lead to displacement of residents. Assuming adequate CDBG funding, the City will continue assisting between 16 and 24 low-income homeowners over the course of the planning period.

Responsible Department: Planning & Neighborhood Services
Funding Source: CDBG, City Housing Authority
Time Frame: Ongoing

Program B.2.2: The City will continue to provide CDBG funds to Rebuilding Together to provide safety, accessibility, and mobility repairs to mobile and single family homes owned by very low- and low-income households.

Responsible Department: Planning & Neighborhood Services
Funding Source: CDBG
Time Frame: Ongoing

Program B.2.3: The City will continue to support Project Sentinel, which provides fair housing assistance, landlord-tenant mediation services, and mortgage default counseling to Milpitas residents.

Responsible Department: Planning & Neighborhood Services
Funding Source: CDBG, City Housing Authority
Time Frame: Ongoing

Policy B.3: **Monitor the need to replace infrastructure as needed to conserve older neighborhoods.**

Program B.3.1: When updating its Capital Improvement Program and associated budget, the City will allocate resources to rehabilitate and/or replace infrastructure in older neighborhoods whose infrastructure is approaching obsolescence.

Responsible Department: Engineering
Funding Source: Department Budget (CIP)
Time Frame: Ongoing

Policy B.4: **Collaborate with other public and private entities to ensure that no extremely low-, very low-, or low-income residents are adversely impacted by the conversion of existing affordable housing projects to market rate rents.**

Program B.4.1: The City will continue to monitor the status of the 149 units at risk of conversion to market rates at Sunnyhills Apartments. The City will work with the Santa Clara County Housing Authority, U.S. Department of Housing and Urban Development, and the property owner to ensure the continuation of subsidies to the 149 low-income renters. If notice is received that the owner will convert the property to market rate use, the City will implement the following actions:

- Establish contact with public and non-profit organizations, such as Mid-Peninsula Housing Coalition, BRIDGE Housing, and other non-profit housing providers working in the Santa Clara area to inform them of the potential conversion status of Sunnyhills Apartments and to determine interest in purchasing and/or managing units at-risk.
- Provide technical assistance and support to these organizations with respect to financing to acquire or replace these units.
- Work with tenants of at-risk units and provide them with education regarding tenant rights and conversion procedures, Section 8 vouchers available through the Santa Clara Housing Authority, and other housing opportunities in the City for low-income households.
- Assist tenants to obtain priority status on the Section 8 Waiting List.

Responsible Department: Planning & Neighborhood Services
Funding Source: Department Budget
Time Frame: Beginning in 2017, in anticipation of the expiration of the current contract between HUD and the property owner

Policy B.5: **Maintain the existing stock of housing affordable to extremely low-, very low-, low-, and moderate-income households that is provided through the private market and provide tenant protections for apartment units at risk of condominium conversion.**

Program B.5.1: The City will continue to administer its condominium conversion ordinance to minimize the negative impacts of conversions on the rental market.

Responsible Department: Planning & Neighborhood Services
Funding Source: Department Budget
Time Frame: Ongoing

Program B.5.2: The City will continue to administer its mobile home rent control ordinance, which regulates rental rates and the rights and responsibilities of tenants and property owners for the three mobile home parks in Milpitas.

Responsible Department: Planning & Neighborhood Services
Funding Source: N/A
Time Frame: Ongoing

Goal C: Facilitate New Housing Production.

Promote new housing development and remove public infrastructure constraints to new housing development.

Policy C.1: **Continue to facilitate housing production through implementation of the TASP and Midtown Specific Plan.**

Program C.1.1: Continue to expedite environmental review in the TASP area by utilizing the Specific Plan EIR for projects that are consistent with the TASP.

Responsible Department: Planning & Neighborhood Services
Funding Source: N/A
Time Frame: Ongoing

Program C.1.2: The City will continue to implement the planning and design guidelines specified in the Midtown and Transit Area Specific Plans, including minimum densities, intensive land utilization, and mixed-use zoning.

Responsible Department: Planning & Neighborhood Services
Funding Source: Department Budget, TASP Impact Fee
Time Frame: Ongoing

Policy C.2: **Address public infrastructure constraints to housing production where feasible.**

Program C.2.1: The City will continue to coordinate sanitary and storm sewer improvements with the Cities of San Jose and Santa Clara and other relevant agencies if needed to acquire sufficient wastewater capacity to serve residential development. Measures to be explored include the reduction of wastewater flows (through water conservation programs) and the purchase of surplus capacity from other agencies using the regional water pollution control plant.

Responsible Department: Planning & Neighborhood Services, Engineering
Funding Source: Department Budgets
Time Frame: Ongoing

Program C.2.2: The City will continue to work with the Santa Clara Valley Water District to reduce the extent of the flood plain on the housing sites identified in the Midtown Specific Plan in accordance with the Safety Element Update currently in progress.

Responsible Department: Planning & Neighborhood Services, Engineering
Funding Source: Department Budgets
Time Frame: Ongoing

Program C.2.3: On an ongoing basis, the City will explore alternatives to the on-site retention of stormwater on each housing site, including the development of an area-wide retention pond or allowances for porous pavement and other surfaces that can absorb runoff.

Responsible Department: Planning & Neighborhood Services, Engineering
Funding Source: Department Budgets
Time Frame: Ongoing

Program C.2.4: The City will continue to pursue State and federal grants and other financing to reduce the cost of off-site traffic improvements for housing developers in the City.

Responsible Department: Planning & Neighborhood Services, Engineering
Funding Source: Department Budgets, TASP Impact Fee
Time Frame: Ongoing

Program C.2.5: The City will continue to monitor additional infrastructure improvements needed for access to the Union Pacific Site.

Responsible Department: Planning & Neighborhood Services, Engineering
Funding Source: Department Budgets
Time Frame: Ongoing

Policy C.3: **Facilitate development of executive-luxury style housing to support the City's economic development strategy.**

Program C.3.1: The City will continue to work with builders developing high-rise buildings and with custom homebuilders to assist in the creation of additional executive-luxury style housing within the City.

Responsible Department: Planning & Neighborhood Services
Funding Source: Department Budget
Time Frame: Ongoing

Goal D: Support Housing Diversity and Affordability

Support the development of a diverse range of housing types, including rental and ownership units, housing affordable to all economic segments of the community, and housing for individuals with special housing needs.

Policy D.1: **Seek out new funding sources to support the development and preservation of housing that is affordable to extremely low-, very low-, low-, and moderate-income households and housing for individuals with special housing needs.**

Program D.1.1: Advocate for policies and legislation at the State and Federal level that increase the funding available to support the development and preservation of housing that is affordable to extremely low-, very low-, low-, and moderate-income households.

Responsible Department: Planning & Neighborhood Services
Funding Source: N/A
Time Frame: Ongoing

Program D.1.2: The City will continue to monitor federal, State, and other public and private funding sources that support the development and preservation of housing that is affordable to extremely low-, very low-, low-, and moderate-income households and submit applications for funding as appropriate.

Responsible Department: Planning & Neighborhood Services
Funding Source: N/A
Time Frame: Ongoing

Policy D.2: **Facilitate the development of at least 565 new housing units affordable to moderate-income households, 570 units affordable to low-income households and 1,004 new housing units affordable to very low-income households.**

Program D.2.1: The City will continue to operate its Below-Market Rate Financing Program for new construction.

Responsible Department: Planning & Neighborhood Services
Funding Source: City Housing Authority, developer contributions
Time Frame: Ongoing

Program D.2.2: The City will continue to promote affordable units in residential projects. In conformance with Section XI-10-6.03 of the City's Zoning Ordinance, affordable housing requirements are negotiated on a project-by-project basis, aiming for a minimum percentage (20 percent) of units in all housing developments to be affordable to extremely low-, very low-, low-, and/or moderate-income households.

Responsible Department: Planning & Neighborhood Services
Funding Source: N/A
Time Frame: Ongoing

Program D.2.3: The City will continue to provide density bonuses in accordance to the City's Density Bonus Ordinance.

Responsible Department: Planning & Neighborhood Services
Funding Source: Department Budget, City Housing Authority
Time Frame: Ongoing

Program D.2.4: When possible, the City will continue to provide fee reductions, waivers, or financial assistance to cover the cost of fees for housing developments that provide units that are affordable to extremely low-, very low-, low-, or moderate-income households.

Responsible Department: Planning & Neighborhood Services
Funding Source: Department Budget, City Housing Authority
Time Frame: Ongoing

Program D.2.5: When possible, the City will allow for deviations from development standards or provide other incentives to developers that agree to provide community benefits such as housing that is affordable extremely low-, very low-, low-, and/or moderate-income households.

Responsible Department: Planning & Neighborhood Services
Funding Source: City Housing Authority
Time Frame: Ongoing

Policy D.3: **Promote homeownership opportunities for low- and moderate-income households.**

Program D.3.1: The City will continue to provide assistance to first-time homebuyers to purchase below market rate units.

Responsible Department: Planning & Neighborhood Services
Funding Source: City Housing Authority
Time Frame: Ongoing

Policy D.4: **Support the development of housing for individuals and households with special housing needs.**

Program D.4.1: The City will encourage affordable housing developers to include units for extremely low-income households in future developments and will provide its housing trust funds to help subsidize development costs to achieve affordability targeting to extremely low-households.

Responsible Department: Planning & Neighborhood Services
Funding Source: City Housing Authority, Housing Trust of Silicon Valley
Time Frame: Ongoing

Program D.4.2: The City will continue to facilitate the development of emergency and transitional housing through financial and/or other incentives.

Responsible Department: Planning & Neighborhood Services
Funding Source: CDBG
Time Frame: Ongoing

Program D.4.3: The City will modify its Zoning Ordinance to allow transitional and supportive housing in all mixed-use zoning districts that allow residential uses, subject to the same requirements as other residential uses in the same zones.

Responsible Department: Planning & Neighborhood Services
Funding Source: Department Budget
Time Frame: 2015

Program D.4.4: The City will continue to support emergency services and housing resources consistent with the City's ongoing commitment to and participation in the Santa Clara County Continuum of Care Plan.

Responsible Department: Planning & Neighborhood Services
Funding Source: CDBG
Time Frame: Ongoing

Program D.4.5: Milpitas will continue to provide funds (through CDBG and other programs) to local non-profits such as Rebuilding Together to assist residents with home retrofits.

Responsible Department: Planning & Neighborhood Services, Building
Funding Source: CDBG & Department Budgets
Time Frame: Ongoing

Program D.4.6: Milpitas will require units that are accessible to individuals with disabilities in new housing developments.

Responsible Department: Planning & Neighborhood Services, Building
Funding Source: CDBG & Department Budgets
Time Frame: Ongoing

Program D.4.7: Milpitas will continue to enforce Title 24 of the California Building Code and the Americans with Disabilities Act (ADA) when reviewing proposed development plans.

Responsible Department: Planning & Neighborhood Services, Building
Funding Source: CDBG & Department Budgets
Time Frame: Ongoing

Program D.4.8: The City will provide information on housing resources and suitable housing opportunities in Milpitas to individuals with disabilities.

Responsible Department: Planning & Neighborhood Services, Building
Funding Source: CDBG & Department Budgets
Time Frame: Ongoing

Program D.4.9: Working with the San Andreas Regional Center, Milpitas will implement an outreach program that informs residents on housing and services available for persons with developmental disabilities. The program could include the development of an informational brochure, updating the City's housing assistance resource web page to provide additional information on services, and providing housing-related training for individuals and families through workshops.

Responsible Department: Planning & Neighborhood Services
Funding Source: Department Budgets, City Housing Authority
Time Frame: 2015

Program D.4.10: During project review, City staff shall encourage the inclusion of studio and four-bedroom units in new projects as feasible and provide financial and regulatory incentives when possible.

Responsible Department: Planning & Neighborhood Services
Funding Source: N/A
Time Frame: Ongoing

Policy D.5: **Support alternative housing types such as live/work lofts and manufactured housing.**

Program D.5.1: Consistent with the Midtown Specific Plan, the City will favorably consider applications for live-work units in zoning districts where live-work units are a permitted or conditionally-permitted use.

Responsible Department: Planning & Neighborhood Services
Funding Source: N/A
Time Frame: Ongoing

Program D.5.2: The City will continue to permit manufactured housing in R1 zones subject to the same architectural requirements and development standards as other dwellings in the same zone.

Responsible Department: Planning & Neighborhood Services
Funding Source: N/A
Time Frame: Ongoing

Program D.5.3: The City will modify the zoning ordinance to allow manufactured housing in all zoning districts where residential development is allowed, subject to the same

architectural requirements and development standards as other dwellings in the same zone.

Responsible Department:	Planning & Neighborhood Services
Funding Source:	Department Budget
Time Frame:	2015

Policy D.6: **Support the inclusion of space for childcare facilities in new residential developments.**

Program D.6.1: The City will continue to encourage new residential developers to provide space for childcare facilities to promote the integration of this needed service in residential areas as they are developed.

Responsible Department:	Planning & Neighborhood Services, Child Care Coordinator
Funding Source:	Department Budget
Time Frame:	Ongoing

Goal E: Eliminate Housing Discrimination

Ensure equal housing opportunity and equal access to the City's housing resources for all households.

Policy E.1: **Work to eliminate all unlawful discrimination in housing with respect to age, race, gender, sexual orientation, marital or familial status, ethnic background, medical condition, or other arbitrary factors, so that all residents can obtain decent housing throughout the City.**

Program E.1.1: The City will work with appropriate local, State, and federal agencies to ensure that fair housing laws are enforced.

Responsible Department:	Planning & Neighborhood Services
Funding Source:	CDBG, Department Budget
Time Frame:	Ongoing

Program E.1.2: The City will continue to implement its ordinances and policies prohibiting discrimination in housing practices.

Responsible Department:	Planning & Neighborhood Services
Funding Source:	CDBG, Department Budget
Time Frame:	Ongoing

Program E.1.3: The City will carry out necessary actions to address any impediments to fair housing choice identified in the City's HUD-mandated Analysis of Impediments to Fair Housing (AI).

Responsible Department:	Planning & Neighborhood Services
Funding Source:	CDBG, Department Budget
Time Frame:	Through 2017 for impediments identified in the most recent (2012-2017) AI; 2017-2022 for impediments identified in the upcoming AI (to be completed prior to 2017).

Program E.1.4: The City will continue to distribute information on fair housing laws through flyers, brochures, public service announcements, and other means.

Responsible Department:	Planning & Neighborhood Services
Funding Source:	CDBG, Department Budget
Time Frame:	Ongoing

Program E.1.5: The City will continue to fund an appropriate agency, such as Project Sentinel, to advocate for Milpitas households that may have experienced unfair or illegal housing practices.

Responsible Department:	Planning & Neighborhood Services
Funding Source:	CDBG, Department Budget
Time Frame:	Ongoing

Goal F: Promote Energy Conservation

Promote energy efficiency in residential development in Milpitas, including reduction of energy use through better design and construction in individual homes and energy-efficient urban design.

Policy F.1: **Promote energy efficiency in new and existing residential development.**

Program F.1.1: The City will continue to partner with local utility providers to promote participation of Milpitas' low-income residents in available energy efficiency programs, such as PG&E's Energy Partners Program.

Responsible Department:	Planning & Neighborhood Services, Building
Funding Source:	Department Budgets
Time Frame:	Ongoing

Program F.1.2: The City will continue to promote use of passive solar devices and promote energy audits of existing homes.

Responsible Department: Planning & Neighborhood Services, Building
Funding Source: Department Budgets
Time Frame: Ongoing

Program F.1.3: Milpitas will continue to implement the City's Green Building Ordinance.

Responsible Department: Planning & Neighborhood Services, Building
Funding Source: Department Budgets
Time Frame: Ongoing

Program F.1.4: The City will continue to encourage the incorporation of energy- and water-saving principles in the design and planning of new residential developments, including features such as solar orientation and the use of recycled water.

Responsible Department: Planning & Neighborhood Services, Building
Funding Source: Department Budgets
Time Frame: Ongoing

Program F.1.5: The City will continue to encourage mixed-use and transit-oriented development at transit nodes.

Responsible Department: Planning & Neighborhood Services, Building
Funding Source: Department Budgets
Time Frame: Ongoing

Program F.1.6: In accordance with the Green Building Policy Resolution adopted in February 2008, the City will continue to require that planning applications for new buildings include a completed LEED checklist.

Responsible Department: Planning & Neighborhood Services, Building
Funding Source: Department Budgets
Time Frame: Ongoing

Quantified Objectives

The following table summarizes the quantified objectives for the construction, rehabilitation, and conservation of housing in the City of Milpitas for the 2015-2023 Housing Element period.

Table 6.1: Summary of Quantified Objectives, City of Milpitas, 2015-2023

	Construction (a)	Rehabilitation	Conservation/ Preservation (b)
Total Units	**3,290**	**60**	**149**
Extremely Low Income (c)	502	0	149
Very Low-Income	502	25	0
Low Income	570	35	0
Moderate Income	565	0	0
Above Moderate Income	1,151	0	0

(a) Construction goal reflects housing need defined by the RHNA numbers. As of 2014, a significant number of new units are already under construction, approved or are in the planning process.
(b) This figure does not include mobile home units rented to seniors on fixed incomes.
(c) The quantified objective for extremely low-income housing units is assumed to be one-half the total of the very low-income units required.
Sources: City of Milpitas, 2014; BAE, 2014.

The figures shown in Table 6.1 are based the following:

- New construction goals reflect the RHNA figures for Milpitas for the 2015-2023 planning period.
- Rehabilitation goals are based on the current funding provided by the City's CDBG Rehabilitation Program.
- The conservation goal is based on the need to preserve or replace the 149 affordable units at-risk to market conversion at Sunnyhills Apartments. In addition, there are 544 mobile home units in the City's three mobile home parks. The City administers a Mobile Home Rent Control Ordinance to maintain affordability for those units occupied by low-income seniors, which are estimated to comprise approximately 65 percent of mobile home residents in Milpitas.

APPENDIX A: MILPITAS HOUSING ELEMENT ACCOMPLISHMENTS, 2007-2014

Table B-1: Evaluation of Programs in the 2007-2014 Housing Element

2007-2014 Housing Element Program	2007-2014 Achievements	Appropriateness for 2015-2023 Housing Element
A. Identification of Adequate Sites **Goal A-1: Provide Adequate Sites for Housing Development in the City of Milpitas**		
Policy A-1: Facilitate land acquisition and assembly		
Facilitate land acquisition and site assembly	Milpitas facilitated the land acquisition and site assembly as needed throughout the planning period.	Ongoing Program 2014-2022
Policy A-2: Modify land use designation as necessary		
Study land use redesignation as needed	Due to the adoption of the Transit Area and Midtown Specific Plans, the City had sufficient sites to accommodate residential development throughout the planning period. As a result, no redesignations were necessary.	Ongoing Program 2014-2022
B. Housing and Neighborhood Conservation **Goal B-1: Maintain High Quality Residential Environments** **Goal B-2: Preserve Housing Resources**		
Policy B-1: Continue to enforce housing codes and regulations		
Operate Code Enforcement Program	Code Enforcement Staff continue to implement citywide Neighborhood Beautification Ordinance to address code violations.	On-Going Program 2014-2022
Operate Replacement/Relocation Program to assist any households displaced through code enforcement activities	Code enforcement activities did not displace any households during the planning period and therefore no replacement or relocation assistance was needed.	Continue to monitor any replacement/relocation of households and provide funding as needed.
Policy B-2: Provide assistance for rehabilitation to lower-income households		
Continue to operate the CDBG Rehabilitation Program	Milpitas provided $1.3 million through the CDBG Rehabilitation Program during the planning period, providing assistance to 21 low-income households.	On-Going Program 2014-2022
Operate a Lift Program where needed	Milpitas was unable to implement this program during the planning period due to limited property owner interest.	Program will not be continued during the 2014-2022 Housing Element period.
Continue to support Rebuilding Together to preserve affordable housing	Milpitas provided $355,000 to Rebuilding Together to assist in the preservation of affordable housing units during the planning period.	On-Going Program 2014-2022
Continue to support Project Sentinel	Continued to support Fair Housing Services	On-Going Program 2014-2022
Policy B-3: Replace infrastructure as needed		
Provide priority in Capital Improvement Program to rehabilitate/replace infrastructure in older neighborhoods	Milpitas Capital Improvement Program and Housing Authority has provided funding to address needs of older neighborhoods	On-Going Program 2014-2022
Policy B-4: Preserve or replace affordable housing that converts to market rate		
Continue to monitor at-risk Sunnyhills Apartments. If notice to convert is received, the City will: 1) Contact public and non-profit agencies to inform them of potential conversion; 2) Provide technical assistance and support to agencies; 3) Help at-risk tenants.	Milpitas has worked with the Housing Authority of Santa Clara County to renew the Section 8 Vouchers for tenants of Sunnyhills Apartments to maintain long-term affordability and prevent units from being at-risk. Milpitas continues to monitor the project.	On-Going monitoring 2014-2022

Table B-1: Evaluation of Programs in the 2007-2014 Housing Element

2007-2014 Housing Element Program	2007-2014 Achievements	Appropriateness for 2015-2023 Housing Element
Policy B-5: Preserve affordable housing provided by the market		
Continue to administer the Condominium Conversion Ordinance	No condominium conversions were proposed during the 2007-2014 Housing Element Update cycle.	On-Going monitoring 2014-2022
Continue to administer the Mobile Home Rent Control Ordinance	Milpitas continued to administer the ordinance throughout the planning period.	On-Going Program 2014-2022
C. New Housing Production **Goal C-1: Facilitate New Housing Production**		
Policy C-1: Continue to use planning tools to facilitate housing production		
Use Transit Area Specific Plan EIR to expedite environmental review for projects located in the area	The TASP EIR was used to expedite environmental review of all projects approved within the TASP area during the 2007-2014 Housing Element Update cycle.	On-Going 2014-2022
Continue to implement planning and design guidelines in the Midtown and Transit Area Specific Plans	The Mid-Town and TASP design guidelines were implemented during project review throughout the planning period.	On-Going 2014-2022
Policy C-2: Address Infrastructure constraints to housing production where feasible		
Continue to coordinate sanitary and storm sewer improvements with the Cities of San Jose and Santa Clara	Developers of projects in the TASP area provided upgrades to the sanitary and storm sewer systems to serve the new developments. No additional improvements were needed during the planning period.	On-Going 2014-2022
Continue to work with the Santa Clara Valley Water District to reduce flood plain issues on specific sites	Milpitas has worked with Santa Clara Valley Water District to identify any flood plain issues and has updated Master Flood Plain Map and documents to address potential flood issues in the future	On-Going 2014-2022
Explore alternatives to on-site retention of storm water	On an going basis, Milpitas will continue to explore alternatives to on-site retention of storm water on each housing site including the development of an area wide retention pond or allowances for porous pavement and other pervious surfaces which can absorb runoff. Storm water retention strategies have been explored. However, the residential development community does not require the need at this time. The City will continue to monitor any future needs.	On-Going 2014-2022
Pursue grants to reduce cost of off-site traffic improvements.	Milpitas pursued and received Federal, State and Regional grants and used part of the revenue generated by the TASP impact fee to address traffic improvements.	On-Going 2014-2022
Continue to monitor additional infrastructure improvements needed for access to the Pacific Union site	Milpitas did not approve any developments that necessitated infrastructure improvements to the Pacific Union site during the 2007-2014 Housing Element Update period.	On-Going 2014-2022
Policy C-3: Facilitate the development of executive-luxury style housing to support economic development strategy		
Continue to work with builders developing high-rise buildings and with custom homebuilders to assist in the creation of executive-luxury style housing within the City	Milpitas approved several developments in the TASP and Midtown Specific Plan Areas that include executive-luxury style units between 2007 and 2014.	

Table B-1: Evaluation of Programs in the 2007-2014 Housing Element

2007-2014 Housing Element Program	2007-2014 Achievements	Appropriateness for 2015-2023 Housing Element
D. Housing Diversity and Affordability **Goal D-1: Promote Housing Affordability for Renters and Homeowners** **Goal D-2: Support Housing to Meet Special Needs** **Goal D-3: Support Housing Diversity and Creativity in Residential Development**		
Policy D-1: Facilitate the development of at least 441 new housing units affordable to moderate-income households, 421 units affordable to low income households and 689 new housing units affordable to very low income households		
Continue to operate the Below-Market Rate Financing Program for new construction	Milpitas provided grants and loans totaling $21,649,997 to support the development of 99 units affordable to moderate-income households and 62 units affordable to very low income households between 2007 and 2014.	On-Going seeking other funds sources, 2014-2022
Policy D-2: Continue to target the provision of 20 percent affordable units within new multifamily projects		
Continue to promote affordable units in new residential projects	Milpitas approved 13 projects with a total of 791 units affordable to lower-income households (351 very low-income, 194 low-income, and 174 moderate-income units) between 2007 and 2014.	On-Going seeking other funds sources, 2014-2022
Policy D-3: Provide incentives for affordable units		
Continue to provide density bonuses to new residential development	Two projects in Milpitas received density bonuses between 2007 and 2014: Shea Properties, which includes 8 units affordable to very low-income households, and S. Main St Senior Housing, with includes 48 units affordable to 48-income households.	On-Going 2014-2022
Continue to assist developers in paying development fees for low-income and special needs units included in new residential projects	Milpitas provided $5.3 million in development fee reductions and waivers to assist in the development of 308 units affordable to very low-, low-, or moderate-income households between 2007 and 2014.	On-Going seeking other funds sources 2014-2022
Policy D-4: Promote homeownership for lower- and moderate-income households		
Continue to provide assistance to first-time homebuyers	Between 2007 and 2014, Milpitas assisted 227 first-time homebuyer households in the purchase of homes through the City's first-time homebuyer program.	On-Going seeking other funds sources 2014-2022
Policy D-5: Expand housing opportunities for extremely low-income households		
Encourage affordable housing developers to include units for extremely low-income households in future developments. Provide additional financial support for these units.	Milpitas has provided previous Redevelopment 20% Low-Income Housing Set-Aside funds and Community Development Block Grant (CDBG) funds for purchase two (2) single-family homes (& rehabilitation) for 10 extremely low-income Milpitas Seniors. A total of 5 ELI Seniors live in each home. Approximately $1.4 million was used to purchase these units. The City also has provided CDBG funding ($40,000) to Emergency Housing Consortium to provide shelter and services to 78 Milpitas residents to prevent homelessness.	On-Going seeking other funding sources 2014-2022
Policy D-6: Support housing for the homeless		
Continue to facilitate development of emergency and transitional housing through financial and other incentives	Milpitas adopted Zoning Ordinance Amendments (Fall 2013) to facilitate the development of emergency and transitional housing.	On-Going seeking other funding sources 2014-2022

Table B-1: Evaluation of Programs in the 2007-2014 Housing Element

2007-2014 Housing Element Program	2007-2014 Achievements	Appropriateness for 2015-2023 Housing Element
Continue to support emergency services and housing resources through ongoing commitment to and participation in the Santa Clara County Continuum of Care Plan	Milpitas provides a financial contribution every two years to support the Countywide homeless census and survey, which is used by the County to apply for Emergency Shelter Grant funds. Milpitas also ensures that the City's five-year Consolidated Plan remains consistent with County Continuum of Care plan.	On Going 2014-2022
Policy D-7: Promote housing for persons with disabilities		
Provide funds to local non-profits to assist residents with home retrofits	Milpitas provided $185,000 in CDBG funding to provide 63 households with funding to assist residents with home retrofits.	On-Going 2014-2022
Include accessible units within new residential developments	All residential developments constructed in Milpitas between 2007 and 2014 included accessible units in accordance with the City's Building Code.	On-Going 2014-2022
Enforce Title 24 of the Building Code and the ADA when reviewing proposed development plans	The Milpitas Building Department continues to enforce Title 24 of the Building Code and the ADA through the plan approval process. Developers are able to access information about accessibility requirements on the City website and at City Hall.	On-Going 2014-2022
Provide information on housing resources to disabled residents	The City provides information on housing resources for residents with disabilities at City Hall and on the City's website. Milpitas also provides information on housing resources for residents with disabilities in pamphlets distributed to service providers.	On-Going 2014-2022
Modify Zoning Ordinance to include a statement specifying reasonable accommodation for persons with disabilities	Milpitas adopted Zoning Ordinance Amendments (Fall 2013) to address reasonable accommodations.	Not needed. Program was completed with adoption of ordinance.
Policy D-8: Continue to encourage developers to provide new units meeting the needs of both very small and large households		
Encourage developers to include studio and four-bedroom units in new projects as feasible through incentives	Projects approved or built in Milpitas between 2007 and 2014 included 16 studio units and 24 four-bedroom units.	On-Going 2014-2022
Policy D-9: Provide outreach to encourage community acceptance of affordable housing		
Consider establishing a public education campaign that provides positive examples of affordable housing	By encouraging the inclusion of affordable units in high-quality developments in the City, Milpitas has facilitated in providing positive examples of affordable housing in the community. However, public education campaign was not established.	Remove
Policy D-10: Support housing alternatives, such as live/work lofts and manufactured housing		
The City will favorably review applications for live work lofts in R4 and R5 districts	16 live/work units were approved in Milpitas between 2007 and 2014. The City continues to review applications for live work units favorably.	On-Going 2014-2022
The City will modify the Zoning Ordinance to permit manufactured housing in R1 zones	Milpitas Zoning Ordinance was amended to permit manufactured housing in R-1 zones	Program was completed through amendment to the Zoning Ordinance. Milpitas will continue to allow for manufactured housing through continued implementation of the Zoning Ordinance.
Policy D-11: Support the inclusion of space for child care facilities in new residential communities		
The City will explore the feasibility of encouraging developers of large residential projects to include space on-site for child care facilities	Two residential projects with on-site child care facilities were constructed in Milpitas between 2007 and 2014 (Terra Serena and Aspen Family Apts).	On-Going 2014-2022

Table B-1: Evaluation of Programs in the 2007-2014 Housing Element

2007-2014 Housing Element Program	2007-2014 Achievements	Appropriateness for 2015-2023 Housing Element
E. Fair Housing **Goal E-1: Eliminate Housing Discrimination**		
Policy E-1: Work to eliminate all forms of unlawful discrimination so that residents can obtain decent housing through the City		
Ensure that fair housing laws are enforced	Milpitas continues to work with Project Sentinel to enforce fair housing laws.	On-Going 2014-2022
Continue to implement City ordinances and policies that prohibit discrimination in housing	Milpitas continues to review and implement ordinances and policies to address housing discrimination	On-Going 2014-2022
In the event that the Analysis of Impediments identifies ay impediments, the City will take appropriate actions to address them	Milpitas has monitored and addressed all impediments identified in the most recent AI Report.	On-Going review 2014-2022
Continue to distribute information on fair housing laws	The City distributes information on fair housing laws through the City website, cable television, and at City Hall.	On-Going 2014-2022
Continue to fund Project Sentinel to assist Milpitas households that experience discrimination in the housing market	Milpitas provided $165,000 to Project Sentinel between 2007 and 2014 to assist households that experience discrimination in the housing market.	On-Going 2014-2022
F. Energy Conservation **Promote Energy Conservation in Residential Development**		
Policy F-1: Continue to work to achieve energy efficiency in residential developments		
Promote PG&E's Energy Partners Program	Milpitas continues to promote PG&E's Energy Partners Program through information provided on cable television and the City's website.	On-Going 2014-2022
Promote use of passive solar devices and energy audits of existing homes	Milpitas adopted a green building ordinance in 2008 that promotes green building practices in new construction and renovations in accordance with the ordinance.	On-Going 2014-2022
Adopt a Green Building Ordinance	Milpitas adopted a Green Building Ordinance in 2008 and updated the ordinance in Jan. 2014.	Program was completed through adoption of the Ordinance.
Encourage the adoption of energy-saving design in new residential developments, including solar orientation	Milpitas has adopted policies to encourage energy-saving design	On-Going review 2014-2022
Encourage mixed-use and development at transit nodes	Milpitas adopted the Midtown Specific Plan in 2002 and the TASP in 2008, both of which encourage mixed use development at transit nodes and have facilitated the development of a number of projects between 2007 and 2014.	On-Going through continued implementation of the TASP and Midtown Specific Plan.
Require the inclusion of a completed LEED checklist in planning applications for new buildings	Milpitas adopted a LEED checklist for planning applications during the planning period.	Program completed. Use of the LEED checklist will continue in the 2014-2022 Housing Element cycle.
G. Remove Government Constraints **Goal G-1: Continue to Promote Land Use Policies and Development Standards to Facilitate Housing Production** **Goal G-2: Remove Government Constraints on the Production of Special Needs Housing**		
Policy G-1: Continue to enforce policies and standards that facilitate affordable housing production		
Continue to enforce development standards that encourage multifamily housing. These include minimum residential densities, higher densities near transit, and mixed-use zoning.	Milpitas adopted the Midtown Specific Plan in 2002 and the TASP in 2008, both of which encourage multifamily housing through minimum residential densities, higher densities near transit, and mixed-use zoning.	Ongoing through continued implementation of the TASP and Midtown Specific Plan.

Table B-1: Evaluation of Programs in the 2007-2014 Housing Element

2007-2014 Housing Element Program	2007-2014 Achievements	Appropriateness for 2015-2023 Housing Element
Policy G-2: Modify Zoning Ordinance to ensure there are opportunities for special needs housing in multifamily developments.		
Modify Zoning Ordinance to allow homeless shelters as a use “by right” in the Highway Services Zone. Adopt development standards that subject shelters to the same standards that apply to other allowed uses within this Zone.	The City adopted an ordinance in November 2013 to allow emergency shelters by right in the Highway Services zone.	Zoning Ordinance amendment was completed during the 2007-2014 Housing Element cycle. Emergency shelters will continue to be allowed through implementation of the City's Zoning Ordinance.
Modify Zoning Ordinance to allow transitional housing as a use “by right” in residential zones. Adopt development standards that subject transitional housing to the same restrictions that apply to other residential uses of the same type in this zone.	The City adopted an ordinance in November 2013 to allow transitional housing by right in residential zones, subject to the same restrictions that apply to other residential uses of the same type in each zone.	Zoning Ordinance amendment was completed during the 2007-2014 Housing Element cycle. Transitional housing will continue to be allowed through implementation of the City's Zoning Ordinance.
Modify Zoning Ordinance to allow permanent supportive housing as a use “by right” in residential zones. Adopt development standards that subject permanent supportive housing to the same restrictions that apply to other residential uses of the same type in this zone.	The City adopted an ordinance in November 2013 to allow permanent supportive housing by right in residential zones, subject to the same restrictions that apply to other residential uses of the same type in each zone.	Zoning Ordinance amendment was completed during the 2007-2014 Housing Element cycle to allow transitional and supportive housing in all residential zones. The 2015-2023 Housing Element includes a program to amend the Zoning Ordinance to allow transitional and supportive housing in all mixed-use zoning districts that allow residential uses.
Modify Zoning Ordinance to identify zones for farmworker housing as a use “by right.”	Farmworker housing is allowed by right on agricultural land.	Farmworker housing is allowed by right on land zoned for agricultural use.
Modify Zoning Ordinance to identify zones for SRO units as a use “by right.”	The Zoning Ordinance was modified to allow SRO units in all multifamily zoning districts, subject to approval of a conditional use permit.	Zoning Ordinance amendment was completed during the 2007-2014 Housing Element cycle. SRO units will continue to be allowed through implementation of the City's Zoning Ordinance.

Source: City of Milpitas, 2014; BAE, 2014.

APPENDIX B: DETAILED SITE INVENTORY

Table B-1: Pending Residential Projects, Milpitas, August 2014

Site ID	APN	Plan Area	Address	Zoning	Overlay	Acres	Planned Units	Income Mix				Comments
								Very Low	Low	Mod.	Above Mod.	
P-1	8612021	Midtown	S Abel St & Great Mall Pwy	R4	TOD	**5.24**	366	0	0	0	366	Apex
P-2	8670001	N/A	Sinclair Frontage Rd & Los Coches St	R1-3		**7.27**	80	0	0	0	80	Belcourt
	through											
	8670082											
P-3	8632037	TASP	Piper Drive & Montague Expy	R3	TOD	**15.52**	732	0	0	0	732	Citation
P-4	8632029	TASP	Montague Expy & Piper Dr	MXD3	TOD	**4.94**	381	0	0	0	381	Citation II
P-5	8601041	N/A	Murphy Ranch Road	R4		**7.59**	285	0	7	0	278	Coyote Creek
P-6	(a)	TASP	McCandless Dr & Montague Expy	R3		**12.34**	276	0	0	0	276	Harmony
P-7	8633086	TASP	Centre Pointe Dr	MXD2	TOD	3.13	342	0	0	0	342	Integral Centre Pointe
	8633087	TASP		MXD2	TOD	2.66						
	8633088	TASP		R3	TOD	4.19						
	8633089	TASP		MXD3	TOD	2.93						
						12.91						
P-8	8633092	TASP	McCandless Dr & Great Mall Pwy	MXD2	TOD	4.96	954	0	0	0	954	Integral Properties
	8633101	TASP		MXD2	TOD	5.77						
	8633093	TASP		MXD2	TOD	2.57						
						13.30						
P-9	8601034	N/A	Baber Ln (Old Chev.Site)	MXD3	HR	3.00	375	0	0	0	375	Landmark Tower
P-10	8639001	N/A	S. Milpitas Bl. & Los Coches St	TC		1.48	32	0	0	0	32	Live Work
	8639002	N/A		TC		1.17						
						2.65						
P-11	8637021	TASP	Montague Expy & Capitol Ave	R5	TOD	3.48	451	0	0	0	451	Lyon Montague
	8637004	TASP		MXD3	TOD	0.90						
	8637020	TASP		MXD3	TOD	3.69						
						8.07						
P-12	8632040	TASP	Piper Dr & Montague Expy	R3	TOD	0.56	303	0	0	0	303	Milpitas Station
	8632038	TASP		R3	TOD	2.34						
	8632033	TASP		R3	TOD	2.86						
	8632041	TASP		R4	TOD	4.96						
	8632039	TASP		R3	TOD	1.97						
						12.69						
P-13	8628041	N/A	S Main St & Los Coches St	TC		7.62	80	0	0	0	80	Orchid Residential
	8639003			TC		3.92						
						11.54						
P-14	8616100	Midtown	S Main St and S. Abel St	R4	TOD	2.68	200	8	0	0	192	Shea Properties

Table B-1: Pending Residential Projects, Milpitas, August 2014

Site ID	APN	Plan Area	Address	Zoning	Overlay	Acres	Planned Units	Income Mix				Comments
								Very Low	Low	Mod.	Above Mod.	
P-15	8622027	Midtown	1600 S Main St	R4	TOD	1.17	389	48	0	0	341	South Main Sr Lifestyles
	8622042	Midtown		R4	TOD	0.98						
	8622041	Midtown		R4	TOD	0.83						
	8622034	Midtown		R4	TOD	0.52						
	8622033	Midtown		R4	TOD	0.39						
	8622028	Midtown		R4	TOD	2.05						
						5.94						
P-16	8633095	TASP	McCandless Dr	R3	TOD	2.24	200	0	0	0	200	Taylor Morrison
	8633098	TASP		R3	TOD	2.72						
	8633099	TASP		R3	TOD	2.77						
	8633094	TASP		R3	TOD	1.94						
						9.67						
P-17	8636043	TASP	Montague Expy & Trade Zone Blvd	R3		9.31	134	0	0	0	134	Trumark
P-18	8636005	TASP	Montague Expy & Trade Zone Blvd	R3	TOD	2.95	206	0	0	0	206	Traverse
	8636003	TASP		R3	TOD	2.02						
	8636006	TASP		R3	TOD	4.48						
	8636004	TASP		R3	TOD	2.93						
						12.37						
P-19	2237012	N/A	California Cir & Dixon Landing Rd	R1-2.5		5.27	84	0	0	0	84	Waterstone
	2237011	N/A		R1-2.5		5.42						
						10.69						
TOTAL							**6,146**	**56**	**7**	**0**	**6,083**	

Note:

(a) Prior to approval, the Harmony site consisted of APNs 8641019, 8641020, 8641021, and 8641022. The site has subsequently been subdivided into over 100 parcels.

Source: City of Milpitas, 2014; BAE, 2014.

Table B-2: High-Density Residential Opportunity Sites, Milpitas

Site ID	APN	Plan Area	Address	Existing Use	Zoning	Overlay	Acres	Minimum Density (du/acre)	Maximum Density (du/acre)	Midpoint Density (du/acre)	Yield at Midpoint Density (du)	Estimated Density (du/acre) (a)	Estimated Yield (du)	Comments
MFR-1	8622029	Midtown	1474 S Main St	Commercial	R4	TOD	0.85	41	60	50.5	383	41	311	Nine of these parcels contain commercial uses, including several auto-related uses, an old restaurant and commercial services, and a sixth is vacant. Commercial structures on some of the sites appear to vacant and/or in disrepair. They are adjacent to the new Great Mall Light Rail station and new residential developments and have strong potential for reuse. Six of these parcels comprised Site # 7 in the 2007-2014 Housing Element.
	8622030	Midtown	1452 S Main St	Commercial	R4	TOD	0.87	41	60	50.5		41		
	8622031	Midtown	1440 S Main St	Commercial	R4	TOD	0.99	41	60	50.5		41		
	8623004	TASP	1362 S Main St	Commercial	R4	TOD	0.22	41	60	50.5		41		
	8623006	TASP	1312 S Main St	Commercial	R4	TOD	0.37	41	60	50.5		41		
	8623011	TASP	1380 S Main St	Commercial	R4	TOD	1.10	41	60	50.5		41		
	8623013	TASP	1300 S Main St	Commercial	R4	TOD	0.94	41	60	50.5		41		
	8623014	Midtown	1430 S Main St	Commercial	R4	TOD	1.00	41	60	50.5		41		
	8623015	Midtown	1400 S Main St	Commercial	R4	TOD	1.04	41	60	50.5		41		
	8623016	TASP	1338 S Main St	Vacant	R4	TOD	0.21	41	60	50.5		41		
							7.59							
MFR-2	8622024	Midtown	1640 S Main St	Commercial	R4		**1.43**	31	40	35.5	51	31	44	Multi-tenant commercial space occupied primarily by auto-oriented uses. Adjacent to planned and completed new residential developments.
MFR-3	8634009	Midtown	1680 S Main St	Commercial	R4		**2.21**	31	40	35.5	78	31	68	Self-storage facility adjacent to new residential development.
MFR-4	8632042	TASP	1300 Piper Dr	Commercial	R4	TOD	3.21	41	60	50.5	300	41	244	Single-story, low-density office and light industrial space. Close to light rail station and planned BART station.
	8632043	TASP	1250 Piper Dr	Commercial	R4	TOD	2.73	41	60	50.5		41		
							5.95							
MFR-5	9208002	TASP	1523 Gladding Ct	Vacant	R5	TOD	4.25	41	94 (b)	67.4	499	41	304	Manufacturing and distribution operations and vacant land.
	9208003	TASP	1535 Gladding Ct	Commercial	R5	TOD	3.16	41	94 (b)	67.4		41		
							7.41							
MFR-6	8637015	TASP	W Capitol Ave	Vacant	R5	TOD	0.33	41	94 (b)	67.4	632	41	385	Sites have two warehouse structures surrounded by a large amount of vacant land. In close proximity to the light rail station and planned BART station. Parcels 8637015 and 8637027 comprised Site #11 in the 2007-2014 Housing Element.
	8637026	TASP	730 E Capitol Ave	Commercial	R5	TOD	3.96	41	94 (b)	67.4		41		
	8637027	TASP	750 E Capitol Ave	Commercial	R5	TOD	5.10	41	94 (b)	67.4		41		
							9.39							

Table B-2: High-Density Residential Opportunity Sites, Milpitas

Site ID	APN	Plan Area	Address	Existing Use	Zoning	Overlay	Acres	Minimum Density (du/acre)	Maximum Density (du/acre)	Midpoint Density (du/acre)	Yield at Midpoint Density (du)	Estimated Density (du/acre) (a)	Estimated Yield (du)	Comments
MFR-7	8636011	TASP	Sango Ct	Commercial	R4	TOD	0.44	41	60	50.5	376	41	305	Low-density warehouse and light
	8636012	TASP	1700 Sango Ct	Commercial	R4	TOD	1.31	41	60	50.5		41		industrial properties with
	8636013	TASP	355 Sango Ct	Commercial	R4	TOD	1.27	41	60	50.5		41		manufacturing, auto service, and
	8636030	TASP	1841 Tarob Ct	Commercial	R3	TOD	2.52	41	60	50.5		41		car rental uses. Could be
	8636037	TASP	328 Sango Ct	Commercial	R4	TOD	0.72	41	60	50.5		41		combined with Site MXD-9 to create
	8636041	TASP	1905 Tarob Ct	Commercial	R4	TOD	1.17	41	60	50.5		41		a larger site.
							7.44							
MFR-8	8636033	TASP	1951 Tarob Ct	Commercial	R3	TOD	2.55	21	40	30.5	99	21	68	Site consists of one parcel with low-
	8636046	TASP	635 Trade Zone Blvd	Commercial	R3	TOD	0.70	21	40	30.5		21		density manufacturing use and one
							3.25							with auto services.
TOTAL							**44.65**				**2,419**		**1,729**	

Notes:

(a) This analysis estimates that the density on each site will be equal to the minimum density required in order to provide a conservative approach to estimating total yield on each site. However, the actual density of projects built on these sites is likely to be higher than the minimum required density, as demonstrated by recent projects in Milpitas.

(b) Maximum density is 75 units/acre by right, or up to 25 percent additional density with a use permit.

Sources: City of Milpitas, 2014; BAE, 2014.

Table B-3: Mixed-Use Opportunity Sites, Milpitas

Site ID	APN	Plan Area	Address	Existing Use	Zoning	Overlay	Acres	Effective Acreage (a)	Minimum Density (du/acre)	Maximum Density (du/acre)	Midpoint Density (du/acre)	Yield at Midpoint Density (du)	Estimated Density (du/acre) (a)	Est. Yield (du)	Comments
MXD-1	8627019	Midtown	174 S Main St	Commercial	MXD		0.23	**1.90**	21	30	25.5	48	21	40	This site is located at the heart of Old Town Milpitas and includes several adjacent parcels under separate ownership. This was Site #2 in the 2007-2014 Housing Element.
	8627037	Midtown	154 S Main St	Commercial	MXD		0.96		21	30	25.5		21		
	8627039	Midtown	166 S Main St	Commercial	MXD		0.19		21	30	25.5		21		
	8627041	Midtown	S Main St	Commercial	MXD		0.15		21	30	25.5		21		
	8627040	Midtown	196 S Main St	Commercial	MXD		0.56		21	30	25.5		21		
							2.09								
MXD-2	8608023	Midtown	209 S Main St	Commercial	MXD		0.33	**1.74**	21	30	25.5	44	21	37	This site is located at the heart of Old Town Milpitas and includes several adjacent parcels under separate ownership. Affordable housing would be most likely if the parcels are assembled to form a larger development site. This was Site #3 in the 2007-2014 Housing Element.
	8608024	Midtown	227 S Main St	Commercial	MXD		0.46		21	30	25.5		21		
	8608048	Midtown	187 S Main St	Commercial	MXD		0.06		21	30	25.5		21		
	8608030	Midtown	195 S Main St	Commercial	MXD		0.64		21	30	25.5		21		
	8608045	Midtown	Serra Way	Vacant	MXD		0.42		21	30	25.5		21		
							1.91								
MXD-3	8608012	Midtown	Main St	Vacant	MXD		**1.32**	**1.20**	21	30	25.5	31	21	25	This is a flat, unconstrained lot with excellent transportation access and frontage along both Abel Street and South Main Street. This was Site #4 in the 2007-2014 Housing Element.
MXD-4	8625011	Midtown	526 S Main St	Vacant	MXD		**0.68**	**0.62**	21	30	25.5	16	21	13	Vacant, unconstrained site separated from MXD-5 by a 0.37-acre park. This constituted a portion of Site #5 in the 2007-2014 Housing Element.
MXD-5	8625013	Midtown	542 S Main St	Commercial	MXD		0.34	**2.55**	21	30	25.5	65	21	54	Uses on these sites consist of a car wash and a business that offers boat repair, parts, and accessories. The site is separate from Site #4 by a 0.37-acre park. This site constituted a portion of Site #4 from the 2007-2014 Housing Element.
	8625012	Midtown	554 S Main St	Commercial	MXD		0.46		21	30			21		
							2.81								
MXD-6	8625020	Midtown	850 Main St	Vacant	MXD		0.41	**0.99**	21	30	25.5	25	21	21	This site consists of a contractor's storage yard with an adjoining vacant lot under separate ownership. It is adjacent to new multifamily housing. This was Site #6 in the 2007-2014 Housing Element.
	8625021	Midtown	808 Main St	Commercial	MXD		0.68		21	30			21		
							1.08								

Table B-3: Mixed-Use Opportunity Sites, Milpitas

Site ID	APN	Plan Area	Address	Existing Use	Zoning	Overlay	Acres	Effective Acreage (a)	Minimum Density (du/acre)	Maximum Density (du/acre)	Midpoint Density (du/acre)	Yield at Midpoint Density (du)	Estimated Density (du/acre) (a)	Est. Yield (du)	Comments
MXD-7	8633102	TASP	1646 Centre Point Dr	Commercial	MXD3	TOD	**9.47**	**8.61**	41	94 (c)	67.4	580	41	353	Single-story commercial property with a mix of retail, office, commercial service, and other uses. Adjacent to planned residential projects, some of which are under construction, and in close proximity to the light rail station and the planned BART station.
MXD-8	8637019	TASP	400 E Montague Expy	Commercial	MXD3	TOD	**2.53**	**2.31**	41	94 (c)	67.4	155	41	95	Site occupied by an industrial use and is adjacent to the Light Rail Station and planned BART station. This site was a portion of Site #10 in the 2007-2014 Housing Element.
MXD-9	8636044 8636036	TASP TASP	368 Montague Expy 308 Sango Ct	Commercial Commercial	MXD3 MXD3		1.02 1.11 **2.14**	**1.94**	41 41	60 60	50.5	98	41 41	80	Sites are occupied by low-density office and warehouse structures occupied by a commercial services company and a religious organization. Site could be combined with Site MFR-7 to create a larger project. Site is adjacent to residential projects that are currently under construction and in close proximity to the light rail and planned BART stations.
MXD-10	8641034 8641033 8641032	TASP TASP TASP	231 Houret Dr 247 Houret Dr 271 Houret Dr	Commercial Commercial Commercial	MXD3 MXD3 MXD3		1.71 1.45 1.39 **4.55**	**4.14**	41 41 41	60 60 60	50.5	209	41 41 41	170	Partially-occupied warehouse and manufacturing buildings. There is some potential for sites MXD-10, MXD-11, and MXD-12 to be combined to create a larger site.
MXD-11	8641009	TASP	1757 Houret Ct	Commercial	MXD3		**1.03**	**0.94**	41	60	50.5	47	41	38	Partially-occupied warehouse and manufacturing buildings. There is some potential for sites MXD-10, MXD-11, and MXD-12 to be combined to create a larger site.

Table B-3: Mixed-Use Opportunity Sites, Milpitas

Site ID	APN	Plan Area	Address	Existing Use	Zoning	Overlay	Acres	Effective Acreage (a)	Minimum Density (du/acre)	Maximum Density (du/acre)	Midpoint Density (du/acre)	Yield at Midpoint Density (du)	Estimated Density (du/acre) (a)	Est. Yield (du)	Comments
MXD-12	8641010	TASP	1752 Houret Ct	Commercial	MXD3		1.05	**2.09**	41	60	50.5	106	41	86	Partially-occupied warehouse and manufacturing buildings with a mix of auto services and other uses. There is some potential for sites MXD-10, MXD-11, and MXD-12 to be combined to create a larger site.
	8641011	TASP	1810 Houret Ct		MXD3		1.25		41	60			41		
							2.30								
TOTAL							**31.91**	**29.04**				**1,426**		**1,011**	

Notes:

(a) Effective acreage for mixed-use sites reduces the acreage of each site by nine percent to account for the potential development of non-residential uses.

(b) This analysis estimates that the density on each site will be equal to the minimum density required in order to provide a conservative approach to estimating total yield on each site. However, the actual density of projects built on these sites is likely to be higher than the minimum required density, as demonstrated by recent projects in Milpitas.

(c) Maximum density is 75 units/acre by right, or up to 25 percent additional density with a use permit.

Table B-4: Low-Density Residential Opportunity Sites, Milpitas

Site ID	APN	Plan Area	Address	Existing Use	Zoning	Overlay	Acres	Min. Density (units/acre)	Max. Density (units/acre)	Est. Density (units/acre) (a)	Estimated Yield (units)	Comments
SFR-01	2904040	N/A	1005 N Park Victoria Dr	Vacant	R1-6	N/A	**4.90**	N/A	7	7	**34**	This is the largest vacant single-family housing site in Milpitas. It is in a desirable location, adjacent to existing single-family neighborhoods. This would be a site for marekt-rate housing, given current zoning.

APPENDIX C: OTHER REQUIREMENTS

Consistency with the General Plan

A comprehensive update of the City's General Plan was conducted in 1994 and several amendments have occurred subsequently. Changes were made to the General Plan to incorporate the Midtown and Transit Area Specific Plans, which encompass most of the City's housing opportunity sites, including revisions to the General Plan land use map and text for consistency among these planning documents. The 2015-2023 Housing Element is consistent with the General Plan.

In 2014, the Milpitas City Council allocated funding to initiate a comprehensive update to the City's General Plan. In the event that the forthcoming update to General Plan or future changes to the Zoning Ordinance or other regulations governing the City of Milpitas result in any inconsistencies between the Housing Element policies and the General Plan, the City will determine the most appropriate means to achieve overall General Plan consistency.

Notification to Water and Sewer Providers

Upon adoption and certification of this Housing Element, the City of Milpitas will provide a copy of the Housing Element to the San Francisco Public Utilities Commission, the Santa Clara Valley Water District, and the Milpitas Department of Engineering in the City of Milpitas, pursuant to Government Code Section 65589.7. The purpose of this notification is to ensure that these providers of water and sewer services place a priority for proposed housing developments for lower-income households in their current and future resource or service allocations.

Review of Conservation and Safety Elements Pursuant to AB 162

Assembly Bill 162 requires that the City of Milpitas review and, if necessary, identify new information for its Conservation Element at the time the Housing Element is revised. The purpose of this review is to identify rivers, creeks, streams, flood corridors, riparian habitat, and land that may accommodate floodwater for purposes of groundwater recharge and stormwater management. In addition, Milpitas is undertaking an update to the City's Safety Element concurrent with the Housing Element Update to identify information regarding flood hazards in the City.

APPENDIX D: SUMMARY OF WRITTEN COMMENTS RECIEVED

Table D-1: Summary of Written Comments Received

#	Comment	Response
1	City should do more to encourage public participation.	City engaged in an extensive public participation process, including three community meetings, two Planning Commission meetings, and one City Council meeting. Notice of all meetings was distributed to over 80 organizations, agencies, and special interest groups as well as the general public. All six public meetings were advertised in the Milpitas Post, the City's website, and City Cable television. Copies of documents were available for public review and comment on the City's website, at Milpitas City Hall, and at the Milpitas Public Library. Copies were also forwarded to interested parties as requested. The public participation process is discussed in more detail in the public participation section of the Housing Element document.
2	City should provide a better analysis of the progress and outcomes from the prior Housing Element & analyze the reasons for the not meeting housing unit production goals during the previous planning period.	Due to the considerable difficulties associated with developing affordable housing, most cities are unable to meet RHNA production goals. Milpitas' zoning standards and other programs and policies led to production of a large number of market-rate and affordable units during the previous planning period relative to other jurisdictions. The progress and outcomes from the prior Housing Element are analyzed in Chapter 2 and Appendix A.
3	City should include policies to connect households with special housing needs to resources that meet these needs (e.g. large units, housing adjacent to services).	Programs C.1.1, C.1.2, and D.6.1 facilitate the production of housing in mixed-use areas and adjacent to transit and other amenities. Programs D.4.1, D.4.2, D.4.3, D.4.6, D.4.7, D.4.10, and D.6.1 facilitate the production of housing that serves households with special housing needs. Programs D.4.8 and D.4.9 ensure the City will provide information about housing resources to individuals with disabilities.
4	Housing Element should include a deeper analysis of economic displacement and include policies that will prevent displacement of low-income residents.	Because the City's most feasible residential and non-residential development sites do not have existing residential uses, and there is little risk of conversion of existing affordable units to market rate, direct displacement of existing residents is not a likely result of new development in Milpitas. However, the increase in housing costs in Milpitas and throughout the region and associated decrease in affordability are documented in the Housing Element on pages 20-30. Programs listed under Goal B aim to mitigate displacement and programs listed under Goals C and D aim to facilitate production of new affordable units, which could serve any households that are displaced due to increases in housing costs.
5	Housing Element should further analyze community resistance as a constraint to the development of affordable housing.	City staff has not found community resistance to affordable housing to be a constraint in Milpitas.
6	The Housing Element should analyze the City's decision to not set aside boomerang funds as a constraint to the development of affordable housing and include a program to commit a portion of the yearly tax increment funds received towards affordable housing.	While the high costs of development are identified as a constraint, the City is not expected to identify the use of specific funding streams for uses other than affordable housing as a constraint. Boomerang funds and any funds that will revert to the City rather than the RDA have been committed to other City functions.
7	Inventory of at-risk units should include the type of subsidy attached to each property and ensure that properties shown to have no expiration date for affordability do not have restrictions that will expire.	Inventory has been edited to clarify that affordable units with no expiration date are affordable in perpetuity.
8	Add a program to conduct a nexus study for a housing impact fee.	City Council considered and declined to include a program in the Housing Element that will consider adoption of a Housing Impact Fee during September 16, 2014 meeting.

Table D-1: Summary of Written Comments Received

#	Comment	Response
9	Add a program to conduct a nexus study for a commercial linkage fee.	City Council considered and declined to include a program in the Housing Element that will consider adoption of a Commercial Linkage Fee during September 16, 2014 meeting.
10	Adopt source of income protections for Section 8 voucher holders.	Because the requirements of the Section 8 program can present operational challenges that would be overly burdensome to some property owners, this is not a program that the City wishes consider at this time.
11	Enact a rent stabilization ordinance.	Milpitas has adopted rent control for its mobile home parks, which provide long-term affordable housing to mobile home residents. There are also over 1,200 rental units in Milpitas with long-term affordability restrictions (as shown in Table 3.18 in the document). Units with long-term affordability restrictions are means-tested, allowing these units to serve extremely low-, very low-, low-, and moderate-income households more effectively than rent control in many cases. The City does not intend to expand rent control to other market-rate units at this time.
12	Enact a just cause eviction ordinance.	Milpitas currently provides CDBG funding and Housing Authority funds to Project Sentinel, which provides fair housing assistance and landlord-tenant mediation services, including services to tenants that may have experienced an unlawful eviction. Programs B.2.3 and E.1.5 state that Milpitas will continue to provide funding to Project Sentinel or another appropriate agency throughout the planning period.
13	Include a program to track employment growth by income for the same period used to track population growth.	Milpitas monitors the City's jobs/housing ratio on an annual basis to assess its employment, types of jobs created, and housing needs.
14	Adopt a program to monitor jobs housing fit in the City for renters and homeowners.	Milpitas monitors the City's jobs/housing ratio on an annual basis to assess its employment, types of jobs created, and housing needs.
15	Adopt a program to improve low wage jobs and affordable housing fit.	The gap between low-wage jobs and housing affordable to lower-income households is addressed through programs that facilitate the production of housing affordable to extremely low-, very low-, and low-income households, particularly policies and programs listed under Goal C.
16	Adopt program to complete a yearly annual progress report and public meeting to discuss progress prior to submitting report to HCD.	Milpitas completes its annual progress report to HCD and makes information from the report available on the City's website along with other housing documents for public review. Housing staff reports to the City Council on housing programs every two years in a public meeting.
17	Adopt program to prioritize housing for very low- and low-income workers, especially in key transportation corridors.	Milpitas' housing goals aim to provide housing for all economic segments of the community, including very low- and low-income workers, and support housing near transit and along key transportation corridors. By negotiating with developers for the inclusion of units affordable to extremely low-, very low-, low-, and moderate-income households in all market-rate developments (see Program D.2.2) and other programs that encourage mixed-income housing (Programs D.2.1, D.2.3, D.2.4, and D.2.5), Milpitas seeks to ensure that units affordable to very low- and low-income workers are included among the priorities for all new housing development in the City.

Table D-1: Summary of Written Comments Received

#	Comment	Response
18	Identify additional housing opportunity sites that are located within priority development areas, near key transportation corridors, and near key services to maximize LIHTC viability.	Due to the competitive nature of the LIHTC program, there are few sites in Milpitas that will maximize LIHTC viability. To the extent that sites adjacent to the City's VTA light rail station and future BART station are not already developed with or planned for residential uses and are reasonably likely to be developed with residential uses during the planning period, these parcels have been identified as housing opportunity sites. Almost all opportunity sites identified in the Housing Element are located within the two Specific Plan areas, which puts the sites in areas that are adjacent to transit and other services. Programs listed under Policy D.1 aim to expand the funding sources available for affordable housing, which would help to decrease developers' dependence on the LIHTC program to produce affordable housing in Milpitas.
19	Include a program to conduct further research and a public meeting on a potential housing overlay zone, community benefits policy, or other creative land use and zoning solutions.	During the September 16, 2014 meeting, Milpitas City Council considered and declined to include a program in the Housing Element that would call for the City to explore creative land use and zoning solutions.
20	Include a program to identify all publicly owned parcels and brownfield sites.	All publicly-owned parcels have been identified in previous Redevelopment Agency and Milpitas Housing Authority documents, which are available to the public. There are no brownfield sites in Milpitas.
21	Include a program to develop a policy to prioritize, require, or incentivize housing affordable to those making 80% of AMI or less on public land.	In the past, Milpitas has donated land, provided financial assistance for land acquisition, and provided fee reductions or waivers to developers building affordable housing. The City has also worked with developers to assist in obtaining tax credits and provided a range of incentives to assist in the development of housing affordable to extremely low-, very low-, low-, and moderate-income households. As City-owned land becomes available, Milpitas will continue to consider use of these properties to support affordable housing projects as financially feasible, but will need to balance the need for affordable housing with other City priorities.
22	The Housing Element should identify the low-density zoning designation in the hillside areas as a constraint.	The Housing Element provides an analysis of the City's low-density zoning designation in the hillside areas and the Urban Growth Boundary on page 75 and 76. As discussed in the text, these regulations are unlikely to have an impact on housing that serves any income group other than above moderate-income households due to the high cost of developing in hillside areas and other factors.
23	The Housing Element should identify the use of development agreements to achieve 20% affordable housing in all market-rate developments should be identified as a potential government constraint.	It is not appropriate to identify this use of development agreements as a constraint because the City is not able to require that developers include affordable units in new developments due to recent State court decisions that invalidated the use of mandatory inclusionary ordinances.
24	The Housing Element should provide additional information on funding available for the preservation of at-risk units at Sunnyhills and actions that the City will take to engage with entities willing to preserve these units.	As discussed on page 34, the owner of Sunnyhills has demonstrated an interest in maintaining the property as affordable by renewing contracts with HUD multiple times rather than taking opportunities to convert to market rate. Therefore, the existing affordability agreement is likely to be extended to fund the preservation of affordability and the risk of conversion of these units is relatively low. Program B.4.1 provides specific actions that the City will take to preserve affordability at Sunnyhills if the property owner does allow the existing contract to expire at the end of the term.

Table D-1: Summary of Written Comments Received

#	Comment	Response
25	The Housing Element should provide additional information on the development potential of non-vacant housing opportunity sites.	The Housing Element has been revised to provide additional information on market trends (page 55) that have supported the redevelopment of a large number of non-vacant sites to high-density residential uses. These trends are expected to continue to result in the redevelopment of the housing opportunity sites.
26	The site inventory assumes that every single unit developed on higher density parcels will be affordable to low- and very-low income households, which is not realistic.	The City's RHNA calls for 1,574 units affordable to very low- or low-income households, and the estimated yield from the sites inventory is 2,740 units on higher-density parcels, considerably more than the RHNA for very low- or low-income households. Moreover, the estimated yield is based on the minimum density for each site, and therefore likely underestimates the actual yield from each site.
27	The site inventory includes many very small parcels that are less than an acre and therefore may not realistically support the development of affordable housing.	While many individual parcels measure less than one acre, parcels are aggregated to form larger housing opportunity sites. As shown in Table 4.3 and Appendix C, the City's housing opportunity sites range from 0.7 acres to 9.5 acres, with only one site measuring less than one acre. Sites measuring 0.7 acres or more are more than adequate to develop high-density multifamily housing.

NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION

HOUSING ELEMENT UPDATE AND AMENDMENTS TO THE SEISMIC AND SAFETY, AND OPEN SPACE AND ENVIRONMENTAL CONSERVATION ELEMENTS PROJECT

City of Milpitas
Planning & Neighborhood Services Department
455 East Calaveras Boulevard
Milpitas, CA 95035

PHONE: (408) 586-3071
freliford@ci.milpitas.ca.gov

The City of Milpitas is intending to adopt a Negative Declaration for the Housing Element Update and Amendments to the Seismic and Safety, and Open Space and Environmental Conservation Elements Project in accordance with the California Environmental Quality Act.

SUMMARY PROJECT DESCRIPTION: The proposed Project includes an update to the current (2007-2014) Housing Element for the planning period 2015-2023 in compliance with Government Code Section 65580 et seq. The City of Milpitas' allocation for the 2014-2022 Regional Housing Needs Allocation (RHNA) period is 3,290 dwelling units. The proposed Project supports the goals and policies of the city's current Housing Element (2007-2014) and provides policies and implementing programs to further the city's housing goals. The identified sites (2,774 units), including the committed sites (6,146), would allow the City to meet its RHNA with a total capacity of 8,920 units, resulting in a surplus above the required RHNA. No rezoning or changes to General Plan designations or Zoning districts would be required to achieve this yield; the housing sites are already planned and zoned to accommodate the level of development. The Seismic and Safety Element Amendment includes an update to required information related to Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRMs), dam inundation zones, and City goals and policies to comply with State law (specifically Assembly Bill 162 and California Government Code 65302). It also includes the adoption of Santa Clara County's multi-jurisdictional Local Hazard Mitigation Plan and the City of Milpitas' Local Hazard Mitigation Plan Annex to ensure that appropriate emergency measures are implemented when natural disasters occur. The Open Space and Environmental Conservation Element Amendment include updates to the Water Quality and Conservation Section. Specifically, a map of rivers, creeks, streams, and riparian habitat as per AB 162 has been added.

LOCATION OF PROJECT: City of Milpitas

FINDING: On the basis of the Initial Study, the City has determined that the proposed project would not have a significant adverse effect on the environment.

PUBLIC REVIEW PERIOD: The Initial Study and proposed Negative Declaration are available for public review at the following locations:

City of Milpitas-City Hall (1st Floor Pubic Information Desk)
455 E. Calaveras Blvd.
Milpitas, CA 95035

Milpitas Public Library (Public Reference Desk)
160 North Main Street
Milpitas, CA 95035

City of Milpitas Website: www.ci.milpitas.ca.gov. (Department of Planning &Neighborhood Services)

The Initial Study and Proposed Negative Declaration are available for a 30-day review period beginning Friday, December 12, 2014 through Monday, January 12, 2015. Comments on the Negative Declaration must be submitted in writing within the 30-day review period and sent by mail or email to:

City of Milpitas
Attn: Felix J. Reliford, Principal Housing Planner
455 East Calaveras Boulevard
Milpitas, CA 95035
freliford@ci.milpitas.ca.gov

PUBLIC MEETINGS: Meetings at which actions would be undertaken are listed below with tentative dates identified for each meeting. The Milpitas City Council is the decision-making body responsible for adopting the proposed Negative Declaration and approving the proposed project.

Planning Commission Hearing
Wednesday, February 25, 2015, 7:00 p.m.
City Hall Council Chambers
455 East Calaveras Boulevard
Milpitas, CA 95035

City Council Hearing
Tuesday, March 17, 2015, 7:00 p.m.
City Hall Council Chambers
455 East Calaveras Boulevard
Milpitas, CA 95035

Please contact Felix J. Reliford, Principal Housing Planner at (408) 586-3071 if you have questions regarding this Notice.

City of Milpitas
Initial Study Checklist
Housing Element Update and Amendments to the Seismic and Safety, and Open Space and Environmental Conservation Elements Project

The proposed Housing Element Update and Amendments to the Seismic and Safety, and Open Space and Environmental Conservation Elements Project is a project under the California Environmental Quality Act (CEQA). This Initial Study was prepared by PlaceWorks for the City of Milpitas (City), Planning & Neighborhood Services Department. This Initial Study was prepared pursuant to the California Environmental Quality Act (CEQA) (Public Resources Code Sections 21000 et seq.), CEQA Guidelines (Title 14, Section 15000 et seq. of the California Code of Regulations).

1.	**Title:**	Housing Element Update and Amendments to the Seismic and Safety, and Open Space and Environmental Conservation Elements Project
2.	**Lead Agency Name and Address:**	City of Milpitas Planning & Neighborhood Services Department 455 East Calaveras Boulevard Milpitas, CA 95035
3.	**Contact Person and Phone Number:**	Felix J. Reliford, Principal Housing Planner (408) 586-3071
4.	**Location:**	Milpitas, CA
5.	**Sponsor's Name and Address:**	City of Milpitas Planning & Neighborhood Services Department 455 East Calaveras Boulevard Milpitas, CA 95035
6.	**General Plan Land Use Designations:**	Residential and Mixed-Use
7.	**Zoning:**	Residential: Single-Family Residential (R1), One- and Two-Family Residential (R2), Multi-Family High Density Residential (R3), Multi-Family Very High Density Residential (R4), and Urban Residential (R5) Mixed-Use: Mixed Use (MXD), High Density Mixed Use (MXD2), and Very High Density Mixed Use (MXD3)
8.	**Location, Setting, Project Description:**	See page 5 of this Initial Study

9. Other Required Approvals: The Housing Element Update and Amendments to the Seismic and Safety, and Open Space and Environmental Conservation Elements Project will be adopted by the City of Milpitas, without oversight or permitting by other agencies.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by the proposed Project, involving at least one impact that is a Potentially Significant Impact, as indicated by the checklist on the following pages.

- ☐ Aesthetics
- ☐ Biological Resources
- ☐ Greenhouse Gas Emissions
- ☐ Land Use
- ☐ Population & Housing
- ☐ Transportation/Traffic
- ☐ Agriculture & Forestry Resources
- ☐ Cultural Resources
- ☐ Hazards & Hazardous Materials
- ☐ Mineral Resources
- ☐ Public Services
- ☐ Utilities & Service Systems
- ☐ Air Quality
- ☐ Geology & Soils
- ☐ Hydrology & Water Quality
- ☐ Noise
- ☐ Recreation
- ☐ Mandatory Findings of Significance

Determination:

On the basis of this initial evaluation:

☒ I find that the proposed Project COULD NOT have a significant effect on the environment and a NEGATIVE DECLARATION will be prepared.

☐ I find that, although the proposed Project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the Project have been made by or agreed to by the City. A MITIGATED NEGATIVE DECLARATION will be prepared.

☐ I find that the proposed Project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT (EIR) will be prepared.

☐ I find that the proposed Project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

☐ I find that although the proposed Project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed Project, nothing further is required.

Signature — Date: Dec. 1, 2014

Felix J. Reliford — Principal Housing Planner

Printed Name — Title

This Initial Study evaluates the proposed Housing Element Update and subsequent amendments to the Seismic and Safety Element and Open Space and Conservation Element, herein referred to as "proposed Project."

LOCATION AND SETTING

The City of Milpitas (City) is situated on the eastern shore of the San Francisco Bay, in Santa Clara County, just south of Alameda County. The City encompasses about 13.64 square miles of land, and borders Fremont on the north, San Jose on the south and west, and unincorporated county to the east. See Figure 1 for map location.

EXISTING CONDITIONS

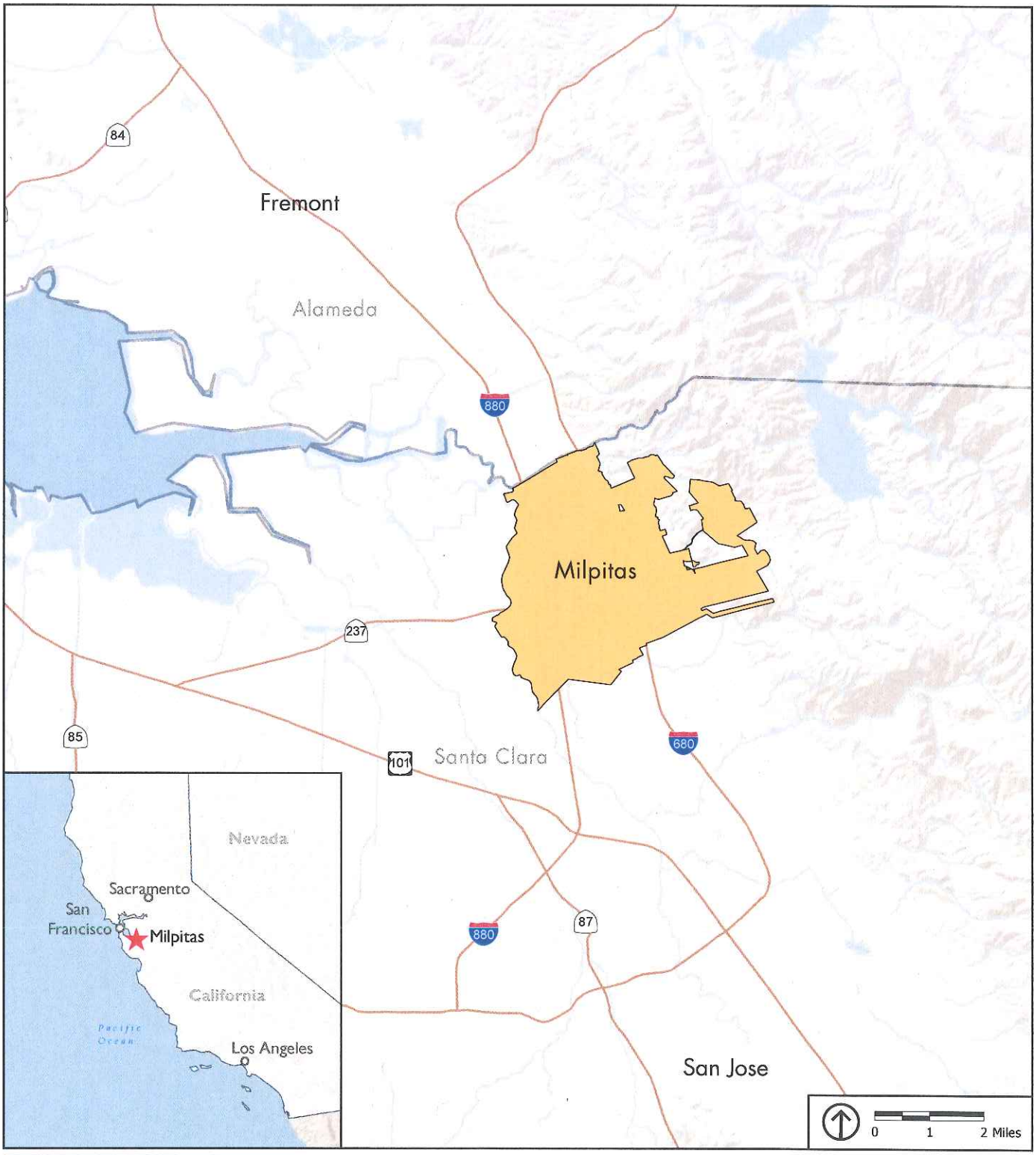
The proposed Project includes an update to the current Housing Element and amendments to the Seismic and Safety Element, and the Open Space and Environmental Conservation Element.

Housing Element

The Housing Element is one of seven State-mandated elements of the City's General Plan. Housing Element law requires local jurisdictions to plan for and allow the construction of a share of the region's projected housing needs. This share is called the Regional Housing Needs Allocation (RHNA). State law mandates that each jurisdiction provide sufficient land to accommodate a variety of housing opportunities for all economic segments of the community, so as to meet or exceed the RHNA. The Association of Bay Area Governments (ABAG), as the regional planning agency, calculates the RHNA for individual jurisdictions within Santa Clara County, including Milpitas.

The City's General Plan was adopted in 1994 and since then minor amendments have occurred. The most recent update was made in 2008 to include the revisions to the adopted 2002 Midtown Specific Plan and the 2008 Transit Area Specific Plan. The Midtown Specific Plan anticipates the development of approximately 3,000 or more new housing units and the Transit Area Specific Plan anticipates development of approximately 6,400 to 9,360 new housing units. As of April 2013, approximately 2,300 new housing units have been constructed or approved for construction under the Midtown Specific Plan and 3,698 under the Transit Area Specific Plan. As envisioned in these Specific Plans, most new housing in Milpitas will be multi-family housing in transit-oriented development areas.

During the 2007-2014 Housing Element Cycle, a total of 6,434 housing units were built or permitted in Milpitas, far exceeding the City's total RHNA of 2,487 units for this period. Under the 2007-2014 Housing Element Cycle, the City was required to demonstrate that it could accommodate up to 1,110 housing units for lower income (very low income and low income) households. The City did not meet the lower income RHNA requirement for the 2007-2014 Housing Element Cycle by 813 housing units. The City was also required to demonstrate that it could accommodate up to 441 housing units for moderate income households. This requirement was also not met, leaving a remaining RHNA balance of 267 moderate income households. However, the City was required to demonstrate it could accommodate up to 936 above moderate income households. Accordingly, the City exceeded this RHNA requirement by 5,027 units.



Source: The Planning Center | DC&E, 2013; ESRI 2010; FHA 2002.

Milpitas City Limits

Highway

FIGURE 1
REGION AND LOCATION MAP

Seismic and Safety Element
The Seismic and Safety Element includes goals, policies and programs to reduce the potential risk of death, injuries, property damage, and economic and social dislocation resulting from fires, floods, earthquakes, landslides, and other hazards. The safety element identifies hazards and hazard abatement provisions to guide local decisions related to zoning, subdivisions, and entitlement permits.

In October 2007, Assembly Bill 162 (AB 162) was signed into law. AB 162 strengthens flood protection in California by requiring jurisdictions, upon the next revision of the mandatory Housing Element, on or after January 1, 2009, to update flood related information in its General Plan.

Open Space and Environmental Conservation Element
The Open Space and Environmental Conservation Element includes goals, policies and programs to assure the conservation, development and use of natural resources including water, forests, soils, rivers, fisheries, wildlife, minerals and other natural resources. This element also assures the continued availability of land for the managed production of resources (such as food and fiber), to protect the enjoyment of scenic beauty and ensure provision of recreation, to identify and preserve lands whose indiscriminate development could compromise public health and safety, and to preserve natural resources.

State law also requires that an Open Space Element contain an action program consisting of specific programs to implement the open space plan. Milpitas' open space action plan is the sum total of the open space and conservation policies in this Element of the General Plan and the open space proposals depicted on the General Plan Land Use Diagram.

PROJECT DESCRIPTION

The prior Milpitas Housing Element certified by the State Housing and Community Development Department (HCD) in 2010, covered the period between 2007 and 2014 and is the basis for the current Housing Element update. However, all sections in the 2010 Housing Element have been reviewed and updated to reflect changes to State Law, City housing policies and programs, and local demographic and real estate market conditions.

The proposed Housing Element update, which supports the goals and policies of the City's General Plan, provides policies and implementing programs under which new housing development would be allowed. The proposed Seismic and Safety Element amendment would ensure flooding hazards to residential development would be minimized to the maximum extent feasible. The proposed amendment to the Open Space and Conservation Element would ensure consistency between the Seismic and Safety Element and the Open Space Conservation Element.

The following describes the three key components of the proposed Project:

Housing Element Update (2015-2023)

The proposed Project updates the City's current Housing Element (2007-2014) in compliance with Government Code Section 65580 et seq. The policies and housing programs that are intended to guide the City's housing efforts through the 2015-2023 RHNA planning period have been updated as part of the proposed Project, and the following are the goals in the Housing Element, which the policies and programs help to implement:

- **Goal A: Provide Adequate Sites.** Maintain adequate sites to accommodate the City's share of the regional housing need, including sites that are appropriate for the development of housing affordable to very low-, low-, moderate- and above moderate-income households.
- **Goal B: Maintain and Preserve Housing Resources.** Preserve and enhance Concord's residential neighborhoods and improve the quality of life for all residents.
- **Goal C: Facilitate New Housing Production.** Promote new housing development and remove public infrastructure constraints to new housing development.
- **Goal D: Support Housing Diversity and Affordability.** Support the development of a diverse range of housing types, including rental and ownership units, housing affordable to all economic segments of the community, and housing for individuals with special housing needs.
- **Goal E: Eliminate Housing Discrimination.** Ensure equal housing opportunity for all households and equal access to the City's housing resources.
- **Goal F: Promote Energy Conservation.** Promote energy efficiency in residential development in Milpitas, including reduction of energy use through better design and construction in individual homes and energy-efficient urban design.

California cities are required to provide a wide range of housing options for all income levels. ABAG, as a regional agency, develops a RHNA based on demographic projection to distribute the regional share of the statewide housing need at different income levels to the cities and counties within the Bay Area. Milpitas' RHNA has been determined to be a total of 3,290 units, and Table 1 shows Milpitas' allocation distributed among different income levels:

Table 1 Milpitas' Regional Housing Needs Allocation (RHNA)

INCOME LEVEL	UNITS
Very Low	1,004
Low	570
Moderate	565
Above Moderate	1,151
TOTAL	*3,290*

Milpitas has the capacity to accommodate at least 8,920 new residential units during the current Housing Element planning period, significantly exceeding the City's RHNA goals. The City's potential residential sites for the 2015-2023 Housing Element Update cycle include:

- Sites with planned or proposed residential projects in the development pipeline (6,146 units);
- Vacant or underutilized sites zoned for high-density residential development (1,729 units); and
- Vacant or underutilized sites zoned for mixed-use development with high-density residential development potential (1,011 units);
- Vacant or underutilized sites zoned for low-density residential development (34 units).

Milpitas has experienced a considerable amount of residential development activity in recent years; this momentum is continuing at present, with a large number of units in the City's development pipeline. There are 19 residential projects that are proposed, planned, or under construction in Milpitas, with a total of 6,146 units.

In addition to the substantial pipeline, Milpitas has sufficient sites zoned and available to accommodate at least 2,774 additional new residential units between 2015 and 2023. Based on the default densities (20 dwelling units per acre)[1] for Milpitas, these sites can accommodate at least 2,740 units affordable to very low-, low-, or moderate income households, exceeding the remaining RHNA need identified in Table 2. These sites are shown on Figure 2.

Table 2 Summary of Potential Housing Sites, Milpitas, 2015-2023

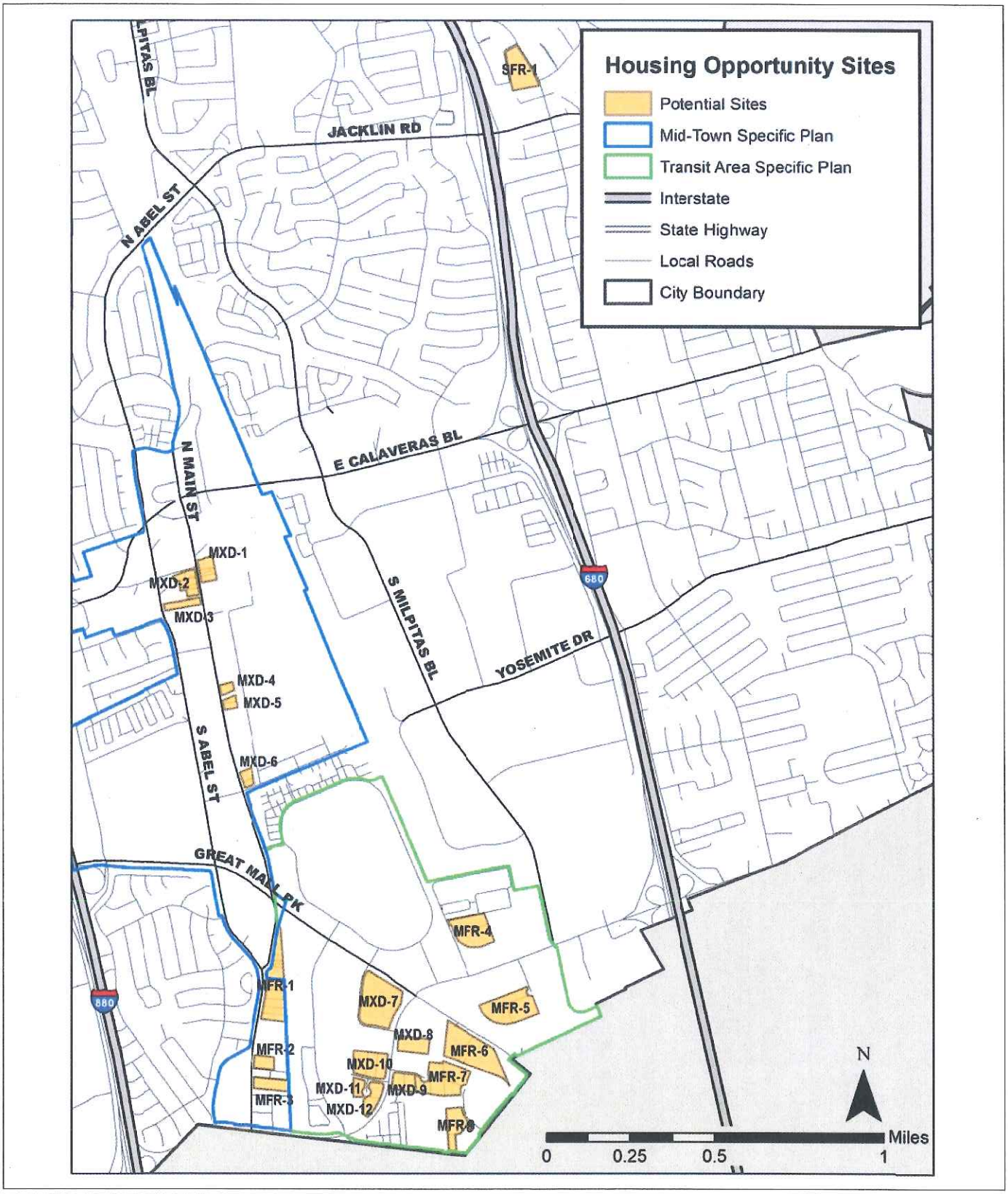
Site Number	Total Parcels	Acreage	Yield at Midpoint Density	Estimated Yield (a)
High-Density Residential/Potential Affordable Housing Sites (b)				
MFR-1	10	7.6	383	311
MFR-2	1	1.4	51	44
MRF-3	1	2.2	78	68
MFR-4	2	5.9	300	244
MFR-5	2	7.4	499	304
MFR-6	2	9.4	632	385
MFR-7	6	7.4	376	305
MFR-8	2	3.2	99	68
Total	26	44.6	2,419	1729
Mixed-Use/Potential Affordable House Sites				
MXD-1	5	2.1	48	40
MXD-2	5	1.9	44	37
MRF-3	1	1.3	31	25
MXD-4	1	0.7	16	13
MXD-5	2	2.8	65	54
MXD-6	2	1.1	25	21
MXD-7	1	9.5	580	353
MXD-8	1	2.5	155	95
MXD-9	2	2.1	98	80
MXD-10	3	4.5	209	170
MXD-11	1	1.0	47	38
MXD-12	2	2.3	106	86

[1] The default density is 20 units per acre for all cities in Santa Clara County with a population of fewer than 100,000 people (http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php).

Table 2 Summary of Potential Housing Sites, Milpitas, 2015-2023

Site Number	Total Parcels	Acreage	Yield at Midpoint Density	Estimated Yield (a)
Total	26	31.9	1,426	1,011
Total Potential Affordable Housing Sites				
	52	76.6	3,844	2,740
Low-Density Residential/Above-Moderate Income (d)				
SFR-1	1	4.9	N/A	34

Notes:
(a) The estimated yield for high-density residential and mixed-use sites uses the minimum density allowed by the zoning ordinance to provide a conservative estimate of the number of units that can be accommodated on each of the opportunity sites.
(b) High-density residential sites are defined as sites zoned for residential use at densities equal to or higher than the "default densities" for Milpitas (20 units/acre) and are therefore capable of accommodating housing affordable to very low-, low-, and moderate-income households.
(c) All mixed-use sites shown are zoned at densities equal to or higher than the "default densities" for Milpitas (20 units/acre) and are therefore capable of accommodating housing affordable to very low-, low-, and moderate-income households.
(d) Low-density residential sites are defined as sites zoned for residential use at densities lower than the "default densities" for Milpitas (20 units/acre) and are therefore presumed to be sites for units serving above moderate-income households.
Source: Table 4.3 Draft Housing Element, BAE, 2014.



Source: Draft Housing Element, August 2014.

FIGURE 2

HOUSING OPPORTUNITY SITES

Seismic and Safety Element Amendment

The Seismic and Safety Element Amendment includes an update to required information related to Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRMs), dam inundation zones, and City goals and policies to comply with State law (specifically AB 162 and California Government Code 65302). It also includes the adoption of Santa Clara County's multi-jurisdictional Local Hazard Mitigation Plan and the City of Milpitas' Local Hazard Mitigation Plan Annex to ensure that appropriate emergency measures are implemented when natural disasters occur.

Open Space and Environmental Conservation Element Amendment

The Open Space and Environmental Conservation Element Amendment include updates to the Water Quality and Conservation Section. Specifically, a map of rivers, creeks, streams, and riparian habitat as per AB 162 has been added.

POTENTIAL PHYSICAL CHANGES

Altogether, the proposed Project does not include actions that could directly or indirectly result in substantial physical changes to the environment. The potential future housing permitted under the proposed Project would not increase development potential, but rather would enable the City of Milpitas to meet its housing needs, including the facilitation of future development to meet the needs of at-risk populations by providing housing types designed for these groups, and ensure hazards from flooding are reduced to the maximum extent feasible.

Environmental factors, such as topography, soils, landslides and seismic hazards, and noise, as well as the lack of infrastructure, such as roads, water, and sewer lines, are potential constraints to housing development in the city. However, most of the housing sites identified by the City are not affected by such constraints. The General Plan has taken these factors into account in establishing policies and land use designations for residential and mixed use development. Where development is planned, any site constraints that remain can be mitigated through appropriate design and environmental planning.

The potential future housing that could occur under the proposed Project would not increase development potential in Milpitas. Instead, the Housing Element identifies sites that can accommodate housing under existing zoning and land use regulations at development intensities that have already been analyzed and approved in the EIRs prepared for the General Plan, the Midtown Specific Plan and the Transit Area Specific Plan projects. The City can accommodate the 2014-2022 RHNA without the need for redesignation or rezoning of new housing sites.

The Housing Element is a policy-level regulatory document that establishes goals and policies that guide development. It does not include any site-specific designs or proposals nor does it grant any entitlements for development; therefore, the proposed Project does not directly result in development in and of itself. When specific implementing programs and development projects are identified, the program and/or development applications for such individual projects, as required, would be submitted separately to the City for review. All such development is required to be analyzed for conformance with the General Plan, Zoning Code, and other applicable federal, State, and local requirements; comply with the applicable requirements of CEQA; and obtain all necessary clearances and permits.

ENVIRONMENTAL CHECKLIST

I. AESTHETICS

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect on a scenic vista?	☐	☐	■	☐
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings and historic buildings within a State scenic highway?	☐	☐	☐	■
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	☐	☐	■	☐
d) Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?	☐	☐	■	☐

DISCUSSION:

a) Potential future development permitted under the proposed Project would have the potential to affect scenic vistas and/or scenic corridors if new or intensified development blocked views of areas that provide or contribute to such vistas. Potential effects could include blocking views of a scenic vista/corridor from specific publically accessible vantage points or the alteration of the overall scenic vista/corridor itself. Such alterations could be positive or negative, depending on the characteristics of individual future developments and the subjective perception of observers.

Scenic corridors are considered public views as seen along a linear transportation route and scenic vistas are views of a specific scenic feature. Scenic vistas are generally interpreted as long range views, while scenic corridors are comprised of short-, middle-, and long-range views. The Milpitas General Plan, in Chapter 4.7, Scenic Resources and Routes, designates scenic routes, corridors, connectors, and a variety of other scenic resources (e.g. foothills and the tree-lined Coyote Creek corridor).

Potential future development permitted under the proposed Project would allow for housing within the City's Residential and Mixed Use Zoning designations. Potential future residential facilities permitted under the proposed Project would be subject to the general development standards for that particular zone as set forth in City Municipal Code Sections (i.e. XI-10-4.04 [Residential], XI-10-6.04 [Mixed-Use]). The general development standards as well as the following General Plan policies identified in Chapter 4.7, Scenic Resources and Routes, address the preservation of scenic vistas and corridors in the city.

Policy 4.g-I-1 Limit uses in Scenic Corridors to those uses allowed by right and conditionally in the R-1 Single-Family Residence and Park and Open Space Zoning Districts. Commercial development can only be allowed when its design will not result in a loss of any scenic potential.

Policy 4.g-I-3 Development in the Scenic Corridor shall not exceed 17 feet in height. The 17-foot height limit may be waived by the City Council when the following two criteria are met: (1) taller buildings are allowed through the underlying zoning district or a PUD [planned unit development] process; and (2) development that exceeds the 17-foot height limit does not significantly obstruct views of the Hillside based on the following guidelines:

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

- The development will not significantly obstruct scenic features including but not limited to ridge-lines, stands of trees or other vegetation, geologic formations, historic, or scenic structures.
- The development is sited to avoid destruction of any distinctive physical characteristics with significant scenic value.
- The development will avoid architectural features such as unusually long blank walls, unbroken roof lines, and excessively steep roof pitches which would detract from the scenic characteristics of the site.
- The scale of the project is consistent with the scale of existing development in the immediate vicinity and within the Scenic Corridor.
- The bulk of the building(s) will not dominate views of the corridor.
- Building materials and colors will blend in and complement the rural "natural" hillside setting (i.e. earth tones, stucco, clay, stone, wood, etc.).

Policy 4.g-I-4 Require all development within or abutting Scenic Corridors to be oriented away from the Corridors, with limited driveway access.

Policy 4.g-I-5 New development within the Scenic Corridor will be subject to site and architectural review ("S" zone Approval) by the Planning Commission. The review will include:

- reviewing architectural design and site planning of all development;
- requiring development that adjoins natural environments to use materials that help to blend buildings into the surroundings; and
- requiring parking, storage, and other such areas to be screened-off from view by using trees and shrubs.

Policy 4.g-I-6 Provide view turnouts, rest areas and picnic facilities at appropriate locations along Scenic Corridors.

As discussed above, potential future development permitted under the proposed Project would involve housing that would be subject to the general development standards within the City's Municipal Code. Accordingly, the proposed Project would not be expected to significantly alter scenic viewsheds in Residential and Mixed Use zones and overall impacts to scenic corridors and vistas within the city would be less than significant. Implementation of the listed General Plan policies would further ensure that impacts on scenic vistas would be *less than significant.*

b) The City of Milpitas is not adjacent to a designated State scenic highway and therefore *no impact* would occur.[2]

[2] California Department of Transportation website, Officially Designated State Scenic Highways, http://www.dot.ca.gov/hq/LandArch/scenic_highways/, accessed October 6, 2014.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
c) As discussed in Section I.a above, potential housing permitted as a result of the proposed Project would be restricted to the existing built environment in areas were residential uses are currently permitted and would be required to comply with enumerated development standards set forth in the City's Municipal Code to ensure compatibility with adjoining land uses. Additionally, implementation of the General Plan policies listed in Section I.a would protect the existing visual character or quality of the city and its surroundings. Accordingly, future development permitted under the proposed Project would result in a *less-than-significant* impact to visual character.				
d) Substantial light and glare comes mainly from commercial areas, safety lighting, traffic on major arterials and the freeway, and street lights. Future potential development permitted under the proposed Project does not include any land use changes that would re-designate areas from residential to commercial. Light pollution in most of the city is restricted primarily to street lighting along major arterials streets and to night-time illumination of commercial buildings, shopping centers, and industrial buildings. Potential housing permitted under the proposed Project would occur in already largely built-out areas where street and site lighting currently exist. Similar to the discussions in Sections I.a and I.c above, potential future development permitted under the proposed Project would be required to comply with enumerated general development standards set forth in the City's Municipal Code to ensure compatibility with adjoining land uses. These factors contribute to a *less-than-significant* impact with respect to light and glare.				

II. AGRICULTURE AND FORESTRY RESOURCES

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	☐	☐	☐	■
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	☐	☐	☐	■
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?	☐	☐	☐	■
d) Result in the loss of forest land or conversion of forest land to non-forest use?	☐	☐	☐	■

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of farmland to non-agricultural use or of conversion of forest land to non-forest use?	☐	☐	☐	■

DISCUSSION:

a) Maps pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency categorize land within the city as primarily Urban and Built-Up Land.[3] There are no agricultural lands identified as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance within the Zoning districts affected by the proposed Project. Potential future development permitted as a result of the proposed Project would only occur within existing Residential and Mixed Use zoning designations. Therefore, there would be *no impact.*

b) The California Land Conservation (Williamson) Act 2010 Status Report identifies land in Santa Clara County that is currently under Williamson Act contract.[4] However, as discussed in response to Section II.a, there is no agricultural land within the affected zoning districts, and, therefore, implementation of the proposed Project would not conflict with existing zoning for agricultural use, or a Williamson Act contract. Consequently, there would be *no impact.*

c) According to 2003 mapping data from the California Department of Forestry and Fire Protection, the city does not contain any woodland or forest land cover;[5] thus, the city does not contain land zoned for Timberland Production and *no impact* would occur.

d) For the reasons provided in response to Sections II.a through II.c, there would be *no impact* in relation to the conversion of farmland to non-agricultural use or forest land to non-forest use.

e) See Sections II.b, II.c, and II.d above.

III. AIR QUALITY

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☐	■

[3] California Resources Agency, Farmland Mapping and Monitoring Program. Santa Clara County Important Farmland 2010, ftp://ftp.consrv.ca.gov/pub/dlrp/FMMP/pdf/regional/2010/bay_area_fmmp2010.pdf. accessed October 6, 2014.

[4] California Department of Conservation, 2010, California Land Conservation (Williamson) Act 2010 Status Report, page 23, http://www.conservation.ca.gov/dlrp/lca/stats_reports/Documents/2010%20Williamson-%20Act%20Status %20Report.pdf, accessed October 6, 2014.

[5] California Department of Forestry and Fire Protection Fire and Resource Assessment Program, Land Cover map, http://frap.cdf.ca.gov/webdata/maps/statewide/fvegwhr13_map.pdf accessed October 6, 2014.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	■	☐
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project area is in non-attainment under applicable federal or State ambient air quality standards (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	☐	☐	■	☐
d) Expose sensitive receptors to substantial pollutant concentrations?	☐	☐	■	☐
e) Create objectionable odors affecting a substantial number of people?	☐	☐	☐	■

DISCUSSION:

The City of Milpitas is within the San Francisco Bay Area Air Basin (SFBAAB) which is under the jurisdiction of the Bay Area Air Quality Management District (BAAQMD). The SFBAAB is a nonattainment area for ozone (O_3) and fine inhalable particulate matter ($PM_{2.5}$) under the state and federal ambient air quality standards (AAQS) and coarse inhalable particulate matter (PM_{10}) under the state AAQS. The air basin is in attainment for carbon monoxide (CO), nitrogen dioxide (NO_2), and sulfur dioxide (SO_2).[6]

a) An air quality plan describes air pollution control strategies to be implemented by a city, county, or region classified as a nonattainment area. The main purpose of an air quality plan is to bring the area into compliance with the requirements of federal and state air quality standards. A consistency determination plays an important role in local agency project review by linking local planning and individual projects to the BAAQMD 2010 Bay Area Clean Air Plan.[7] Projects are consistent with BAAQMD's 2010 Bay Area Clean Air Plan if they are consistent with the existing land use plans used to forecast emissions. In general, zoning changes, specific plans, general plan amendments and similar land use plan changes that do not increase dwelling unit density, vehicle trips, or increase vehicle miles traveled (VMT) are deemed to be consistent with the BAAQMD 2010 Bay Area Clean Air Plan.

The proposed Project presents housing goals during the 2015-2023 planning period as well as policies and programs to support these goals that would enable the City to meet its 2014-2022 RHNA. Because the housing assessment in the RHNA is determined by the ABAG, the proposed Project would accommodate increases in population based on ABAG's demographic projections. The Project would be consistent with the Bay Area 2010 Clean Air Plan because it is based on demographic projections for the City, which form the basis of the regional emissions inventories for the SFBAAB. Therefore, the proposed Project would not conflict with BAAQMD's 2010 Clean Air Plan and there would be *no impact.*

b) Development facilitated by the Housing Element program has the potential to result in criteria air pollu-

[6] California Air Resources Board. 2014a, June. Area Designations: Activities and Maps. http://www.arb.ca.gov/desig/adm/adm.htm.

[7] Bay Area Air Quality Management District (BAAQMD), 2012. Bay Area 2010 Clean Air Plan. http://www.baaqmd.gov/Divisions/Planning-and-Research/Plans/Clean-Air-Plans.aspx.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

tant emissions during construction and operational phases.

Construction Impacts
Air pollution emissions associated with the Project could occur over the short-term for demolition, site preparation, and construction activities. Air quality impacts may occur during the site preparation and construction activities of individual projects as anticipated under the 2007-2014 Housing Element. Major sources of emissions during this phase include exhaust emissions generated during demolition of an existing structure, site preparation, and subsequent structure erection, and fugitive dust generated as a result of soil disturbances. The proposed Project would result in changes at the policy level and does not include specific development proposals.

The proposed Project would result in changes at the policy level and does not include specific development proposals. The Housing Element establishes programs for facilitating housing development pursuant to adopted land use plans. Thus, the proposed Project would not directly result in any construction-related criteria air pollutant emissions. Potential future development under the proposed Project would be required to comply with BAAQMD standards including the Basic Construction Measures for reducing dust and exhaust from construction. Therefore, construction-related impacts to any air quality standard due to the proposed Project would result in a *less-than-significant* impact.

Operational Impacts
Development facilitated by the Housing Element program has the potential to result in criteria air pollutant emissions due to new vehicle trips, use of equipment, and natural gas generation from the long-term operation of the potential additional units. The proposed Project does not include specific development proposals and would result in overall consistency between the City's General Plan land use designations and zoning and its Housing Element. Thus, the proposed Project would not directly result in any criteria air pollutant emissions. However, any future developments would be subject to review on a project-by-project basis. Therefore, operational phase-related impacts due to the proposed Project would result in a *less-than-significant* impact.

c) The SFBAAB is a nonattainment area for O_3, $PM_{2.5}$, and PM_{10}.[8] New development would generate pollutant emissions due to new vehicle trips, use of equipment, and off-site power and natural gas generation. Future projects would be subject to CEQA review and would determine whether emissions would be in excess of State or federal AAQS. Additionally, any new development would be required to comply with BAAQMD regulations to mitigate or prevent the generation of criteria pollutant emissions. The proposed Project would result in changes at the policy level and does not include specific development proposals. Thus, the proposed Project would not directly result in any criteria air pollutant emissions. Therefore, impacts to air quality from implementation of the proposed Project would be *less than significant.*

d) **Localized Construction Emissions**

Sensitive receptors in the vicinity of the housing opportunity sites could be affected by demolition and construction. The potential construction of additional housing units could lead to fugitive emissions and toxic air contaminants (TACs) affecting adjacent sensitive land uses. The proposed Project would result

[8] Bay Area Air Quality Management District (BAAQMD), 2013. Air Quality Standards and Attainment Status. April, http://hank.baaqmd.gov/pln/air_quality/ambient_air_quality.htm. Access January 2014.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

in changes at the policy level and does not include specific development proposals. Thus, the proposed Project would not directly result in any construction-related criteria air pollutant emissions. Air quality analyses would be completed on a site-specific basis to determine whether emissions from proposed development would expose sensitive receptors to substantial pollutant concentrations during construction. The impacts of localized construction emissions due to the proposed Project would result in a *less-than-significant* impact.

Carbon Monoxide Hotspots

With the turnover of older vehicles, introduction of cleaner fuels, and implementation of control technology, the SFBAAB is in attainment of the California and National AAQS, and carbon monoxide (CO) concentrations in the SFBAAB have steadily declined. Because CO Concentrations have improved, intersection volumes during the peak hour in the SFBAAB would not typically reach the level required to result in a CO hotspot.[9] *No impact* would occur.

Community Risk and Hazards

TAC sources within the City of Milpitas include stationary sources permitted by BAAQMD, railroads, roadways with more than 10,000 annual average daily traffic (AADT), and highways or freeways. Stationary sources in Milpitas were identified using BAAQMD's Stationary Source Screening Analysis Tool. There are approximately 164 potential stationary sources in the city. Of these sources, approximately 23 are gas stations, 11 are emergency diesel generators, 11 are auto body repair and refinishing facilities, six are dry cleaners, and 113 are miscellaneous sources (e.g. industrial uses, technology companies, printing shops, etc.).

The Southern Pacific Railroad and high-volume roadways with over 10,000 vehicles per day were also identified. High volume roadways were identified within 1,000 feet of the sites including Interstate 680, Interstate 880, California State Route 237, Montague Expressway, South Abel Street, East Calaveras Boulevard, Great Mall Parkway, Jacklin Road, and East Capitol Avenue. The proposed Project would result in changes at the policy level and does not include specific development proposals. Potential future development under the proposed Project would be required to comply with the latest State Office of Environmental Health Hazard Assessment (OEHHA) and BAAQMD guidance including preparing more refined analysis or site-specific health risk assessment (HRA) for new sensitive sources that are sited within 1,000 feet of major sources of TACs. Accordingly, impacts would be *less than significant.*

e) Land uses that are sources of objectionable odors that may affect substantial numbers of people include wastewater treatment facilities, landfills, refineries, chemical manufacturing facilities, feed lots, and dairies. The proposed Project would not directly create objectionable odors and would not result in an impact. It is unlikely that any future residential development proposed would create objectionable odors. In addition, BAAQMD controls emissions of odorous substances through implementation of BAAQMD Regulation 7, Odorous Substances, which places general limitations on odorous substances and specific emission limitations on certain odorous compounds. Therefore, implementation of the proposed Project would not create odors and *no impact* would occur.

[9] Bay Area Air Quality Management District (BAAQMD), 2010 (Revised 2011). California Environmental Quality Act Air Quality Guidelines.

IV. BIOLOGICAL RESOURCES

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	☐	☐	■	☐
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?	☐	☐	☐	■
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	☐	☐	☐	■
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☐	■
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	■	☐
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or State habitat conservation plan?	☐	☐	☐	■

DISCUSSION:

a) Special status plants include those listed as "Endangered," "Threatened," or "Candidate for Listing" by the California Department of Fish and Wildlife (CDFW); the U.S. Fish and Wildlife Service (USFWS), that are included in the California Rare Plant Rank, or that are considered special-status in local or regional plans, policies, or regulations. Special status animals include those listed as "Endangered," "Threatened," or "Candidate for Listing" by the CDFW or the USFWS, that are designated as "Watch List," "Species of Special Concern," or "Fully Protected" by the CDFW, or that are considered "Birds of Conservation Concern" by the USFWS. There are occurrences of plant and animal species with special-status within the city limits.[10]

[10] Milpitas General Plan, Chapter 4, Open Space and Environmental Conservation Element, Table 4-3 Species with Special Status and Table 4-4 Special California Department of Fish and Games Designation, Table 4-5 Inventory of Rare and Endangered Vascular Plants for Milpitas and Calaveras Reservoir Quads, page 4-8 and 4-9.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

Potential future development permitted under the proposed Project would not increase development potential, but rather would allow for residential housing in the City's Residential and Mixed Use Zoning designations. Potential impacts from construction of housing would most likely be related to the removal of trees and other vegetation in these habitats during the nesting season of the migratory birds found in Milpitas.

The following General Plan policies protect special-status species associated with potential future development.

Policy 4.b-I-2 Preserve remaining stands of trees.

Policy 4.b-I-4 Require a biological assessment of any project site where sensitive species are present, or where habitats that support known sensitive species are present.

Policy 4.d-P-4 Where consistent with other policies, preserve, create, or restore riparian corridors and wetlands. Where possible, set back development from these areas sufficiently to maximize habitat values.

Policy 4.b-I-5 Utilize sensitive species information acquired through biological assessments, project land use, planning and design.

Implementation of these General Plan policies as well as compliance with Municipal Code Chapters 2, Tree Maintenance and Protection, federal and State laws, including but not limited to, the Migratory Bird Treaty Act, Clean Water Act, Federal and California Endangered Species Acts, and California Native Plant Protection Act would ensure impacts to special-status species associated with potential future development would be *less than significant.*

b), c) As previously discussed the zoning designations affected through implementing the proposed Project include Residential and Mixed Use zones. While there is riparian habitat (i.e. Coyote Creek, Calaveras Reservoir, Sandy Wool Lake) in the city limits and surrounding areas, as shown on the City's October 2012 Zoning Map and General Plan Land Use Map, these areas are not within the affected Zoning Districts under the proposed Project.

Furthermore, wetlands and other waters protected under the federal Clean Water Act and the State's Porter-Cologne Water Quality Control Act are under the jurisdiction of the US Army Corps of Engineers and the San Francisco Bay Regional Water Quality Control Board. Federal and State regulations require avoidance of impacts to the extent feasible, and compensation for unavoidable losses of jurisdictional wetlands and waters. Compliance with the General Plan policies described in Section IV.a above would ensure *no impact* would occur to riparian and wetland habitats as a result of potential future development under the proposed Project..

c) As discussed in Sections IV.b and IV.c, zoning districts affected by the proposed Project are not located on wildlife dispersal routes such as riparian corridors, and potential future development associated with special needs would not be expected to contribute to habitat fragmentation which would interfere

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

with wildlife migration. Therefore, *no impact* to wildlife movement corridors would occur.

d) Chapter 2 of the City's Municipal Code is known as the "Tree Maintenance and Protection Ordinance of the City of Milpitas" to preserve, when feasible, all trees and plantings on City property, and all protected plantings of significant size, age, and/or benefit to the community at large. If potential future development under the proposed Project were to impact an approved tree, it would be required to comply with the City's Tree Maintenance and Protection Ordinance before any tree could be removed. Tree removal permits would be secured before any qualifying tree removal action occurred. Potential future housing development permitted under the proposed Project would have to comply with this City ordinance. With adherence to the General Plan policies described in Section IV.a and this ordinance, no conflicts are anticipated, and impacts would be considered *less than significant.*

e) There are no habitat conservation plans or natural community conservation plans within the city limits, therefore implementation of the proposed Project will not conflict with any. Consequently, there would be *no impact.*

V. CULTURAL RESOURCES

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5?	❒	❒	❒	■
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?	❒	❒	❒	■
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	❒	❒	❒	■
d) Disturb any human remains, including those interred outside of formal cemeteries?	❒	❒	❒	■

DISCUSSION:

a)-d) As described in the City's General Plan Open Space and Conservation Element, there are 15 sites officially designated and locally registered as Milpitas Cultural Resources. Cultural resources and historic districts are designated by the City Council on the advice of the Parks, Recreation, and Cultural Resources Commission. Procedures to identify and designate historical and cultural resources and to guide their preservation are outlined in the City's Municipal Code Chapter, Cultural Resources Preservation Program.[11] In addition, Cultural resources are protected by federal and State regulations and standards, including, but not limited to the National Historic Preservation Act, the California Public Resources Code, and CEQA. Given the largely built-out nature of Milpitas, the possibility is low that undiscovered archeological and unique paleontological resources or human remains may be found in the course of construction activities under the proposed Project. Any future development that would occur under the

[11] City of Milpitas General Plan, Chapter 4, Open Space and Conservation Element, page 4-17.

proposed Project would be required to comply with the City's Municipal Code and State and federal regulations. For example, future potential development carried out under the proposed Project would be obligated to cease construction or other activities, and report any discovery of potentially significant resources in compliance with State law (Section 7050.5 of the Health and Safety Code and Section 5097.94 of the Public Resources Code). Compliance with the City's Municipal Code as well as federal and State laws, would ensure *no impact* would occur to cultural resources associated with potential future development under the proposed Project.

VI. GEOLOGY AND SOILS

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury or death involving: i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? ii) Strong seismic ground shaking? iii) Seismic-related ground failure, including liquefaction? iv) Landslides, mudslides or other similar hazards?	☐	☐	■	☐
b) Result in substantial soil erosion or the loss of topsoil?	☐	☐	■	☐
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	☐	☐	■	☐
d) Be located on expansive soil, as defined in Section 1803.5.3 of the California Building Code (2010), creating substantial risks to life or property.	☐	☐	■	☐
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of wastewater?	☐	☐	☐	■

DISCUSSION:

a) i.-iv) As described in Chapter 5, Seismic and Safety Element of the City's General Plan and shown on General Plan Figure 5-2, Seismic and Geotechnical Evaluation Requirements, shows the state-defined Special Studies Zone for Milpitas that traverses the center of the city in a north-south direction. Portions of the Zoning Districts affected by the proposed Project (i.e. Residential and Mixed Use). Figure 5-2 also identifies the requirements for undertaking studies prior to development in areas with potential geotechnical hazards such as liquefaction and landslides. Title II, Building Regulations of the Municipal Code, includes the standards for building in Milpitas. The City has formally adopted the 2010 Edition of the Cali-

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

fornia Building Code, Volumes 1 and 2, California Building Standards Code, known as the California Code of Regulations, Title 24, Part 2, in Chapter 3, Building Code, Section II-3-1.01. Potential future development would be subject to these standards that would minimize the potential risk of ground shaking, ground failure, liquefaction, landslides mudslides, or similar hazards posed to people or structures. In addition, the following General Plan policies would apply to future development in Milpitas:

Policy 5.a-I-1 Require all projects within the Alquist-Priolo Special Studies Zone to have geologic investigations performed to determine the locations of active fault traces before structures for human occupancy are built.

Policy 5.a-I-2 Require applications of all projects in the Hillside Area and the Special Studies Zone to be accompanied by geotechnical reports ensuring safety from seismic and geologic hazards.

Policy 5.a-I-3 Require projects to comply with the guidelines prescribed in the City's *Geotechnical Hazards Evaluation* manual.

Compliance with existing federal, State, and local regulations and the policies listed above would ensure that the impacts associated with seismic hazards are minimized to the maximum extent practicable. Consequently, overall, associated seismic hazards impacts would be *less than significant.*

b) Substantial soil erosion or loss of topsoil during construction could undermine structures and minor slopes, and this could be a concern future development in the city. However, compliance with existing regulatory requirements, such as implementation of erosion control measures as specified in Municipal Code Title II, Chapter 13, Section II-13-10, Erosion Control, includes requirements for control of erosion and sedimentation during grading and construction. Compliance with this Section would reduce impacts from erosion and the loss of topsoil. Therefore, through adherence to existing regulatory requirements impacts associated with substantial erosion and loss of topsoil during potential future development under the proposed Project would be *less than significant.*

c), d) Unstable geologic units and expansive soils are known to be present within city and mapped in General Plan Figure 5-1, Geotechnical Hazards, of the Seismic and Safety Element. This map shows that no portions of the Zoning Districts affected by the proposed Project are identified as having unstable soils. If unstable soils were identified in the future, compliance with General Plan Policy 5.a-I-3, which requires projects to comply with the guidelines prescribed in the City's Geotechnical Hazards Evaluation manual, would reduce the potential impacts to future development from an unstable geologic unit or soil to a *less-than-significant* level.

e) Potential future development under the proposed Project will only affect zones in the existing urbanized environment in areas were residential uses are currently permitted. Connection to the sewer system is available in these areas; therefore, *no impact* regarding the capacity of the soil in the area to accommodate septic tanks or alternate wastewater disposal systems would occur.

VII. GREENHOUSE GAS EMISSIONS

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Generate greenhouse gas (GHG) emissions, either directly or indirectly, that may have a significant impact on the environment?	☐	☐	■	☐
b) Conflict with an applicable plan, policy, or regulation of an agency adopted for the purpose of reducing GHGs?	☐	☐	■	☐

DISCUSSION:

a) The proposed Project would result in changes at the policy level and does not include specific development proposals. Implementation of the proposed Project would result in consistency between the City's Housing Element and General Plan land use and zoning designations. The Housing Element establishes programs for facilitating housing development pursuant to adopted land use plans. Development facilitated by the Housing Element program has the potential to result in GHG emissions due to new vehicle trips, use of stationary equipment, natural gas use, and indirect emissions from use of electricity, water demand and wastewater treatment, and solid waste disposal. Any future developments would be subject to measures within City's Climate Action Plan in addition to statewide measures to reduce GHG emissions. GHG emissions due to the proposed Project would be *less than significant.*

b) The City of Milpitas has adopted a Climate Action Plan which identifies strategies to reduce energy, water use, and other measures that also reduce GHG emissions. Other applicable plans adopted for the purpose of reducing GHG emissions include CARB's Scoping Plan and the Metropolitan Transportation Commission's (MTC's) and ABAG's Plan Bay Area. A consistency analysis with these plans is presented below.

CARB Scoping Plan

In accordance with AB 32, CARB developed the Scoping Plan to outline the state's strategy to achieve 1990 level emissions by year 2020. To estimate the reductions necessary, CARB projected statewide 2020 Business as Usual (BAU) GHG emissions and identified that the state as a whole would be required to reduce GHG emissions by 28.5 percent from year 2020 business as usual (BAU) to achieve the targets of AB 32.[12] Since the release of the 2008 Scoping Plan, CARB has updated the 2020 GHG BAU forecast to reflect GHG emissions in light of the economic downturn and measures not previously considered in the 2008 Scoping Plan baseline inventory. The revised BAU 2020 forecast shows that the state would have to reduce GHG emissions by 21.6 percent from BAU without "Pavley" and the 33 percent Renewable Portfolio Strategy (RPS), or 15.7 percent from the adjusted baseline (i.e. with Pavley – regulations that reduce GHG emissions in new passenger vehicles – and 33 percent RPS).[13]

Since adoption of the 2008 Scoping Plan, State agencies have adopted programs identified in the plan, and the legislature has passed additional legislation to achieve the GHG reduction targets. Statewide strategies to reduce GHG emissions include the Low Carbon Fuel Standard, California Appliance Energy Efficiency regulations, California Building Standards (i.e. CALGreen and the 2013 Building and Energy Efficiency Standards), 33 percent RPS, and changes in the corporate average fuel economy standards (e.g.

[12] California Air Resources Board (CARB). 2008, October. Climate Change Proposed Scoping Plan, a Framework for Change.

[13] California Air Resources Board (CARB). 2012. Status of Scoping Plan Recommended Measures. http://www.arb.ca.gov/cc/scopingplan/status_of_scoping_plan_measures.pdf

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

Pavley I and California Advanced Clean Cars [Pavley II]). The proposed Project would not obstruct implementation of the CARB Scoping Plan. Additionally, as discussed below, the City has adopted a Climate Action Plan that would support the statewide measures to reduce GHG emissions. Therefore, the impact is *less than significant.*

MTC and ABAG Plan Bay Area

Plan Bay Area is a regional growth management strategy that targets per capita GHG reduction from passenger vehicles and light duty trucks in the Bay Area region.[14] Plan Bay Area incorporates local land use projections and circulation networks in General Plans of cities and counties. The projected regional development pattern, including location of land uses and residential densities included in local General Plans, when integrated with the proposed regional transportation network identified in Plan Bay Area, would reduce per capita vehicular travel-related GHG emissions and achieve the subregional GHG reduction per capita targets for the ABAG region. The proposed Project would enable the City to meet its 2014-2022 RHNA. As the housing assessment in the RHNA is determined by ABAG, the proposed Project would accommodate increases in population based on ABAG's demographic projections. The Project would be consistent with Plan Bay Area because it is based on demographic projections for the City that form the basis of the Plan Bay Area. Therefore, the impact would be *less than significant.*

City of Milpitas Climate Action Plan

The City of Milpitas adopted its Climate Action Plan (CAP) in May 2013.[15] It implements goals and measures that would assure compliance with the GHG reduction strategies identified by CARB in the 2008 Scoping Plan. The following measures and associated actions from the CAP are applicable to future residential development constructed in accordance with the Housing Element:

- Measure 1.5 – Urban Cooling. Achieve urban cooling through voluntary and mandatory standards for new development and additions.
  - Action E. Reduce heat gain from surface parking lots in new development for a minimum of 50 percent of the site's hardscape. Develop standards to provide shade from the existing tree canopy or from appropriately selected new trees that complement site characteristics and maximize drought tolerance. Where feasible, use open-grid pavement systems (at least 50 percent pervious, which would also satisfy the stormwater Low Impact Development requirement.
- Measure 1.6 – Smart Grid Integration. Phase in requirements for the use of smart-grid integrated appliances and energy monitors in all new development by 2018, as such appliance become commercial available and economically feasible.
  - Action A. Adopt new development standards to encourage the integration of smart-grid ap-

[14] Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG). 2013, July 18. Plan Bay Area: Strategy for a Sustainable Region.

[15] City of Milpitas. 2013, May. City of Milpitas Climate Action Plan and Qualified Greenhouse Gas Reduction Strategy. https://www.ci.milpitas.ca.gov/_pdfs/Climate_ActionPlan.pdf.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

pliances.

- Measure 2.1 – Energy Efficiency in New Development. Encourage new development and remodels to exceed the minimum building standards for energy efficiency and continue implementation of the adopted Green Building Ordinance.
  - Action A. Incentivize new development to exceed minimum building standards through permit fee reductions.
  - Action C. Continue to require new multi-family buildings to complete a LEED or Green Point Rated checklist [Milpitas Municipal Code (MMC) II-20-3.01(a)].
- Measure 3.1 – Renewable Energy in New Development. Adopt new standards to require renewable energy in new development and encourage renewable energy facilities through the discretionary process.
  - Action B. Require all new single-family and multi-family residential development to comply with the Homebuyer Solar Option, either to provide prewiring for photovoltaic roof systems or to provide an in-lieu fee for off-site solar facilities, building on current standards of the Transit Area Specific Plan.
- Measure 5.1 – Increased Densities.
  - Action A. Require new development to include two or more uses per building if located along identified corridors or in a specific plan area.
  - Action B. Ensure pedestrian accessibility for all new development.
  - Action C. When new streets are necessary, offset with a new pedestrian-only area.
- Measure 12.1 – Lawn and Garden Equipment.
  - Action C. Require new buildings to provide accessible exterior electrical outlets to charge electric-powered lawn and garden equipment
- Measure 12.2 – Construction Best Management Practices.
  - Action A. The City will encourage new development to comply with applicable BAAQMD best management practices that reduce GHGs, including use of alternative-fueled vehicles and equipment, use of local recycled materials, and recycling of construction or demolition materials

The following Policy and Implementation Programs in the Housing Element are consistent with the

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

City's CAP, including Measure 2.1 Action C and Measure 5.1 Action A:

Policy F.1 Promote energy efficiency in new and existing residential development.

- Program F.1.2: The City will continue to promote use of passive solar devices and promote energy audits of existing homes.
- Program F.1.3: Milpitas will continue to implement the City's Green Building Ordinance.
- Program F.1.4: The City will continue to encourage the incorporation of energy- and water-saving principles in the design and planning of new residential developments, including features such as solar orientation and the use of recycled water.
- Program F.1.5: The City will continue to encourage mixed-use and transit-oriented development at transit nodes.
- Program F.1.6: In accordance with the Green Building Policy Resolution adopted in February 2008, the City will continue to require that planning applications for new buildings include a completed LEED checklist.

The City's CAP includes a development checklist (Appendix C of the CAP) for new development to ensure projects are consistent with the measures and actions in the CAP. The development checklist includes a list of mandatory measures and recommended measures as follows:

Required Measures

- New developments shall reduce heat gain from surface parking lots in new development for a minimum of 50 percent of the site's hardscape. Where feasible, new development shall use open-grid pavement systems (at least 50 percent pervious), which would also satisfy the stormwater Low Impact Development requirement.
- New developments shall comply with the Homebuyer Solar Option, either to provide prewiring for photovoltaic roof systems or to provide an in-lieu fee for off-site solar facilities, building on current standards of the Transit Area Specific Plan.
- New development shall ensure pedestrian accessibility.
- When new streets are necessary, new development shall offset with a new pedestrian-only area.
- New developments shall provide accessible exterior electrical outlets to charge electric-powered lawn and garden equipment.

Recommended Measures

- New development shall consider constructing residential units that exceed minimum building standards.
- New development construction post-2018 shall consider integration of smart-grid appliances.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
▪ New developments shall consider implementing applicable BAAQMD best management practices that reduce GHGs, including measures to encourage use of alternative-fueled vehicles and equipment, use of local recycled materials in building construction, and increasing recycling of construction or demolition materials to achieve a 75 percent diversion rate. Future residential development in accordance with the Housing Element would be required to complete the development checklist and include and implement GHG emissions reduction measures identified in the City of Milpitas CAP. Implementation of the proposed Project would not change land use designations and would not increase development potential in Milpitas beyond what was previously considered. Consequently, implementation of the proposed Project would result in a *less-than-significant* impact related to contributing to GHG emissions that could have a significant effect on the environment and conflicting with an applicable plan adopted for the purpose of reducing GHG emissions.				

VIII. HAZARDS AND HAZARDOUS MATERIALS

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Create a significant hazard to the public or the environment through the routine transport, use or disposal of hazardous materials?	☐	☐	■	☐
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	■	☐
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances or waste within one-quarter mile of an existing or proposed school?	☐	☐	■	☐
d) Be located on a site which is included on a list of hazardous material sites compiled pursuant to Government Code Section 65962.5 and, as a result, create a significant hazard to the public or the environment?	☐	☐	☐	■
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	■
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	■

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	■
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	■	☐

DISCUSSION:

a) State-level agencies, in conjunction with the United Stage Environmental Protection Agency (USEPA) and Occupational Safety and Health Administration (OSHA) regulate removal, abatement, and transport procedures for asbestos-containing materials. Asbestos-containing materials ("ACM") are materials that contain asbestos, a naturally-occurring fibrous mineral that has been mined for its useful thermal properties and tensile strength. Releases of asbestos from industrial, demolition, or construction activities are prohibited by these regulations and medical evaluation and monitoring is required for employees performing activities that could expose them to asbestos. Additionally, the regulations include warnings that must be heeded and practices that must be followed to reduce the risk for asbestos emissions and exposure. Finally, federal, State, and local agencies must be notified prior to the onset of demolition or construction activities with the potential to release asbestos.

Lead-based paint ("LBP"), which can result in lead poisoning when consumed or inhaled, was widely used in the past to coat and decorate buildings. Lead poisoning can cause anemia and damage to the brain and nervous system, particularly in children. Like ACM, LBP generally does not pose a health risk to building occupants when left undisturbed; however, deterioration, damage, or disturbance will result in hazardous exposure. In 1978, the use of LBP was federally banned by the Consumer Product Safety Commission. Therefore, only buildings built before 1978 are presumed to contain LBP, as well as buildings built shortly thereafter, as the phase-out of LBP was gradual.

The USEPA prohibited the use of Polychlorinated Biphenyls (PCBs) in the majority new electrical equipment starting in 1979, and initiated a phase-out for much of the existing PCB-containing equipment. The inclusion of PCBs in electrical equipment and the handling of those PCBs are regulated by the provisions of the Toxic Substances Control Act, 15 USC Section 2601 et seq. (TSCA). Relevant regulations include labeling and periodic inspection requirements for certain types of PCB-containing equipment and outline highly specific safety procedures for their disposal. The State of California likewise regulates PCB-laden electrical equipment and materials contaminated above a certain threshold as hazardous waste; these regulations require that such materials be treated, transported, and disposed accordingly. At lower concentrations for non-liquids, regional water quality control boards may exercise discretion over the classification of such wastes.

The California Division of Occupational Safety and Health's (Cal OSHA) Lead in Construction Standard is contained in Title 8, Section 1532.1 of the California Code of Regulations. The regulations address all of the following areas: permissible exposure limits (PELs); exposure assessment; compliance methods; respiratory protection; protective clothing and equipment; housekeeping; medical surveillance; medical removal protection (MRP); employee information, training, and certification; signage; record keeping; monitoring; and agency notification.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

In the event of a hazardous material emergency several agencies are responsible for timely response, depending on the extent, and type of the incident. The Santa Clara County Hazardous Materials Response Team is composed of representatives of the Santa Clara County Fire Department, California Department of Forestry, and member cities and responds to large-scale, emergency hazardous material incidents within the city. The Milpitas Fire Department is responsible for non-emergency hazardous materials reports within the city. If and when these non-emergency incidents become a threat to groundwater supplies, the Regional Water Quality Control Board takes control of the case. The Milpitas Fire Department also monitors above ground and underground storage tanks and combustible and flammable liquids for leaks and spills.

Potentially hazardous building materials (i.e. ACM, lead-based paint, PCBs, mercury) may be encountered during the demolition of existing structures. The removal of these materials (if present) by contractors licensed to remove and handle these materials in accordance with existing federal, State, and local regulations would insure that risks associates with the transport, storage, use, and disposal of such materials would be *less than significant.*

Common cleaning substances, building maintenance products, paints and solvents, and similar items would likely be stored, and used, at the future residential developments that could occur under the proposed Project. These potentially hazardous materials, however, would not be of a type or occur in sufficient quantities to pose a significant hazard to public health and safety or the environment. Consequently, associated impacts from implementation of the proposed Project would be *less than significant.*

b) As described in Section VIII.a above, the storage and use of common cleaning substances, building maintenance products, paints and solvents in the potential development planned for under the proposed Project could likely occur; however, these potentially hazardous substances would not be of a type or occur in sufficient quantities on-site to pose a significant hazard to public health and safety or the environment. Consequently, overall, associated hazardous materials impacts would be *less than significant.*

c) While the Marshall Pomeroy and Pearl Zanker Elementary Schools, Thomas Russell Middle School, and Milpitas High School are within ¼-mile of a zone affected by the proposed Project, the proposed Project merely allows for new residential uses in Residential and Mixed Use zones. As such there would be no increase in the risk of hazardous emissions as discussed above in Sections VIII.a and VIII.b above. As a result impacts to schools would be a *less than significant.*

d) There are no Department of Toxic Substance Control sites within the city included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.[16] Therefore, *no impact* would result.

e), f) The nearest public use airport to the city is the Norman Y. Mineta San José International Airport, located in San José, California approximately 2 miles southwest of the city. The Comprehensive Land Use

[16] Department of Toxic Substances Control, http://www.envirostor.dtsc.ca.gov/public, accessed October 15, 2014.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
Plan for this airport indicates that portions of the city fall within the noise restriction area, height restriction area, and safety restriction areas of the Airport Influence Area.[17] The two closest private air facilities to Milpitas are the Flea Port Heliport the City of San Jose and McCandless Towers Heliport in the City of Santa Clara. However, neither of these facilities is considered in close proximity to the city. Nonetheless, potential future development under the proposed Project would involve housing within the existing built environment in areas where residential uses are currently permitted and would not negatively affect operation of an airport trough resulting height, light interference, or land use incompatibility. Therefore, *no impact* would occur.				
g) The City participates in the ABAG Local Hazards Plan and adopted the 2005 City of Milpitas Emergency Plan.[18] The City maintains the Emergency Plan to deal with natural or man-made disasters. The objectives of the Emergency Plan are to prepare for and facilitate coordinated and effective responses to emergencies within the city and to provide assistance to other jurisdictions as needed. The Emergency Plan specifies actions for the coordination of operations, management and resources, and responsibilities of the different departments and governmental agencies during emergency events. Evacuation routes are to be determined as appropriate depending on the nature of the emergency.[19] Future potential development associated with the proposed Project would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan. The type of anticipated development associated with housing would primarily be restricted to the existing urbanized environment in areas where residential uses are currently permitted; therefore, it would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan. Consequently, *no impact* would occur.				
h) The California Department of Forestry and Fire Hazard Protection (CAL FIRE) is responsible for the identification of very high fire hazard severity zones and transmission of these maps to local government agencies. According to maps prepared by CAL FIRE's, the entire city is categorized as a Non-Very High Fire Hazard Severity Zone under both Local Responsibility Area and State or Federal Responsibility Area.[20] Additionally, as discussed in Section VIII.g above, potential future development under the proposed Project would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan. The type of housing associated with the proposed Project would occur within the highly urbanized areas of Milpitas and would not be surrounded by woodlands or vegetation that would provide fuel load for wildfires. Because the city is not designated as having high, very high, or extreme fire threat, as determined by CAL FIRE's Wildlife Urban Interface Fire Threat data, and any potential future development would be constructed pursuant to the standards set forth in Chapter 3, Building Code, Section II-3-1.01 for the City's Municipal Code, the California Fire Code and the Milpitas Fire Department Code, impacts would be *less than significant.*				

[17] Comprehensive Land Use Plan, Santa Clara County, Norman Y. Mineta San José International Airport, adopted May 25, 2011.

[18] City of Milpitas http://www.abag.ca.gov/bayarea/eqmaps/mitigation/Milpitas-Annex.pdf accessed October 15, 2014.

[19] City of Milpitas General Plan, Chapter 5, Seismic and Safety Element, pages 5-12 and 5-13.

[20] Cal Fire http://frap.cdf.ca.gov/webdata/maps/santa_clara/fhszl_map.43.pdf accessed October 15, 2014.

IX. HYDROLOGY AND WATER QUALITY

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Violate any water quality standards or waste discharge requirements?	☐	☐	■	☐
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a significant lowering of the local groundwater table level?	☐	☐	■	☐
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	☐	☐	■	☐
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	☐	☐	■	☐
e) Create or contribute runoff water which would exceed the capacity of existing or planned storm-water drainage systems?	☐	☐	■	☐
f) Otherwise substantially degrade water quality?	☐	☐	■	☐
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	☐	☐	■	☐
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	☐	☐	■	☐
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	☐	☐	■	☐
j) Inundation by seiche, tsunami, or mudflow?	☐	☐	■	☐

DISCUSSION:

a) The development of new and additional housing elements could result in impacts to water quality during construction with the clearing and grading of sites resulting in the release of sediments, oil and grease, and other chemicals to receiving water bodies. With post-construction increases in impervious surfaces, there is a greater potential for urban runoff from roadways, parking lots, rooftops, and landscaped areas to impact water quality. However, nearly all of the housing sites are in already built out areas of the city, including the Midtown Specific Plan and Transit Area Specific Plan areas. Therefore, new development will occur in areas already covered with impervious surfaces.

During construction, new housing projects will be required to comply with the NPDES General Construction Permit (GCP) as well as prepare a Storm Water Pollution Prevention Plan (SWPPP) if one or

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
more acres of land will be disturbed. The GCP requires the incorporation of Best Management Practices (BMPs) to control sedimentation, erosion, and contaminated runoff during construction. In addition, all projects must submit an erosion control plan to the City of Milpitas prior to the issuance of grading permits, in accordance with the City's Municipal Code.[21] Water quality in stormwater runoff is regulated locally by the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP). Milpitas is one of thirteen cities and towns in the Santa Clara Valley, along with Santa Clara County and the Santa Clara Valley Water District, that formed the SCVURPPP to regulate, monitor, and improve Santa Clara Valley water quality and implement the National Pollutant Discharge Elimination System (NPDES) Municipal Regional Storm Water Permit (MRP) for the area. All new development projects that create or replace 10,000 square feet or more of impervious surface must incorporate site design, source control, and treatment measures to the maximum extent practicable. Also, the City of Milpitas requires new development or redevelopment projects to submit a Stormwater Management Plan and Stormwater Control Operation and Maintenance Plan, in accordance with the SCVURPPP C.3 Stormwater Handbook, and incorporate low impact development (LID) measures in accordance with Chapter 16 of the Municipal Code.[22] Additionally, the following General Plan policies identified in Chapter 4, Open Space and Conservation Element protect water quality in Milpitas: **Policy 4.d-P-1** Implement a comprehensive municipal stormwater pollution-prevention program in compliance with requirements of the Water Board's stormwater NPDES permit. **Policy 4.d-P-3** Work cooperatively with other cities, towns, and the Santa Clara Valley Water District to comply with regulations, reduce pollutants in runoff, and protect and enhance water resources in the Santa Clara Basin. **Policy 4.d-P-4** Where consistent with other policies, preserve, create, or restore riparian corridors and wetlands. Where possible, set back development from these areas sufficiently to maximize habitat values. **Policy 4.d-P-5** Where feasible, conform developments to natural landforms, avoid excessive grading and disturbance of vegetation and soils, retain native vegetation and significant trees, and maintain natural drainage patterns. **Policy 4.d-P-6** Where possible, avoid new outfalls to natural or earthen channels. **Policy 4.d-P-7** Applicable projects shall minimize directly connected impervious area by limiting the overall coverage of paving and roofs, directing runoff from impervious areas to adjacent pervious areas, and selecting permeable pavements and surface treatments. **Policy 4.d-P-8** Applicable projects shall incorporate facilities (BMPs) to treat stormwater before discharge from the site. The facilities shall be sized to meet regulatory requirements.				

[21] City of Milpitas, 2014. Municipal Code 11-13-10, *Erosion Control Plan.*
[22] City of Milpitas, 2014. Municipal Code, Chapter 16, *Stormwater and Urban Runoff Pollution Control.*

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

Policy 4.d-P-9 Applicable projects shall control peak flows and duration of runoff where required to prevent accelerated erosion of downstream watercourses.

Policy 4.d-P-12 Construction sites shall incorporate measures to control erosion, sedimentation, and the generation of runoff pollutants to the maximum extent practicable. The design, scope and location of grading and related activities shall be designed to cause minimum disturbance to terrain and natural features. (Title II, Chapter 13 of the Municipal Code includes requirements for control of erosion and sedimentation during grading and construction.)

Potential future development for the Housing Element Update would be subject to these oversight and review processes, policies envisioned by the General Plan, Municipal Code requirements, and State/federal regulations. Therefore, compliance with these existing regulations and requirements would result in *less than significant* water quality impacts. No water quality impacts are associated with the Seismic and Safety Element update or the Open Space and Environmental Conservation Element update.

b) Potential future development under the proposed Project would have a significant environmental impact if it would result in a net deficit in aquifer volume or a lowering of the local groundwater table level. Housing sites could result in the construction of additional impervious surfaces and the diversion of groundwater to surface water. However, the housing opportunity sites are in areas that have already been developed with a high percentage of impervious surfaces.

The new housing projects would need to implement site design measures, LID, and BMPs, including infiltration features, that will contribute to groundwater recharge and minimize stormwater runoff. Also, General Plan Policy 4.d-P-7 states that applicable projects shall minimize directly connected impervious areas by limiting the overall coverage of paving and roofs, directing runoff from impervious areas to adjacent pervious areas, and selecting permeable pavements and surface treatments.

While buildout of the proposed Project could lead to an increased demand for water, which could lead to an increase in groundwater pumping, the proposed Project would not result in any additional development potential in the city beyond what was previously considered and no additional water demand would occur. Consequently, impacts to groundwater with implementation of the Housing Element Update would be *less than significant.* No impacts are associated with implementation of the Seismic and Safety Element Update or the Open Space and Environmental Conservation Element amendments.

c), d) The proposed Project would result in a significant environmental impact if it would result in modifications to drainage patterns that could lead to substantial erosion, siltation, or flooding. Development of new housing could result in an increase in stormwater runoff, higher peak discharges to drainage channels, and the potential to cause erosion or sedimentation during construction. Increased runoff volumes and velocities could create nuisance flooding in areas without adequate drainage facilities. However, potential future development as a result of the proposed Project would occur within the built environment with an existing storm drain infrastructure and would not involve the direct modification of any watercourse.

All new housing projects would be required, pursuant to the SCVURPPP and MRP, to implement construction phase BMPs, post-construction design measures the encourage infiltration in pervious areas, and post-construction source control measures to keep pollutants out of stormwater. In addition, post-construction treatment measures are required for projects that create or replace 10,000 square feet or

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

more of impervious surface.

Post-construction stormwater quantity (flow peak, volume, and duration) controls are also required for projects in locations that create or replace one acre or more of impervious surface and may cause downstream erosion, as determined by the Hydromodification Management Plan (HMP) Applicability Map, City of Milpitas.[23] All of the housing sites are outside of areas requiring hydromodification, except for an undeveloped housing site north of Jacklin Road and east of Interstate 680. For this project, flow controls would be required so that post-project runoff does not exceed pre-project runoff rates and durations. Implementation of these provisions would minimize the amount of stormwater runoff from new housing projects associated with the Housing Element Update.

During construction, housing project applicants would be subject to the NPDES construction permit requirements, including preparation of a SWPPP. In addition, the City's Municipal Code (11-13-10 - *Erosion Control Plan*) sets requirements for erosion control during construction, including the prevention of sediment or damage to off-site properties. These control measures would further reduce the potential for substantial erosion or siltation and would ensure that generated runoff is protective of the beneficial uses of receiving waters. Once constructed, the requirements for new development or redevelopment would include source control measures and site design measures that address stormwater runoff and would reduce the potential for erosion or siltation.

In addition, Provisions C.3 of the MRP require new development and redevelopment projects, meeting certain criteria, to implement stormwater treatment measures to contain site runoff, using specific numeric sizing criteria based on volume and flow rate. For hydromodification projects, post-project runoff shall not exceed estimated pre-project rates and durations where the increased stormwater discharge rates and durations would result in increased potential for erosion.[24]

Additionally, the General Plan policies identified in IX.a, as well as the following policy in Chapter 4 of the Open Space and Conservation Element would further minimize erosion, siltation, and flooding:

Policy 4.d-P-9 Applicable projects shall control peak flows and duration of runoff where required to prevent accelerated erosion of downstream watercourses.

With implementation of these erosion and sediment control measures and regulatory provisions to limit runoff for new development and redevelopment sites, the new housing that would be part of the Housing Element Update would not result in significant increases in erosion and sedimentation or contribute to on-site or off-site flooding. Therefore, implementation of the proposed Project would have a *less-than-significant* impact with respect to alterations in drainage patterns contributing to erosion, siltation, and/or flooding. There would be no impact associated with the Seismic and Safety Element update or the Open Space and Environmental Conservation Element update.

[23] Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP), 2014. *HMP Applicability Map, City of Milpitas.* Accessed on October 3, 2014 at http://www.scvurppp-w2k.com/HMP_app_maps/Milpitas_HMP_Map.pdf.

[24] Santa Clara Valley Urban Runoff Pollution Prevention Program, 2014. Website: http://www.scvurppp-w2k.com/nd_wp.shtml#
other accessed on August 25, 2014.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

e) As discussed previously, an increase in impervious surface with new housing could result in an increase in stormwater runoff that could exceed the capacity of existing or planned stormwater drainage systems. However, nearly all of the housing sites are located in already built-out areas of the City that are connected to the existing storm drain system.

The City collects and disposes its stormwater via a storm drainage network consisting of catch basins, conveyance piping, pump stations, and outfalls to creeks. The City has 123 miles of storm pipe, 3,000 catch basins, approximately 4 miles of drainage ditches and creeks, and stormwater pump stations. Stormwater collection efforts are guided by the Floodplain Management Plan, which is a compilation of different management sources, and is designed to be a flexible and growing instrument.[25] The City of Milpitas is responsible for improvements to the storm drain system, as described in the *Storm Drain Master Plan* (July 2013). The SCVWD is responsible for improvements to the creeks and channels within the City, with the exception of Wrigley-Ford Creek, which is under the jurisdiction of the City.

One housing site (SFR-1 on Figure 4.2 of the Housing Element) is in an area subject to hydromodification requirements. To meet these requirements, post-project stormwater runoff rates must be less than or equal to pre-project values. All other new housing projects would be required to provide hydrologic and hydraulic calculations comparing existing and post-development conditions in the SWMP. The site design and hydrology calculations would be subject to City review to verify that any increased project flows could be accommodated by the existing drainage system. In addition, there are C.3 provisions of the MRP that require the implementation of on-site stormwater treatment measures to contain site runoff, using specific numeric sizing criteria based on volume and flow rates.

Additionally, Policy 4.d-P-7 in the General Plan serves to minimize impermeable surfaces and decrease runoff and Policy 4.d-P-9 states that projects shall control peak flows and duration of runoff to prevent erosion of downstream watercourses.

Development associated with the Housing Element Update would not require significant expansions of the existing stormwater drainage infrastructure, because the majority of the housing sites involve redevelopment of already developed properties that have an existing storm drainage system. With implementation of the regulatory requirements for new development and redevelopment projects, storm drain impacts would be *less than significant.* No impact is associated with the Seismic and Safety and Open Space and Environmental Conservation Element Updates.

f) Pollutants commonly associated with construction sites that can impact stormwater are sediments, nutrients, trace metals, pesticides, oil, grease, fuels, and miscellaneous construction wastes. Pollutants generated from the operational phase of the project may include sediment, nutrients, organic compounds, trash and debris, oxygen-demanding substances, bacteria and viruses, oil and grease, and pesticides/herbicides.

As required by City and SCVURPPP storm water management guidelines, Best Management Practices (BMPs) will be implemented across the project site during both construction and operation of the proposed Project. These BMPs will control and prevent the release of sediment, debris, and other pollutants into the storm drain system. Implementation of BMPs during construction will be in accordance with the

[25] City of Milpitas General Plan, Chapter 2, Seismic and Safety Element, page 5-9 and 5-10.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

provisions of the SWPPP, which will minimize the release of sediment, soil, and other pollutants. Operational BMPs will be required to meet the C.3 provisions of the MRP and the applicant will be required to submit a SWMP and Stormwater Control Operation and Maintenance Plan. These requirements include the incorporation of site design, source control, and treatment control measures to treat and control runoff before it enters the storm drain system. With implementation of these BMPs in accordance with City and SCVURPPP requirements, the potential impact on water quality will be *less than significant.*

g), h) The City of Milpitas is a participant in the National Flood Insurance Program (NFIP). The NFIP provides property owners and renters with federally backed flood insurance, reduces flood damage through a mandatory local floodplain management ordinance, and identifies and maps flood hazards. The NFIP requires the City to maintain a floodplain management ordinance based upon current FEMA Flood Insurance Rate Maps (FIRMs). The City meets this requirement through the implementation of Floodplain Management Regulations specified in Section XI of the Milpitas Municipal Code. These maps identify Special Flood Hazard Areas (SFHAs) or areas subject to inundation from a 100-year storm. The areas within the City include the following FIRM map designations:

- Zone A – Areas subject to inundation by the 1% annual (100-year) flood event. Because no detailed hydraulic analyses have been performed, no Base Flood Elevations (BFEs) or flood depths are shown.
- Zone AE – Areas subject to inundation by the 1% annual (100-year) flood event. BFEs are shown within these zones.
- Zone AH – Areas subject to inundation by a 1% chance of shallow flooding (usually areas of ponding) with average depths ranging from one to three feet. BFEs derived from detailed hydraulic analyses are shown in this zone.
- Zone AO – Areas subject to inundation by a 1% chance of shallow flooding (usually sheet flow) with average depths ranging from one to three feet. Average flood depths derived from detailed hydraulic analyses are shown within this zone.

As shown on General Plan Figure 5-4, approximately 50 percent of the city between Interstate 880 and Interstate 680 is within the 100-year floodplain and the remainder of the land in this area lies within the 500-year Flood Zone. For the housing sites within the Transit Area Specific Plan, 11 of the 14 sites lie partially or entirely within the 100-year floodplain. Sites MFR-2 through MFR-4 are outside of the 100-year floodplain. The housing sites within the Midtown Specific Plan area are outside of the 100-year floodplain, with the exception of MXD-6, and the housing site north of Jacklin Road and east of I-680 (SFR-1) is outside of the 100-year floodplain.

If housing will be constructed within the 100-year floodplain, the provisions of the City's Municipal Code (Section XI-15 - Floodplain Management Regulations) require the developer to submit a permit application showing the development plans, in particular the measures that will be taken to prevent flood hazards or elevate buildings out of the floodplain.

All new residential construction must have the lowest floor built to at least one foot above the Base

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

Flood Elevation (BFE), or in the case of areas within Zone AO, at least one foot above the depth number listed on the Flood Insurance Rate Map (FIRM), or three feet above the highest adjacent grade if no depth number is shown. For non-residential construction, the lowest floor elevation can be at BFE but the structure needs to be floodproofed and designed for buoyancy.

All new residential construction with fully enclosed areas below the lowest floor (excluding basements) that are usable solely for parking of vehicles, building access or storage, and which are subject to flooding, shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwater. Within Zone AH or AO, improvements shall be constructed so that there are adequate drainage paths around structures on slopes to guide flood waters around and away from proposed structures. Further details of these provisions can be found in the following sections of the City of Milpitas Municipal Code:

- Standards of Construction (Section XI-15-5.1) – Specify requirements for anchoring, construction materials and methods, and elevation and floodproofing
- Standards for Utilities (Section XI-15-5.2) – Specify requirements for new and replacement water supply and sanitary sewage systems, and on-site waste disposal systems
- Standards for Subdivisions (Section XI-15-5.3) – Specify the elevation of the proposed structure(s) and pad(s) and provide adequate drainage to reduce exposure to flood hazards
- Floodways (Section XI-15-5.6) – Specify requirements and constraints for encroachments and other flood hazard reduction provisions.

Any permit application for new construction within a FEMA-designated 100-year flood hazard will be reviewed by the City Manager, who is appointed as the Floodplain Administrator to enforce Section XI-15 of the Milpitas Municipal Code. The administrator will determine if all requirements specified in Section XI-15 have been satisfied and either grant or deny the permit.

The following General Plan policies also apply to housing within the 100-year Flood Zone and restrict the placement of structures which would impede or redirect flood flows:

Policy 5.b-I-1 Ensure that new construction or substantial improvements to any existing structure result in adequate protection from flood hazards. This includes ensuring that:

- New residential development within the 100-year Flood Zone locate the lowest floor, including basement, above the base flood elevation; and
- New non-residential development locate the lowest floor, including basement, above the base flood elevation or incorporate flood-proofing and structural requirements as spelled out in the Municipal Code (Title XI Chapter 15).

Policy 5.b-I-2 Require all structures located within the 100-year Flood Zone to provide proof of flood insurance at the time of sale or transfer of title.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

Policy 5.b-I-3 Ensure that encroachment into designated floodways does not result in any increase in flooding hazards.

New housing sites would be required to comply with these requirements. Consequently, implementation of the Housing Element Update would result in *less-than-significant* impacts.

The Seismic and Safety Element has also been revised and updated in accordance with State law (Assembly Bill 162 and California Government Code 65302) in conjunction with the revision of the Housing Element. It includes information regarding flood hazards, maps of flood zones based on the most recent FEMA FIRMs, historical data on flooding, and current and future flood control projects. In addition, the Open Space and Environmental Conservation Element has been revised to include a map providing rivers, creeks, streams, and flood corridors that may accommodate floodwater. There is no impact associated with these revisions in terms of flooding potential.

i) Dam failure is the uncontrolled release of impounded water from behind a dam. Flooding, earthquakes, blockages, landslides, lack of maintenance, improper operation, poor construction, or sabotage can all cause a dam to fail. Dam failure can result in downstream flooding that can affect property and life. However, there is no historical record of dam failure in Santa Clara County or the City of Milpitas. In addition, there is minimal risk in the Bay Area for dam failure due to safety protocols established by the State Division of Safety of Dams (DSOD), according to Appendix C *Natural Hazard Risk Assessment* of the ABAG *Regional Hazard Mitigation Plan* (2010). Three dams have inundation zones within the City of Milpitas: 1) Anderson Dam, 2) Coyote Dam, and 3) Sandy Wool Lake Dam. The inundation zones are shown on Figure 5-5 of the City's General Plan, Chapter 5, Seismic and Safety Element.

According to maps compiled by the Association of Bay Area Governments (ABAG) and the California Office of Emergency Services (OES),[26] the housing sites within the Midtown Specific Plan and the housing sites west of Main Street in the Transit Area Specific Plan would be within the dam inundation zone of Anderson Dam. The housing site east of I-680 and north of Jacklin Road (SFR-1) is not within a dam inundation zone.

Anderson Dam and Coyote Dam operate in tandem with controlled releases to minimize the potential for downstream flooding along Coyote Creek. Anderson Dam was built in 1950 by Santa Clara Valley Water District (SCVWD) for water supply and is constructed of earth and rock. In 2011, a seismic study of Anderson Dam indicated that the foundation and base of the dam could weaken due to liquefaction from a 7.25 magnitude earthquake along the Calaveras Fault, which is located about 2 kilometers from the dam. As a result, the DSOD has established operating restrictions, reducing the amount of allowable storage to 68 percent of capacity. The dam is scheduled for seismic retrofit and the reservoir will be drained in 2015; completion of the retrofit is scheduled for 2018.

The latest dam inundation maps prepared by SCVWD in 2009 indicate that the arrival time of a flood wave into the City of Milpitas would be about 5 hours, 15 minutes for the inflow design flood (IDF) and

[26] Association of Bay Area Governments, 2014. *Dam Inundation Hazard Map for Milpitas.* Website www.abag.ca.gov/cgi-bin/pickdamx.pl (accessed October 4, 2014).

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
6 hours, 48 minutes for the fair weather flood. Since the dam is currently operating at 68% of capacity, these dam inundation zones are conservative and overestimate the flooding impact in the unlikely event that a dam failure occurs. The delayed arrival time of a flood wave would allow sufficient time for evacuation of City residents, if needed. The State of California supervises all non-federal dams in California through the Dam Safety Program under the jurisdiction of DSOD. Engineers and engineering geologists review and approve plans and specifications for the design of dams and oversee their construction. In addition, the dams are inspected twice a year and continually monitored for seepage and settling. Dam owners are also required to maintain Emergency Action Plans (EAPs) that include procedures for damage assessment and emergency warnings. The City of Milpitas in conjunction with Santa Clara County addresses the possibility of dam failure in the Local Hazard Mitigation Plan, which also provides emergency response actions. The Milpitas Fire Department Office of Emergency Services (OES) and the SCVWD coordinate preparedness efforts to mitigate against, plan for, respond to, and recover from natural hazards, including the possibility of dam failure. In addition, the City maintains an Emergency Plan to deal with natural or man-made disasters. Evacuation routes are determined as appropriate, depending on the nature of the emergency. Therefore, implementation of the Housing Element Update would not expose people or structures to a significant risk of loss, injury, or death in the case of dam failure and impacts are considered to be *less than significant.* The Seismic and Safety Element was also updated in conjunction with the Housing Element to address dam inundation and provide the latest dam inundation maps. There is no impact associated with this revision.				
j) The housing sites are located in relatively flat areas of the City that are not in mapped areas of landslides or debris flows. Similarly, the housing sites are not located close to large bodies of water that could result in inundation by seiche or tsunami. Milpitas is located approximately 30 miles east of the Pacific Ocean, approximately 5 miles south of San Francisco Bay, approximately 5 miles west of the Calaveras Reservoir, and 2 miles west of Sandy Wool Lake Dam, located in Ed Levine Park. Given the distance from these bodies of water, the city is not at risk of inundation in the event of tsunami or seiche and impacts would be *less than significant.*				

X. LAND USE AND PLANNING

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Physically divide an established community?	☐	☐	☐	■
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☐	☐	■
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	☐	☐	☐	■

DISCUSSION:

a) Implementation of the proposed Project would not involve any structures, land use designations, or other features (i.e. freeways, railroad tracks) that would physically divide an established community. The type of anticipated development associated with the Housing Element would be restricted to the existing urbanized environment where residential uses are currently allowed. Future development that could occur under the Housing Element would be required to comply with the goals, policies, and programs under the General Plan, which establish goals to maintain and enhance the existing land use pattern, as well as identify areas that are appropriate for change. Further, since the adoption of the Housing Element alone would not result in the direct physical development, nor does it propose specific projects for development and therefore would not physically divide an established community, *no impact* would occur.

b) As previously described, the Housing Element identifies sites currently zoned for residential uses. Although the adoption of the Housing Element alone would not result in direct physical impacts, implementation of the Housing Element would result in the construction of future residential units. However, as mentioned, the sites identified are currently designated for residential uses under the adopted General Plan and Zoning Code. These are the primary planning documents for the City of Milpitas. The proposed Project would enable the City of Milpitas to meet its housing needs required by State law and facilitate future development to meet the needs of at-risk populations by providing housing types designed for these groups consistent with the City's 2015-2023 General Plan Housing Element. Additionally, future potential development that could occur under the proposed Project does not include any land use or zoning changes that would re-designate land uses or zoning districts. Therefore, there would be no impacts regarding conflicts with applicable plans, policies, or regulations.

c) As discussed above in Section IV.f above, there are no habitat conservation plans or natural community conservation plans within the city limits, therefore implementation of the proposed Project will not conflict with any. Consequently, there would be *no impact*.

XI. MINERAL RESOURCES

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	❒	❒	❒	■
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	❒	❒	❒	■

DISCUSSION:

a), b) The Planning Area considered in the Milpitas General Plan includes four areas identified by the State Geologist as containing Regionally Significant Construction Aggregate Resources. However, these areas are located outside of the city limits. The proposed Project will only have the potential to affect areas that are incorporated into the City of Milpitas. Therefore, the proposed Project will have *no impact* with respect to known mineral resources.

XII. NOISE

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Expose persons to or generate noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	❒	❒	■	❒
b) Expose persons to or generate excessive groundborne vibration or ground borne noise levels?	❒	❒	■	❒
c) Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	❒	❒	■	❒
d) Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	❒	❒	■	❒
e) If located within an airport land use plan or where such a plan has not been adopted, within two miles of a public airport or public use airport, expose people residing or working in the project area to excessive noise levels?	❒	❒	■	❒
f) If within the vicinity of a private airstrip, expose people residing or working in the project area to excessive noise levels?	❒	❒	■	❒

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

DISCUSSION:

a)-f) The type of anticipated development associated with housing would primarily be restricted to the existing built environment in areas where residential uses are currently permitted. The provisions of the proposed Project would not contravene any aspects of the General Plan, including land use designations, noise limits, or other restrictions that address noise impacts. Though future potential development permitted under the proposed Project may potentially be noise-generating during construction phases, all potential future development pursued under the proposed Project would be subject to the oversight and review processes and standards that are envisioned by the General Plan, established within the City Municipal Code, and/or otherwise required by the state and federal regulations.

Title V (Public Health, Safety and Welfare), Chapter 213 (Noise Abatement) regulates excessive sound and vibration in residential areas of the City of Milpitas. Additionally, General Plan Chapter 6, Noise Element, includes policy statements to guide public and private planning to attain and maintain acceptable noise levels. For example, Policy 6-I-3 prohibits new construction where the exterior noise exposure is considered "clearly unacceptable" for the use proposed and Policy 6-I-5. All new residential development (single-family and multi-family) and lodging facilities must have interior noise levels of 45 decibels (dB) Day-Night Noise Level (DNL) or less. Mechanical ventilation will be required where use of windows for ventilation will result in higher than 45 dB DNL interior noise levels. Compliance with these existing regulations would ensure that the proposed Project would neither cause new noise impacts nor exacerbate any existing ones. Accordingly, noise impacts associated with implementing the proposed Project would be *less than significant.*

XIII. POPULATION AND HOUSING

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	■	☐
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	☐	☐	■	☐
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	☐	☐	■	☐

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

DISCUSSION:

a) The proposed Project would be considered to result in a substantial and unplanned level of growth if estimated buildout exceeded local and regional growth projections (e.g. by proposing new homes or businesses). By definition, the Housing Element is intended to facilitate the production of housing in the city and remove impediments to housing construction. Implementation of the proposed Project would not result in any additional housing beyond what was previously considered and thus would not directly induce substantial population growth. Additionally, the proposed Project would not extend roads or other infrastructure, and thus would not indirectly induce substantial population growth. Thus, a *less-than-significant* impact would occur in relation to population growth.

b), c) Because the proposed Project in no way increases the restrictiveness of the existing zoning on any of the proposed housing sites, nothing in the proposed Housing Element would serve to displace housing or people. The proposed Project prescribes standards, but does not mandate the exact use of the land. Therefore, market conditions and a variety of other factors will be the primary determinates of the increase or decrease in the number of housing units and residents in Milpitas. Consequently, impacts with respect to displacing housing units or residents would be *less than significant.*

XIV. PUBLIC SERVICES

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
Fire protection?	☐	☐	☐	■
Police protection?	☐	☐	☐	■
Schools?	☐	☐	☐	■
Parks?	☐	☐	☐	■
Other public facilities	☐	☐	☐	■

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact

DISCUSSION:

a) The primary purpose of a public services impact analysis is to examine the impacts associated with physical improvements to public service facilities required to maintain acceptable service ratios, response times or other performance objectives. Public service facilities need improvements (i.e. construction of new, renovation or expansion of existing) as demand for services increases. Increased demand is typically driven by increases in population. The proposed Project would have a significant environmental impact if it would exceed the ability of public service providers to adequately serve the residents of the city, thereby requiring construction of new facilities or modification of existing facilities. As discussed in Section XII, Population and Housing, above, the proposed Project would not directly or indirectly result in population growth. The proposed Project does not include the construction of any new public service facilities or expansion of existing facilities. The proposed Project will not increase development potential beyond what was previously considered. Further, the provisions of the proposed Project would not contravene any aspects of the General Plan, including land use designations and allowed building intensities that could impact demand for City services. Implementation of the proposed Project would therefore neither cause new impacts in regard to provision of City services nor exacerbate any existing ones; thus, *no impact* would occur.

XV. RECREATION

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	■
b) Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	☐	☐	☐	■

DISCUSSION:

a), b) Because implementation of the proposed Project would not directly or indirectly result in population growth as discussed in Section XII, Population and Housing, above, it also would not increase the use of existing parks or facilities. Additionally, implementation of the proposed Project does not include nor require the construction or expansion of recreational facilities. For these reasons, implementation of the proposed Project would have *no impact* on recreation.

XVI. TRANSPORTATION/TRAFFIC

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	❒	❒	■	❒
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the County Congestion Management Agency for designated roads or highways?	❒	❒	■	❒
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	❒	❒	❒	■
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	❒	❒	❒	■
e) Result in inadequate emergency access?	❒	❒	❒	■
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	❒	❒	❒	■

DISCUSSION:

a), b) The proposed Project will have no effect on the circulation system of Milpitas as it will not increase development potential and would not directly or indirectly result in population growth. As such, implementation of the proposed Project would not conflict with any applicable plan, ordinance or policy which establishes measures of effectiveness for the performance of the circulation system. Potential future development permitted as a result of the proposed Project will allow for housing in Residential and Mixed-Use Zoning designations where residential uses are currently permitted. Consequently, impacts would be *less than significant.*

c) The proposed Project does not include any strategy or measure that would directly or indirectly affect air traffic patterns. Therefore, *no impact* would result.

d) The proposed Project does not include any strategy that would promote the development of hazardous road design features or incompatible uses. Rather, the proposed Project will allow for housing in Residential and Mixed Use Zoning designations where residential uses are currently permitted. Therefore, *no impact* would occur.

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
e) No part of the proposed Project would result in the development of uses or facilities that would degrade emergency access. Therefore, there would be *no impact.*				
f) The proposed Project will have no impact on policies, plans or programs regarding public transit, bicycle, or pedestrian facilities. While the proposed Project does include provisions that are dependent on the location of public transit stops, potential future development permitted as a result of the proposed Project will only be reactive to the location of bus stops and will have no effect on the placement of bus stops or any other aspect of the public transportation system. Therefore, *no impact* will occur.				

XVII. UTILITIES AND SERVICE SYSTEMS

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	☐	☐	■	☐
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	■	☐
c) Require or result in the construction of new stormwater drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	■	☐
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	☐	☐	■	☐
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	■	☐
f) Be served by a landfill with sufficient permitted capacity to accommodate the Project's solid waste disposal needs?	☐	☐	■	☐
g) Comply with federal, State, and local statutes and regulations related to solid waste?	☐	☐	■	☐

DISCUSSION:

a)-c), e) The Milpitas Sanitary Sewer Collection System is owned and maintained by the City of Milpitas. Wastewater from the City of Milpitas is treated at the San Jose/Santa Clara Water Pollution Control

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
Plant, located near Alviso. The City of Milpitas is contractually allowed a sanitary sewer flow of 14.25 million gallons per day.[27] The proposed Project would allow for housing in Residential and Mixed Use Zoning designations where residential uses are currently permitted and would not increase development potential beyond what was previously considered. Therefore, construction and operation resulting from potential future development permitted under the proposed Project would have *less-than-significant* impacts with regard to the wastewater treatment requirements of the SFRWQCB and the capacity of the San Jose/Santa Clara Water Pollution Control Plant to serve the projected General Plan demand in addition to its existing commitments. Additionally, it would not require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects.				
d) The proposed Project would allow for housing in Residential and Mixed Use Zoning designations where residential uses are currently permitted and would not increase development potential beyond what was previously considered. Given no additional demand to water supply would occur, impacts to water supply as a result of implementing the proposed Project would be *less than significant.*				
f), g) The City of Milpitas and Santa Clara County Integrated Waste Management Plans (IWMP) comply with state-mandated waste reduction goals specified in Public Resources Code (PRC) 40500 (Assembly Bill 939). PRC 40500 requires local agencies to implement source reduction, recycling, and composting activities to reduce solid waste generation by 25 percent by the year 1995, and by 50 percent by the year 2000. As a part of PRC 40500, each city and county is required to prepare a Source Reduction and Recycling Element (SRRE) and a Household Hazardous Waste Element (HHWE). Together, the SRRE and HHWE comprise the City's IWMP.[28] Newby Island landfill, located on Dixon Landing Road in San Jose serves the City. It is a Class III landfill, with an estimated lifespan of an additional 11 years (to 2021). However, the proposed Project would not increase development potential beyond what was previously considered; accordingly, no additional demand on solid waste capacity would occur and impacts would be *less than significant.*				

[27] The City of Milpitas Waterstone EIR, http://www.ci.milpitas.ca.gov/_pdfs/plan_cir_WaterStone_draft_a.pdf. Accessed October 15, 2014.

[28] The City of Milpitas General Plan, Chapter 4Environmental Open Space and Conservation Element, page 4-21.

MANDATORY FINDINGS OF SIGNIFICANCE

Would the Project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	❒	❒	■	❒
b) Have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	❒	❒	■	❒
c) Have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	❒	❒	■	❒

DISCUSSION:

a)-c) The provisions of the proposed Project would not contravene any aspects of the General Plan, including land use designations and allowed building intensities, which would lead to increased population or development, impacts to wildlife, cumulative effects, or other substantial adverse effects on human beings. All structures, programs, and projects pursued under the proposed Project would adhere to the vision established within the General Plan and all subsequent land use and zoning designations. Implementation of the proposed Project would therefore neither cause new impacts in regard to these issues nor would it exacerbate any existing impacts. Therefore, through mandatory regulatory compliance and consistency with General Plan policies, implementation of the proposed Project would have a *less-than-significant* impact with the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory, nor have impacts that are individually limited, but cumulatively considerable, nor does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly.

2D

STATE OF CALIFORNIA

GOVERNOR'S OFFICE *of* PLANNING AND RESEARCH

STATE CLEARINGHOUSE AND PLANNING UNIT

EDMUND G. BROWN JR.
GOVERNOR

KEN ALEX
DIRECTOR

January 13, 2015

RECEIVED

JAN 2 . 2015

HNP DIVISION

Felix J. Reliford
City of Milpitas
455 E. Calaveras Boulevard
Milpitas, CA 95035

Subject: Housing Element Update & Amendments to the Seismic/Safety & Open Space/Environmental Conservation Element
SCH#: 2014122025

Dear Felix J. Reliford:

The State Clearinghouse submitted the above named Negative Declaration to selected state agencies for review. On the enclosed Document Details Report please note that the Clearinghouse has listed the state agencies that reviewed your document. The review period closed on January 12, 2015, and the comments from the responding agency (ies) is (are) enclosed. If this comment package is not in order, please notify the State Clearinghouse immediately. Please refer to the project's ten-digit State Clearinghouse number in future correspondence so that we may respond promptly.

Please note that Section 21104(c) of the California Public Resources Code states that:

> "A responsible or other public agency shall only make substantive comments regarding those activities involved in a project which are within an area of expertise of the agency or which are required to be carried out or approved by the agency. Those comments shall be supported by specific documentation."

These comments are forwarded for use in preparing your final environmental document. Should you need more information or clarification of the enclosed comments, we recommend that you contact the commenting agency directly.

This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act. Please contact the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process.

Sincerely,

Scott Morgan
Director, State Clearinghouse

Enclosures
cc: Resources Agency

State Clearinghouse Data Base

SCH#	**2014122025**
Project Title	Housing Element Update & Amendments to the Seismic/Safety & Open Space/Environmental Conservation Element
Lead Agency	Milpitas, City of

Type	**Neg** Negative Declaration
Description	The Project includes an update to the 2007-2014 Housing Element for the planning period 2015-2023 in compliance with Government Code Section 65580 et seq. The identified sites (2,774 units), including the committed sites (6,146), would allow the City to meet its RHNA with a total capacity of 8,920 units, resulting in a surplus above the required RHNA (3,290 units). No rezoning or changes to General Plan designations would be required to achieve this yield. The Seismic and Safety Element Amendment includes an update to required information related to Federal Emergency Management Agency Flood Insurance Rate Maps, dam inundation and City goals and policies to comply with State law (AB162, Government Code 65302). The Open Space and Environmental Conservation Element Amendment includes a revised map of rivers, creeks, and riparian habitat.

Lead Agency Contact

Name	Felix J. Reliford		
Agency	City of Milpitas		
Phone	408 586 3071	*Fax*	
email			
Address	455 E. Calaveras Boulevard		
City	Milpitas	*State* CA	*Zip* 95035

Project Location

County	Santa Clara			
City	Milpitas			
Region				
Lat / Long				
Cross Streets	Citywide			
Parcel No.	citywide			
Township		*Range*	*Section*	*Base*

Proximity to:

Highways	
Airports	
Railways	
Waterways	
Schools	
Land Use	Residential and Mixed-Use Zoning Districts

Project Issues	Aesthetic/Visual; Agricultural Land; Air Quality; Archaeologic-Historic; Biological Resources; Drainage/Absorption; Flood Plain/Flooding; Forest Land/Fire Hazard; Geologic/Seismic; Minerals; Noise; Population/Housing Balance; Public Services; Recreation/Parks; Schools/Universities; Septic System; Sewer Capacity; Soil Erosion/Compaction/Grading; Solid Waste; Toxic/Hazardous; Traffic/Circulation; Vegetation; Water Quality; Water Supply; Wetland/Riparian; Growth Inducing; Landuse; Cumulative Effects; Other Issues
Reviewing Agencies	Resources Agency; Department of Conservation; Department of Fish and Wildlife, Region 3; Cal Fire; Department of Parks and Recreation; San Francisco Bay Conservation and Development Commission; Department of Water Resources; Office of Emergency Services, California; California Highway Patrol; Caltrans, District 4; Department of Housing and Community Development; Air Resources Board; Regional Water Quality Control Board, Region 2; Native American Heritage Commission

Date Received 12/12/2014 *Start of Review* 12/12/2014 *End of Review* 01/12/2015

DEPARTMENT OF TRANSPORTATION
DISTRICT 4
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January 12, 2015

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SCL000150
SCL/GEN/PM VAR
SCH# 2014122025

Mr. Felix Reliford
Planning Division
City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035

Dear Mr. Reliford:

2015-2035 Housing Element and Amendments to the Seismic and Safety, and Open Space and Environmental Conservation Elements Project – Negative Declaration (ND)

Thank you for including the California Department of Transportation (Caltrans) in the environmental review process for the project referenced above. We have reviewed the ND have the following comments to offer.

Traffic Impact Analysis (TIA)
California Public Resources Code 21159.28 provides for streamlined analysis of impacts from cars and light duty truck trips on the State Highway System (SHS) provided certain conditions are met. 21159.28(c) states (when referencing streamlining provisions) that "nothing in the foregoing relieves any project from a requirement to comply with any conditions, exactions, or fees for the mitigation of the project's impacts on the structure, safety or operations of the regional transportation network or local streets and roads."

If projects proposed under this Plan do not qualify for streamlining provisions under SB 375 regarding traffic impact analysis, or there are impacts to the structure, safety or operations of the SHS, based on the project's location and potential for significant traffic impacts, Caltrans requests a TIA to assess the impact of this project on the SHS and the adjacent road network. We recommend using Caltrans' *Guide for the Preparation of Traffic Impact Studies* (TIS Guide) for determining which scenarios and methodologies to use in the analysis. The TIS Guide is a starting point for collaboration between the lead agency and Caltrans in determining when a TIA is needed. It is available at the following website address:
http://www.dot.ca.gov/hq/tpp/offices/ocp/igr_ceqa_files/tisguide.pdf.

Caltrans views all transportation improvements as opportunities to improve safety, access, and mobility for all travelers in California and recognizes bicycle, pedestrian, and transit modes as integral elements of the transportation system.

Vehicle Trip Reduction
Caltrans encourages the City to locate any needed housing, jobs and neighborhood services near major mass transit centers, with connecting streets configured to facilitate walking and biking, as a means of promoting mass transit use and reducing regional vehicle miles traveled and traffic impacts on the State highways.

Caltrans also encourages the City to develop and assess the benefits of specific Travel Demand Management (TDM) measures that promote walking, bicycling and transit to reduce congestion on State facilities. These measures could include lower parking ratios, car-sharing programs, bicycle parking and showers for residents and employees, and providing transit passes to residents and employees, among others.

In addition, secondary impacts on pedestrians and bicyclists resulting from any traffic impact mitigation measures should be recognized and analyzed in project-specific TIAs for projects under this Plan. The analysis should describe any pedestrian and bicycle mitigation measures and safety countermeasures that would in turn be needed as a means of maintaining and improving access to transit facilities and reducing vehicle trips and traffic impacts on State highways.

CEQA Streamlining
Local jurisdictions and land use development infill project proponents should and are encouraged to coordinate and consult early with Caltrans District Local Development – Intergovernmental Review (LD-IGR) office on any land use proposal, based on the project's location and potential for significant traffic impacts, to enable consideration of the potential site specific drainage, visual, access, and operational safety impacts. Even if cumulative impacts were addressed in a prior environmental clearance document there may be direct impacts of concern with the project-level proposal. A CEQA exemption is still an adequate environmental clearance as long as any necessary mitigation features are included as part of the project.

Voluntary Contribution Program
State highway facilities are critical to regional and interregional traffic in the San Francisco Bay region. They are vital to commuting, freight, and recreational traffic and are among the most congested regional facilities. Given the scale of the Plan and the expected traffic generated, this Plan is likely to have a cumulatively significant regional impact to the already congested SHS.

Caltrans encourages the City to participate in Santa Clara Valley Transportation Authority's (VTA) voluntary contribution program and plan for the impact of future growth on the regional transportation system. Contributions would be used to help fund regional transportation programs that improve the transportation system to lessen future traffic congestion, improve mobility by reducing time delays, and maintain reliability on major roadways throughout the San Francisco Bay Area. Reducing delays on State facilities will not only benefit the region, but also reduce any queuing on local roadways caused by highway congestion.

Should you have any questions regarding this letter, please contact Brian Brandert at (510) 286-5505 or brian.brandert@dot.ca.gov.

Sincerely,

PATRICIA MAURICE
Acting District Branch Chief
Local Development - Intergovernmental Review

c: Scott Morgan, State Clearinghouse
Robert Swierk, Santa Clara Valley Transportation Authority (VTA) – electronic copy
Robert Cunningham, Santa Clara Valley Transportation Authority (VTA) – electronic copy

RESOLUTION NO. 15-0008

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MILPITAS RECOMMENDING THE CITY COUNCIL ADOPT A NEGATIVE DECLARATION AND TO APPROVE A GENERAL PLAN AMENDMENT UPDATING THE HOUSING ELEMENT 2015-2013, SEISMIC/SAFETY ELEMENT AND OPEN SPACE/ENVIRONMENTAL CONESERVATION ELEMENT OF THE GENERAL PLAN

WHEREAS, California Government Code Sections 65580 et seq. requires a Housing Element as a mandatory element of the General Plan and that Housing Elements are required to be updated every eight years; and

WHEREAS, State Law requires that a general plan and its constituent elements "comprise" an integrated internally consistent and compatible statement of policies; and

WHEREAS, the previous Milpitas Housing Element was adopted by the City Council on June 15, 2010 and certified by the State of California, Department of Housing and Community Development (HCD) on February 10, 2010; and

WHEREAS, the updated Housing Element focuses on housing needs from January 1, 2015 through June 30, 2023 in accordance with the Housing Element planning period for San Francisco Bay Area jurisdictions established by law; and

WHEREAS, over the past year, the process to update the Housing Element in the City of Milpitas included: 1) obtaining housing information and data from local and regional housing agencies during the preparation of the updated plan; 2) Two publicly noticed community workshops on February 25 and March 11, 2014 to solicit input from the public on the City's housing needs and to provide the public with an opportunity to shape the City's housing goals, policies and objectives; 3) Mailed notices of the meetings to 70 organizations and a variety of other groups and agencies; 4) Conducted outreach for the meetings, to recruit potential participants who would reflect the City's full ethnic and economic diversity; and 5) Provided appropriate opportunity for the general public to review and comment on the draft and final housing element documents; and

WHEREAS, the Milpitas Planning Commission held two (2) public hearings on May 14 and September 10, 2014 to obtain public input and comments on the Draft Housing Element Update; and

WHEREAS, the public was provided a thirty (30) day review and comments period and copies of the Draft Housing Element Update was on file at the Milpitas City Hall, Milpitas Public Library and City's Website for public review and comment; and

WHEREAS, the Association of Bay Area Governments (ABAG) determines the Regional Housing Needs Allocation (RHNA) for the Bay Area and allocated 3,290 residential units to the City of Milpitas for the next Housing Element cycle of 2015 to 2023; and

WHEREAS, a Draft General Plan Housing Element Update was forwarded to the HCD for their review and comments and the City of Milpitas received comments from HCD and responded to their comments; and

WHEREAS, on January 5, 2015, the HCD notified the City of Milpitas in writing that they had reviewed the Draft Milpitas General Plan Housing Element Update and found the document in compliance with State Housing Element Laws (Article 10.6 of the Government Code) when it was submitted to HCD pursuant to Government Code Section 65585(g); and

WHEREAS, the revised Seismic and Safety Element of the General Plan includes an update to the required information related to Federal Emergency Management Agency (FEMA) Flood Rate Maps (FIRMs), dam, inundation zones, and City goals and policies to comply with State Law (Assembly Bill 162 and CA Government Code Section 65302); and

WHEREAS, the revised Open Space and Environmental Conservation Element includes updates to the Water Quality and Conservation Section, specifically, a map of rivers, creeks, streams, and riparian habitat to comply with State Law (Assembly Bill 162); and

WHEREAS, General Plan Amendments (GPA) for Housing, Seismic and Safety and Open Space and Environmental Conservation Elements and Negative Declaration was prepared by the City of Milpitas and legally advertised for public review and comments; and

WHEREAS, pursuant to California Environmental Quality Act (CEQA) an Initial Study was prepared and did not find any significant environmental impacts associated with the proposed projects. Based on the Initial Study of no significant impacts associated with the project, a Notice of Intent to Adopt a Negative Declaration was prepared and circulated for public review and comments on December 12, 2014-January 12, 2015; and

WHEREAS Notice of Intent to Adopt a Negative Declaration and General Plan Amendments were advertised on February 13, 2015 for the Planning Commission meeting on February 25, 2015;and

WHEREAS, on February 25, 2015, the Planning Commission held a public hearing on the General Plan Amendments for Housing, Seismic and Safety, and Open Space and Environmental Conservation Element and Negative Declaration. The Planning Commission, among other documents and information, considered the report from staff on the General Plan Amendments for Housing, Seismic and Safety, and Open Space and Environmental Conservation Element and Negative Declaration and written and public testimony from property owners, business owners, outside agencies and other affected parties; and

WHEREAS, the Planning Commission did review and consider the Negative Declaration for the GPA and determined that no significant impacts are associated with the General Plan Amendments for Housing, Seismic and Safety and Open Space and Environmental Conservation Elements; and

NOW THERFORE, the Planning Commission of the City of Milpitas hereby finds, determines and resolves as follows:

Section 1: The Planning Commission has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the Planning Commission. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

Section 2: A Initial Study and Negative Declaration pursuant to the California Environmental Quality Act (CEQA) was prepared and certified (SCH#2014122025) for the General Plan Amendments to the Updated Housing Element, Seismic and Safety Element and Open Space and Environmental Conversation Element on January 13, 2015. The Negative Declaration assumed no rezoning or changes to the General Plan or Zoning Districts for residential uses to the proposed project and the project has no potential to cause a significant effect on the environment.

Pursuant to Government Code Section 65457 (CEQA Guidelines Section 15073) a 30-day public review period prior to adoption of negative declaration. The negative declaration was advised from December 12, 2014-January 12, 2015. The proposed project summary is included:

Proposed Project Summary

The proposed project includes an update to the current (2007-2014) Housing Element for the planning period 2015-2023. The proposed Project supports the goals and policies of the City's current Housing Element and provides policies and implementing programs to further the city's housing goals to meet its Regional Housing Needs Allocation (RHNA-3,290 units). No rezoning or changes to the General Plan or Zoning districts would be required to achieve this yield. The Seismic and Safety Element Amendment includes an update to required information related to Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRMS), dam inundation zones, and City goals and policies to comply with State law (specifically Assembly Bill 162). It also includes the adoption of Santa Clara County's multi-jurisdictional Local Hazard Mitigation Plan and the City of Milpitas' Local Hazard Mitigation Plan Annex to ensure that appropriate emergency measures are implemented when natural disaster occur. The Open Space and Environmental Conservation Element Amendment include update to the water Quality and Conservation Section, map of rivers, creeks, streams, and riparian habitat as per AB 162 has been added.

The Planning Commission has reviewed the Initial Study and Negative Declaration, all supporting evidence and documentation, and considered public comments provided at or before the hearing of this matter. The Initial Study and Negative Declaration reflect the Planning Commission's independent judgment and analysis as to the effects of the project on the environment. Based on the review of the entire record therein, including the Negative Declaration, the Initial Study, all supporting, referenced, and incorporated documents and all comments received, the Planning Commission finds that there is no substantial evidence that the project will have a significant effect on the environment, and that the Negative Declaration, Initial Study and supporting documents provide an adequate description of the impacts of the project and comply with the CEQA and CEQA Guidelines.

Section 3: General Plan Amendments - The Planning Commission makes the following findings based on the evidence in the public record in support of the amendments:

a) *The proposed amendment is internally consistent with those portions of the General Plan which are not being amended.*

Government Code Sections 65580 et seq. requires Housing Elements as mandatory elements of the General Plan are updated every eight years and that a general plan and its constituent elements "comprise" an integrated internally consistent and compatible. Assembly Bill No. 162 requires amendments to the Seismic and Safety Element to address information relating to Federal Emergency Management Agency (FEMA), Flood Insurance Rate Maps (FIRM's) dam inundation zones and city goals and policies to comply with state law. Assembly Bill No. 162 requires amendments to the Open Space and Environmental Conversation Element to include update to Water Quality and Conversation Section, map of rivers, creeks, streams, and riparian habitat.

The proposed General Plan amendments are required under State law. The proposed changes will not affect any of the other elements or provisions of the General Plan and will not create any inconsistency.

b) *The proposed amendment will not adversely affect the public health, safety, and welfare of the residents of Milpitas*

The proposed general plan amendments will require no rezoning or changes to the General Plan or Zoning districts. Transit Area and Midtown Specific Plan have appropriate number of housing sites to meet the Regional Housing Needs Allocation. Furthermore, the amendments will focus compliance with State Laws achieving long term housing goals and policies and addressing updated information relating to flooding and water quality and conversation.

Section 5. The Planning Commission of the City of Milpitas hereby adopts **Resolution No. 15-0008 recommending that the City Council approve a Negative Declaration Environmental Assessment No. EA14-007 and approve the General Plan Amendments No. GP14-004 relating to the Draft Housing Element (2015-2023) and revisions to the Seismic/ Safety Element and Open Space/ Environmental Conversation Element of the General Plan. A copy of the General Plan Amendments are attached to the staff report for this item.**

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the City of Milpitas on February 25, 2015.

Sudhir Mandal

Chair

TO WIT:

I HEREBY CERTIFY that the following resolution was duly adopted at a regular meeting of the Planning Commission of the City of Milpitas on February 25, 2015, and carried by the following roll call vote:

COMMISSIONER	AYES	NOES	ABSENT	ABSTAIN
Zeya Mohsin (alternate)				
Ray Maglalang	✓			
Hon Lien	✓			
Demetress Morris	✓			
Rajeev Mandnawat	✓			
Gurdev Sandhu	✓			
Larry Ciardella	✓			
Sudhir Mandal	✓			

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

2F

December 30, 2014

Mr. Felix Reliford, Principal Housing Planner
Planning and Neighborhood Services Department
City of Milpitas
455 E. Calaveras Blvd.
Milpitas, CA 95035

Dear Mr. Reliford:

RE: City of Milpitas' 5th Cycle (2015-2023) Draft Housing Element

Thank you for submitting Milpitas' draft element update which was received for review on November 5, 2014, along with additional revisions received on December 16, 2014. Pursuant to Government Code (GC) Section 65585(b), the Department is reporting the results of its review. Our review was facilitated by communications with you and the City's consultant, Ms. Stephanie Hagar of BAE Urban Economics. In addition, the Department considered comments from the Law Foundation of Silicon Valley and the Non-Profit Housing Association of Northern California pursuant to GC Section 65585(c).

The draft element with revisions meets the statutory requirements of State housing element law. The draft element with revisions will comply with State housing element law (GC, Article 10.6) when they are adopted and submitted to the Department, in accordance with GC Section 65585(g).

To remain on an eight year planning cycle, pursuant to Senate Bill 375 (Chapter 728, Statutes of 2008) the City must adopt its element within 120 calendar days from the statutory due date of January 31, 2015 for ABAG localities. If adopted after this date, GC Section 65588(e)(4) requires the element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For additional information on housing element adoption requirements, please visit the Department's website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/he_review_adoptionsteps110812.pdf.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

The Department appreciates your efforts and dedication in preparation of the housing element and looks forward to receiving Milpitas' adopted element. If you have any questions or need additional technical assistance, please contact Jess Negrete, of our staff, at (916) 263-7437.

Sincerely,

Glen A. Campora

Glen A. Campora
Assistant Deputy Director

PLACEWORKS

MEMORANDUM

DATE January 23, 2015

TO Felix Reliford

City of Milpitas

FROM Terri McCracken

SUBJECT Response to Comment Letter on the Housing Element Update and Amendments to the Seismic and Safety, and Open Space and Environmental Conservation Elements Project

The City of Milpitas received the following two letters in response to the Notice of Intent (NOI) submitted to the State Clearinghouse on Friday, December 12, 2014 for a 30-day review period ending on Monday, January 12, 2015.

1) Patricia Maurice, Acting District Branch Chief, Local Development – Intergovernmental Review, California Department of Transportation, January 12, 2015.
2) Scott Morgan, Director of State Clearinghouse, Office of Planning and Research, State Clearinghouse and Planning Unit, January 13, 2015.

The comment letter received on January 12, 2015 from the California Department of Transportation (Caltrans) provides information on Caltrans' traffic impact analysis (TIAs) and CEQA streamlining procedures. The letter also states Caltrans recommendations to reduce vehicle miles traveled and promote mass transit, including, but not limited to, locating housing, jobs and neighborhood services near major mass transit centers, with connecting streets configured to facilitate walking and biking, and encouraging Travel Demand Management measures that promote alternative modes of transportation to single-driver automobiles. Caltrans requests that secondary impacts to pedestrians and bicyclists resulting from traffic impact mitigation measures be addressed in future TIA's for individual projects under the proposed Project. Caltrans also encourages the City to participate in the Santa Clara Valley Transportation Authority's Voluntary Contribution Program, which helps to fund regional transportation programs that improve the transportation system. These comments do not state specific concerns or questions regarding the sufficiency of the analysis or mitigation measures contained in the Initial Study. As discussed in the Initial Study on page 45, the proposed Project will have no effect on the circulation system of Milpitas or the surrounding area as it will not increase development potential and would not directly or indirectly result in population growth. As shown on Figure 2, Housing Opportunity Sites, Milpitas, 2015-2023, the proposed housing sites would be located in the Midtown Specific Plan and Transit Area Specific Plan areas. As envisioned in these Specific Plans, most new housing in Milpitas will be multi-family housing in transit-oriented development areas. The Caltrans comments are acknowledged and will be forwarded to the decision-making bodies for their consideration in reviewing the project.

The comment letter from the State Clearinghouse dated January 13, 2015 acknowledges the City has complied with the State Clearinghouse review requirements for draft environmental review documents pursuant to the California Environmental Quality Act (CEQA). No response is required.

MEETING MINUTES

MILPITAS PLANNING COMMISSION
Milpitas City Hall, Council Chambers
455 E. Calaveras Blvd., Milpitas, CA

Wednesday, February 25, 2015

I. PLEDGE OF ALLEGIANCE

Chair Mandal called the meeting to order at 7:00 P.M. and led the Pledge of Allegiance.

II. ROLL CALL/ SEATING OF ALTERNATE

Commissioners

Present: Chair Sudhir Mandal, Vice Chair Larry Ciardella, Commissioners Gurdev Sandhu, Rajeev Madnawat, Demetress Morris, Hon Lien, Ray Maglalang, Alternate Member Zeya Mohsin

Absent: All commissioners present

Staff: Steven McHarris, Johnny Phan, Felix Reliford, Tracy Tam, Adam Petersen

III. PUBLIC FORUM

Chair Mandal invited members of the audience to address the Commission and there was one speaker who spoke about earthquakes and broken water pipes.

IV. APPROVAL OF MEETING MINUTES

Chair Mandal called for approval of the February 11, 2015 meeting minutes of the Planning Commission.

Motion to approve Planning Commission meeting minutes as submitted.

Motion/Second: Commissioner Sandhu/Vice Chair Ciardella

AYES: 7

NOES: 0

ABSTAIN: 0

V. ANNOUNCEMENTS

Planning Director Steven McHarris announced that the Milpitas Vision Plans for California Circle and Main at Serra received the 2015 American Institute of Certified Planners (AICP) National Award for outstanding student project that contributes to advances in the field of planning.

Mr. McHarris said staff has been working with St. Elizabeth Church on their Parish Hall project that the Planning Commission approved last year and there was a condition that the applicant review the possible relocation of the trash enclosure. He said staff has been working with the applicant and is having difficulty finding an ideal location and it is staff's recommendation to have the enclosure remain at its present location. He added that the enclosure will be updated with a solid concrete block wall, and the truck operations will cause less noise for the neighbors at this location.

Chair Mandal said that since upper staff reviewed the request and determined this to be the best location, and since there have been no complaints made, he has no objections to leaving the trash enclosure where it is.

Vice Chair Ciardella reminded everyone that next Friday is the Milpitas Chamber of Commerce Crab Feed. He also reported that he received a presentation through the Chamber about a month ago regarding the Serra Center.

Commissioner Madnawat announced that MUSD and Milpitas Community Educational Endowment (MCEE) will hold the third annual Tech Symposium on Saturday, March 14 from 9:00 am to noon at 1285 Escalon Parkway and all are invited to attend.

Commissioner Mohsin announced that on Saturday, February 28th the Milpitas Democratic Club will host a resident forum in the Milpitas Police Community Room from 2:00-4:00 and all are welcome.

VI. CONFLICT OF INTEREST

Assistant City Attorney Johnny Phan asked if any member of the Commission had any personal or financial conflict of interest related to any of the items on the agenda.

There were no reported conflicts.

VII. APPROVAL OF AGENDA

Chair Mandal asked if staff or Commissioners had changes to the agenda. Mr. McHarris requested exchanging Public Hearing item number IX-1 with IX-3 so that the Town Center Amendment item could be heard first.

Motion to approve the February 25, 2015 agenda with requested change.

Motion/Second: Commissioner Madnawat/Commissioner Sandhu

AYES: 7

NOES: 0

VIII. CONSENT CALENDAR

No Items

IX. PUBLIC HEARING

IX-3 **TOWN CENTER AMENDMENT – ALL TOWN CENTER DESIGNATED PARCELS – GP15-0001; ZA14-0011 and EA15-0001:** A General Plan Amendment, Zoning Text Amendment and Environmental Impact Assessment to the Town Center land use designation and zoning district that would prohibit any new residential uses.

Project Planner Adam Petersen provided a PowerPoint presentation.

Commissioner Sandhu asked why the change is coming now and Mr. Petersen said this is the direction of the City Council. Mr. McHarris provided background information, stating that the last action in the Town Center was to expand the Town Center zoning district south of Calaveras and that action introduced the potential for residential use with no minimum density. This resulted in several single-family residential subdivisions along the south side of Calaveras. Staff reviewed residential uses that would be consistent with the Town Center zone and recommended mixed-use with no ground floor residential to the Planning Commission, whom in turn made the same

recommendation to the City Council. The City Council directed staff to remove residential altogether so the item has returned to the Planning Commission for their consideration.

Vice Chair Ciardella asked if commercial can be located on the bottom floor and office space above and Mr. Petersen said he believes this would be allowed.

Commissioner Madnawat asked about dry cleaning not being permitted in the town center and Mr. McHarris said dry-cleaning businesses are permitted however dry cleaning plants where chemical cleaning is done is not permitted in the Town Center.

Chair Mandal opened the public hearing and there were two speakers.
The owner at 500 E Calaveras believes mixed use should be acceptable but ruling out residential is something the commission should think twice about. He believes it should be kept mixed use.

A gentleman referred to pages 7 of the staff report regarding natural disasters and suggested adding "or man caused disaster" to the text. He also commented that higher buildings in the downtown area can be accomplished if one looks at how other cities have done it.

Motion to close the public hearing.

Motion/Second: Commissioner Sandhu/Vice Chair Ciardella

AYES: 7

NOES: 0

Motion to adopt Resolution No. 15-009 recommending the City Council adopt General Plan Amendment No. GP15-0001, Zoning Amendment No. ZA14-0011, and approving Environmental Impact Assessment EA15-0001 to prohibit all new residential uses from the Town Center Zoning District.

Motion/Second: Commissioner Madnawat/Commissioner Morris

AYES: 6

NOES: 1 Lien

IX-2 **GENIUS KIDS CUP – 487 & 495 Jacklin Road – UP14-0014**: A request for a Conditional Use Permit to operate a daycare and afterschool tutoring facility with a total of 75 children within an existing commercial building.

Project Planner Tracy Tam provided a PowerPoint presentation reviewing the project.

Chair Mandal asked about the lighting in the play area and Ms. Tam said the applicant has expressed interest in including lighting in that area and Chair Mandal said he feels this is important for the safety of the children. Chair Mandal also asked about the surface of the play area and Ms. Tam said it will be engineered bark which has been compressed to a certain level so that dust is not produced when the children play outdoors.

Vice Chair Ciardella asked about the play equipment and Ms. Tam said that during the review process there was a proposal for play equipment but it is no longer proposed due to staff's concern with the surrounding residential uses. The applicant will be providing

art easels and sand boxes.

Rennu Dhillon, Genius Kids franchise owner, was present to discuss the project. Chair Mandal asked her for clarification on the ground material being used in the play area and she said there are different choices available, including engineered wood chips or rubber mulch, and what is allowed in a public park is different that that allowed in a preschool, but added that they do not have a preference as long as it meets Department of Social Services standards.

Chair Mandal asked Ms. Dhillon about the lighting and she said there are some lights in the back of the building but not enough for the playground, so they are open to adding more lighting and feels using solar powered lights would be a good idea.

Commissioner Mohsin asked what time of play equipment will be included if there are no play structures and Ms. Dhillon said they will have picnic tables and the school is focused on science and plans to have a lot of hands on learning and projects outside, including gardening.

Chair Mandal opened the public hearing and there were no speakers.

Motion to close the public hearing.

Motion/Second: Commissioner Morris/Commissioner Sandhu

AYES: 7

NOES: 0

Motion to adopt Resolution No. 15-011 approving Conditional Use Permit No. UP14-0014 to operate a daycare and an afterschool tutoring facility with a total of 75 children within an existing commercial building located at 487 and 495 Jacklin Road, subject to findings and Conditions of Approval, and an amendment to include a condition that the outdoor play area will have rubberized ground material.

Motion/Second: Commissioner Sandhu/Vice Chair Ciardella

AYES: 7

NOES: 0

IX-1 **HOUSING ELEMENT, SEISMIC/SAFETY ELEMENT, AND OPEN SPACE/ENVIRONMENTAL CONSERVATION OF THE GENERAL PLAN – EA14-0007 and GP14-0004:** A request for Adoption of a Negative Declaration and a General Plan Amendment Approving the Draft Housing Element 2015-2023, and revisions to the Seismic/Safety Element and Open Space/Environmental Conservation Element of the General Plan.

Principal Planner Felix Reliford provided a PowerPoint presentation.

Commissioner Madnawat asked about fees for affordable housing and there was discussion about the Nexus study and City Council's decision not to pursue it. Commissioner Madnawat asked how many affordable housing units were provided in Milpitas last year and Mr. Reliford said approximately 65 units. Commissioner Madnawat feels this is an insignificant amount of housing and the City is not creating fees to provide affordable housing which is contradictory to what state law requires. Mr. Reliford said staff is researching incentives, such as density bonuses.

Commissioner Maglalang referenced page six of the Draft Housing Element which states that the City did not meet its RHNA goals for very low to low moderate income households and asked the reason for this. Mr. Reliford said that no city meets 100% of their RHNA number and most cities seldom meet 50%.

Chair Mandal opened the public hearing and there were no speakers.

Motion to close the public hearing.

Motion/Second: Commissioner Sandhu/Vice Chair Ciardella

AYES: 7

NOES: 0

Commissioner Morris suggests revisiting the subject of a Nexus study and returning to the City Council.

Commissioner Madnawat feels the City has not achieved any of its affordable housing targets and has only provided 2% affordable housing. He believes the City is required to have some policies to try to achieve these goals and he does not see any policies to support this.

Motion to adopt Resolution No. 15-0008 recommending the City Council adopt a Negative Declaration (Environmental Assessment No. EA14-0007) and approve General Plan Amendment No. GP14-0004 relating to the Draft Housing Element 2015-2023 and revisions to the Seismic/Safety Element and Open Space/Environmental Conservation Element of the General Plan with an amendment to return to City Council with a recommendation for a Nexus study for affordable housing and setting aside funding for affordable housing.

Motion/Second: Commissioner Madnawat/Commissioner Morris

AYES: 7

NOES: 0

X. NEW BUSINESS

X-1 SERRA CENTER STUDY SESSION

Senior Planner Adam Petersen said the study session would consist of two purposes, a review of City policies and zoning designation for the Serra Center, and a discussion on future development potential of the center, and showed a PowerPoint presentation reviewing the Serra Center.

Chair Mandal feels this is the main entrance into Milpitas and the center currently gives him the wrong impression about the city, and he said this is an opportunity to have an area that is an icon of the city. He asked how much input the Economic Development Commission (EDC) has had on the project thus far.

Mr. McHarris said the EDC has not been agendized as this is the first City commission review of this center. Chair Mandal feels it is important that the EDC review the development of this center and that input is received from them.

Commissioner Maglalang said he prefers one straight building similar to Santana Row with underground parking.

Commissioner Madnawat commented that the Cal Poly students had great plans in their study and he would like to see them incorporated into this project.

Gary Wong said the Serra Center was previously presented to the Planning Commission and City Council but it did not go far due to the recession; however, it is being brought back to reality with his team and the Serra way partners. He said in the past they were given the concept that mixed use was allowed, then they were sidetracked because residential was not allowed in the new General Plan policy, and the design plans they are showing are based on mixed use, which they want to introduce into this project.

Mr. Wong showed a PowerPoint of the proposed project and reviewed their future plans for the site.

Commissioner Madnawat asked about the timeline of the project. Mr. Wong said there are a number of leases that do not end for some time so they are proposing starting development on the east side working toward the west when those leases expire. He said they hope to break ground some time next year and that development will happen in four phases.

The latter part of their presentation was to receive input from the commissioners and below is a summary of comments received from the Planning Commission:

- Take item to Economic Development Commission
- Enhance Economic Support of City
- Obtain ideas from an economic team
- Do not underestimate Milpitas
- Look at Fremont Pacific Commons Center as example
- Provide staff with experience in similar past project examples
- Incorporate Cal Poly vision study
- Work with Cal Poly to further the concept
- Santana Row style activity
- Revisit Floor Area Ratio
- Gateway to the City
- Residential will be above commercial (no ground floor residential)
- Iconic appearance needed
- Affordable commercial and residential rents
- Serra Center theme, historic.
- Look at Alviso Park for history
- Attractive, enjoyable spaces and experience
- Incorporate alternative energy solutions
- Beautify and orient toward adjacent creek channel
- Emphasize pedestrian design
- Design for convertible internal street(s) (can be closed for festivals, events)
- Not in favor of residential along Junipero
- Consider moving parking structure closer to Junipero, no residential
- Work on Serra/Calaveras “pork chop” for gateway design

Serra Center owner Sam Ying thanked the commission for their time and said their goal is to build a place where families can spend time and a center that Milpitas will be proud of.

XI. ADJOURNMENT

The meeting was adjourned at 11:10 PM to the next meeting scheduled on Wednesday, March 11, 2015.

Motion to adjourn to the next meeting.

Motion/Second: Commissioner Madnawat/Commissioner Sandhu

AYES: 7

NOES: 0

Meeting Minutes submitted by
Planning Secretary Elia Escobar

HONOR THE PAST: LOOK TO THE FUTURE

December 8, 2014

To: Jess Negrete, Jess.Negrete@hcd.ca.gov
Cc: Felix Reliford, freliford@ci.milpitas.ca.gov
Steven McHarris, smcharris@ci.milpitas.ca.gov

Re: City of Milpitas Housing Element

Dear Mr. Negrete:

For the past 35 years, the Non-Profit Housing Association of Northern California (NPH) has served as the collective voice of those who support, build and finance affordable housing. We promote the proven methods of the non-profit sector and focus government policy on housing solutions for lower-income people who suffer disproportionately from the housing affordability crisis. On behalf of our members, I respectfully submit the following comments on the City of Milpitas' draft housing element (HE) for your consideration.

A. Housing Needs Assessment

Between 2000 and 2010, the population of the City of Milpitas grew by 6.53%. In contrast, the City ***grew the number of jobs by 11% in two years*** (2010-2012). Employment growth within the City significantly outpaces residential growth.

Data collected by the UC Davis Center for Regional Change[1] demonstrates the extent of the mismatch between existing low-wage jobs and the housing that is available to these workers. Specifically, UC Davis analyzed the mismatch between the number of low-wage jobs paying $15,000 per year[2] versus the number of homes affordable to these workers, which at 30% of income amounts to $750 per month for rent.

The resulting jobs to housing fit (JHFIT) ratio shows that the City has ***9.85 low paying jobs for every affordable home*** in the City. ***Although 18.7% of jobs within the City pay very-low income wages, only 7.1% of the current housing stock is affordable to these workers.***

[1] UC Davis data and methodology available at http://bit.ly/1p40cws
[2] Data utilized originated from the Longitudinal Employer Household Dynamics (LEHD) Origin-Destination Employment Statistics Dataset (LODES) collected and disseminated by the US Census tracks this data via the Workplace Area Characteristics file. This data can be downloaded here - http://lehd.ces.census.gov/data/

Assuming that two very-low wage earners reside in a single apartment, fair market rent would be $1,500, well below the average rent for Santa Clara County pegged at $2,580 per month as of October 2014. In the past year alone, average rents in the County have increased by 11.3 percent whereas average incomes increased marginally by 1 percent.

Continuing to grow the number of jobs in the City through commercial development without addressing the accompanying housing growth for those new employees exacerbates housing problems not only for the City but also for nearby cities and runs counter to the regional effort to reduce driving.

NPH strongly suggests the City include the following programs in the draft housing element:

- ***A program to monitor jobs housing fit (JHF) in the City for renters and homeowners. JHF is defined as the ratio of low-wage jobs (those paying $1,250 per month or less) to affordable rental (apartments that cost $750 per month or less) or affordable homes (owner-occupied or vacant for sale housing units at $150,000 or less).***
- ***A program to improve low wage jobs and affordable housing fit currently pegged at 9.85.***

B. RHNA Progress

Based on our review of the City's Annual Progress Reports, it appears that the City's performance during the 2007-2014 planning period fell short of meeting the City's housing need, especially with respect to lower-income households, while significantly exceeding the above moderate income housing production allocation. Performance values shown as % of total RHNA for each affordability level:

- Very low income (0-50% AMI) - 49%
- Low income (51-80% AMI) - 26%
- Moderate (81-120% AMI) - 60%
- Above moderate income (120% AMI+) - 598%

Because of the existing deficit of homes available to those earning less than 80% of the area median income, the shortage of available land, and the continued employment growth in the coming decades[3], the City must incentivize and prioritize the production of housing affordable to all income segments, especially within the established Priority Development Area (PDA), key transportation corridors, and publicly owned land.

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[3] Plan Bay Area projects that the number of jobs in the City will grow by as much as 28% between 2010 and 2040.

C. Housing Resources

Low Income Housing Tax Credits (LIHTC) Scoring
Prior to their dissolution in 2011, cities relied on Redevelopment Agencies (RDA) to provide funds for affordable housing production. Since the dissolution of RDA, non-profit housing developers have had to rely on very competitive federal tax credits, namely the Low Income Housing Tax Credit (LIHTC), to finance a housing project affordable to those making less than 80% AMI. In order to qualify to apply for LIHTC, projects must be consistent with site and amenity criteria for public transportation and services/amenities.

Appendix C provides a detailed site inventory anticipated to accommodate the City's allocation of 3,290 units. An analysis of LIHTC viability of the identified opportunity sites shows that only 3 of the parcels[4] identified score well against the LIHTC criteria. **The maximum feasible number of units that could be built through tax credits is 192 units, significantly below the 3,290 units necessary.**

As such, the City should identify other programs to mitigate its affordable housing need. One such program is prioritizing affordable housing on publicly owned land. By signing of AB 2135: Surplus Land for Affordable Housing (Ting) the Governor strengthened the Right of First Refusal enjoyed by affordable housing when local agencies – including special districts such as transportation authorities – dispose of surplus land. The City should work with the Santa Clara Valley Transportation Authority (VTA) to identify agency owned parcels that may be suitable for redevelopment and prioritize these for housing affordable to those earning 80% AMI or less.

NPH strongly suggests the city include the following programs in the draft housing element:

- ***A program to identify all publicly owned parcels and develop a policy to prioritize, require, or incentivize housing affordable to those making 80% AMI or less on public land.***

Financing Tools
The loss of redevelopment funds, as well as the *Palmer* decision, has severely limited the development of affordable housing across the region. Given the high costs of land and the overall market strength in the city not-for-profit developers cannot against market rate developers to acquire land for development. In order to adequately house current and future workers across all income levels, NPH strongly suggests the city include the following programs in the draft housing element:

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[4] The 3 parcels that scored well against LIHTC are as follows: 7027 acre parcel at Sinclair Frontage Rd & Los Coches St.; 2.65 acre parcel at S. Milpitas Bl & Los Coches St.; and 11.54 acre parcel at S Main St & Los Coches St.

- ***A program to conduct a non-residential nexus study to lay the groundwork for a future commercial linkage fee.*** The commercial linkage fee requires developers to ameliorate some of the housing impacts generated by new commercial development by requiring developers to pay fees for the development of affordable housing. As demonstrated by the cities of Sunnyvale and Mountain View, a well thought through commercial linkage fee does not deter commercial development. In high-development areas like Milpitas, a commercial linkage fee will provide a continuous funding source for the development of affordable housing.
- ***A program to conduct a residential nexus study to lay the groundwork for a future housing impact fee.*** Many local jurisdictions, such as Mountain View and most recently Emeryville, Daly City and San Jose, have established housing impact fees to ameliorate the loss of RDA. Housing impact fees provide a continuous local funding source for the development of affordable housing.
- ***A program to set aside 20% of annually recurring tax increment funds ("boomerang funds") for affordable housing.*** The City of Milpitas declined to set-aside one-time former redevelopment "boomerang" funds for affordable housing. By doing so the City failed to take advantage of a match offered by Santa Clara County which would have resulted in close to $1.9 million for affordable housing. Given the significant dearth of funding for affordable housing and the very high need for affordable homes, the City should include a program to commit 20% of the yearly tax increment funds they receive towards affordable housing.

Thank you for the opportunity to provide comments on the city's housing element. Please feel free to contact me regarding any questions.

Sincerely,

Pilar Lorenzana-Campo
Regional Policy Manager
Non-Profit Housing Association of Northern California
pilar@nonprofithousing.org

cc
Paul McDougall, Paul.McDougall@hcd.ca.gov

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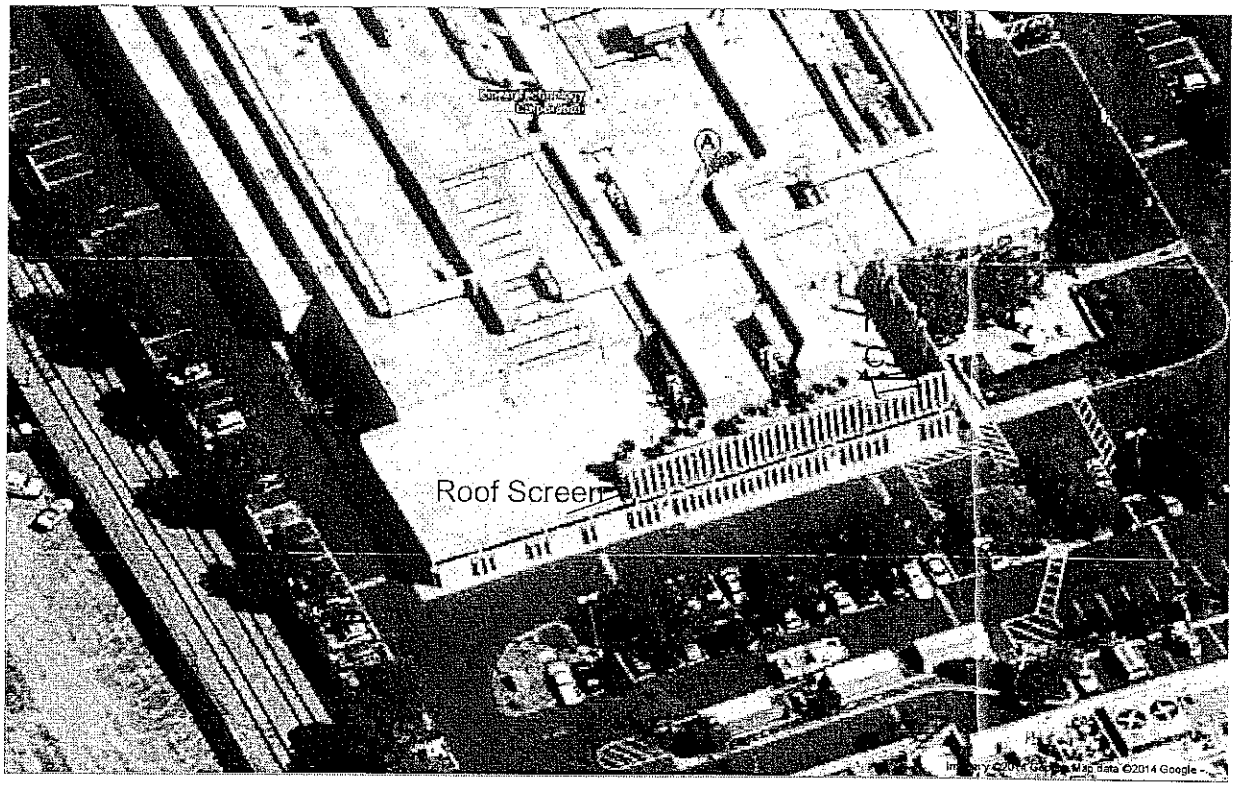

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December 5, 2014

SENT VIA E-MAIL: jess.negrete@hcd.ca.gov

Jess Negrete
Housing and Policy Division
Housing and Community Development
1800 3rd Street
PO Box 952053
Sacramento, CA 94252-2053

Re: Comments on Milpitas's Draft Housing Element

Dear Mr. Negrete:

Public Interest Law Firm and Fair Housing Law Project (programs of the Law Foundation of Silicon Valley)[1] write to provide written comments regarding the City of Milpitas's ("City") Draft 2015-2023 Housing Element ("Housing Element") on behalf of low-income residents of Milpitas. Our review of the City's Housing Element concludes that the City is failing to meet its obligations under the Housing Element. The Housing Element fails to do a sufficient analysis of the prior Housing Element, fails to identify adequate sites, and does not include specific programs. Moreover, the City has taken affirmative steps through the Housing Element to discourage including programs in its Housing Element that would promote the development of affordable housing.

Public Participation

We are dismayed that the City has failed to seriously consider comments provided by the Law Foundation and other advocacy groups during the public participation process. The comments specifically encourage the City to consider a program to permanently fund of affordable housing, such as housing impact fees, and to amend the programs to include anti-displacement policies. The Planning Commission did engage with advocates, and instructed City Staff to amend the Housing Element to include specific programs that would permanently fund affordable housing, such as considering impact fees. However, the City Council instructed staff to remove those specific programs, and to remove any references to any programs that would consider funding

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[1] PILF's mission is to protect the human rights of individuals and groups in Silicon Valley who are underrepresented in the civil justice system. PILF accomplishes its mission by leveraging the skills and resources of pro bono attorneys to provide high-quality representation in class action and impact litigation, advocacy in state and local government, and litigation support to local legal services programs. One of PILF's five litigation and advocacy priorities is to preserve affordable housing.

The mission of FHLP is to ensure that all people may freely choose a place to live without regard to their race, color, religion, sex, age, national origin, sexual preference, marital status, source of income, operation of a licensed day care, disability, or whether they have children in their family.

for affordable housing. In fact, the only change we recognized between the draft initially made public and the one submitted to HCD was the removal of this paragraph from Program D1[2] – "Advocate for policies and legislation at the State and Federal level that increase the funding available to support the development and preservation of affordable housing":

> *"NOTE: Following the loss of Redevelopment Agencies in California, jurisdictions throughout the State are facing increased challenges with respect to funding the development and preservation of affordable housing. . Many cities already have, or are considering, adopting various programs that can be used to create or preserve affordable housing, including inclusionary zoning requirements, housing impact fees, and commercial linkage fees. Although these programs are not required by HCD for Housing Element certification, implementing one or more of these programs would provide a more robust set of housing policies and programs in the City of Milpitas. These local mechanisms are particularly vital to the City as 99 it builds out more than 6,000 market rate units without any codified mechanism in place to capture part of this value for the benefit of low income residents of Milpitas."*

Review & Revise

The draft Housing Element does not adequately analyze the progress and outcomes from the prior Housing Element. The draft Housing Element states that the number of housing units built exceeded the RHNA, but the City did not meet its obligations for very-low-, low-, and moderate-income households.[3] In fact, the City developed 637.1% of its RHNA for above moderate families but only 36.7% of its RHNA for very low income families, 10.5% of its RHNA for low-income families, and 39.5% of its RHNA for moderate income families.[4] Further, although the City enumerated the number of affordable units built, the City does not describe where they were built. As discussed in the Sites Analysis, the City may be including the South Main Senior lifestyles property towards the current and past RHNA allocations for very low income families.

The HCD building blocks require an analysis of the effectiveness of each element. Specifically, HCD requires "For each program, the analysis should compare significant differences between what was projected or planned in the earlier element and what was achieved. Analyze the differences to determine where the previous housing element met, exceeded, or fell short of what was anticipated."[5] There is no analysis as to why the City failed to meet its affordable housing obligations for low-income individuals and performed so poorly during the past planning period.[6] The City needs to engage in an analysis in order to adequately update its program to address this shortfall.

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[2] Draft Housing Element, p. 98.
[3] Draft Housing Element, p. 6.
[4] Id.
[5] Government Code Section 65588, HCD Review and Revise, http://www.hcd.ca.gov/hpd/housing_element2/GS_reviewandrevise.php.
[6] *Id.*

Potential Governmental and Non-Governmental Restraints
The draft Housing Element fails to address the following restraints:

- **Land-use controls:** The City must analyze land-use controls, such a zoning and growth controls, as potential government constraint.[7] A housing element must identify and "analyze the impact of the growth management or controls process and procedure on the cost and affordability of housing. Even if the growth control ordinance allows the community to meet its entire RHNA, the ordinance may still be a constraint that requires mitigation because of increased processing costs or timing delays."[8] Currently, Milpitas' hillside area is zoned for low and very low density, some areas as low as 0.1 units per acre.[9] This is a land use control that would hinder the development of multi-family housing and should be identified as a governmental constraint to the development of affordable housing.

- **Affordable Housing:** The City is required to identify potential and actual constraints to the development of housing for low-income families.[10] The City has identified the use of development agreements as the main source of achieving a 20% affordable housing goal.[11] However, the City has clearly failed to meet this affordable housing goal, although there has been significant residential development in the City. Therefore, the use of development agreements and the lack of a permanent source of affordable housing must be identified as a potential governmental constraint.

- **Boomerang Funds:** The City of Milpitas declined to set-aside former redevelopment "boomerang" funds for affordable housing.[12] However, this is not addressed as a constraint to the development of affordable housing. The Housing Element should analyze the city's decision to not set aside boomerang funds as a constraint to the development of affordable housing.

Non-Government Constraints:

- **Economic Displacement & Rent Burden:** We are greatly concerned with the displacement of low-income residents from the City of Milpitas. There has been a 41% increase in rent in Milpitas since 2005 and 44% of Milpitas renters face a rent burden.[13] With no policies protecting low-income residents from rent increases or displacement, many low-income residents are being forced out of the City. We believe that this is a pressing issue

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[7] Government Code. Section 65583(a), "Land-Use Controls, available at http://www.hcd.ca.gov/hpd/housing_element2/CON_landuse.php).
[8] Id.
[9] Draft Housing Element, p. 69.
[10] Government Code Section 65583(a)(6).
[11] Draft Housing Element, p. 76.
[12] Hepler, Lauren, "Who's Footing the Bill for Silicon Valley's Housing?", Silicon Valley Business Journal, June 14, 2014. Available at: <http://www.bizjournals.com/sanjose/news/2014/06/17/whos-footing-the-bill-for-silicon-valleys-housing.html?page=al>l
[13] Draft Housing Element, p. 29 and p. 33.

that is only superficially addressed in the Housing Element. The Housing Element should do a deeper analysis of the economic displacement and recommend policies that will prevent displacement of low-income residents.

At-Risk Units

The City must do more to describe efforts to preserve at-risk units during the planning period. The inventory of affordable housing units lists several housing developments without expiration dates and does not identify the type of subsidy, such as whether the units are part of the BMR program, LIHTC, or have some other subsidy, as required by the statute.[14]

As to the units that the City has identified as at-risk, the City fails to comply with the regulations as there is little detail about the City's effort to engage with qualified entities who might preserve the at-risk units or the City's efforts to potential funding.[15] Specifically, the HCD building blocks require the City to "consider the use of all federal, state, and local financing and subsidy programs," identify the amounts of funding for each program, and which funding will be targeted for the preservation efforts.[16] The City only states the City does not have enough funding to support preservation and only lists general funding sources without describing how such funding could be used to support the preservation of the at-risk units at SunnyHills apartment or what the City will do to try to get such funding.[17] Further, the City's analysis fails to include specific actions that the City will take to engage with entities willing to preserve the housing or efforts to encourage getting federal grants, low-income tax credits, or funding through the Housing Trust. HCD should require the City to detail preservation efforts, and describe more specific funding sources and specific plans to reach out to entities who may be interested in the preservation of Sunny Hills.

Sites Inventory and Analysis

The City is including 56 very-low income units to be built at South Main Senior Lifestyles towards its RHNA obligation for the next planning period.[18] However, it seems that the same property, South Main Senior Lifestyles, is included and counted in the current Housing Element towards the RHNA obligation for the 2007-2014.[19] As the City has not specified the sites that were used to meet its RHNA obligations during the current planning period in the draft Housing Element, it is unclear whether the South Main Senior Lifestyles is being counted for both planning periods. HCD should require that the City clarify whether the very low-income units at South Main Senior Lifestyles re being counted towards the current or future RHNA obligation.

As a general matter, the sites inventory and analysis in the draft Housing Element is inadequate. The draft Housing Element is missing a comprehensive analysis of the sites as required by HCD.

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[14] Gov't Code Sec. 65583(a)(9)

[15] Gov't Section 65583(a)(9)(d).

[16] (HCD, Identification and Analysis of Developments At-Risk of Conversion http://www.hcd.ca.gov/hpd/housing_element2/EHN_atrisk.php).

[17] Draft Housing Element, p. 35.

[18] Draft Housing Element, 117.

[19] Milpitas Housing Element 2007-2014, p. 7-70, available at http://www.hcd.ca.gov/hpd/housing_element2/GS_reviewandrevise.php.

HCD calls for analysis of "[t]he condition or age of existing uses and the potential for such uses to be discontinued and replaced with housing (within the planning period)" for each site that a city plans to include as underutilized.[20] The description of the sites are limited to one chart and do not have sufficient detail; they do not describe what specific business or retailers are on the site, nor any efforts to reach out to business owners about their interest in redevelopment. There is no map for each specific site, nor any pictures showing the existing use or future planned use. There is no indication that the extant businesses are blighted, outdated or have any plans to move. The vast majority of the sites are not vacant, and there is no analysis as to why redevelopment could potentially occur on the sites.

The sites inventory contains no "explanation of the methodology to determine development potential considering factors, including the extent to which existing uses may constitute an impediment to additional residential development, development trends, market conditions and regulatory or other incentives to encourage additional residential development."[21] In other words, there is no explanation as to why the sites, most of which have existing commercial uses, have the potential to be developed into high-density residential use within the next planning period.

In general, the City assumes that every single unit developed on higher density parcels will be affordable to low- and very low-income households. This is a highly unrealistic assumption given the difficulty of developing such housing and the current market's strong emphasis on market-rate housing. The City should do a deeper of analysis of what sites could be suitable for affordable housing financing and how such financing could be secured

As to listed sites (Table C-2), many are very small parcels that are less than an acre (some as small as 0.21 acres)). These parcels are unlikely to actually support affordable housing, despite the high current allowable densities for these sites (41-60 dwelling units per acre). Milpitas has no program for lot-consolidation that would facilitate the consolidation of smaller parcels. Because the sites will only allow for the development of a small number of units, it is unclear whether these sites could realistically support the development of housing affordable to lower-income households.

As HCD states . . .

> . . . while it may be possible to build housing on a small lot, the nature and conditions (i.e., development standards) necessary to construct the units often render the provision of affordable housing infeasible. For example, assisted housing developments utilizing State or federal financial resources typically

[20] HCD, Analysis of Non-vacant and Underutilized Sites http://hcd.ca.gov/hpd/housing_element2/SIA_zoning.php#nonvancant)/

[21] Government Section 65583(c)and (c)7.

> include 50-80 units. To utilize small sites to accommodate the jurisdictions share of the regional housing need for lower-income households, the element must consider the impact of constraints associated with small lot development on the ability of a developer to produce housing affordable to lower-income households.[22]

These small parcels are unlikely to support affordable housing and the City must provide justification for their inclusion. Moreover, it is unlikely that they will be eligible for competitive financing, like low income housing tax credits. HCD should require that the City to a deeper analysis of the opportunity sites, including a detailed description of what parcels could be developed into affordable housing *and* how such financing could be secured.

Qualified Objectives and Housing Programs

The City needs to revise its Qualified Objectives and Housing Programs to include more specific actions or timelines. The programs in the draft Housing Element lack specific actions or timelines for implantation as required. Nearly all the programs have an "ongoing timeline." The Housing Element must be revised to include specific program with specification actions during a specific timeline.

Many of the programs offered in the draft Housing Element are exactly the same as the prior planning period. The housing programs do not include any programs to address Milpitas' poor performance in meeting its RHNA obligations for very-low, low, and moderate income families during the past planning period. As many of the programs are the same, it is unlikely that Milpitas will meet its RHNA obligations for very-low, low, and moderate income families during the 2015-2023 planning period.

Moreover, HCD requires that the Housing Element include programs to assist in the development of housing for extremely low, very low, and moderate income households.[23] The City must update its housing programs to include *specific* programs that will promote the development of affordable housing, in order to demonstration that it will meet its RHNA obligations during the next planning period. HCD should require the City to consider programs that would promote the development of affordable housing, and more specifically, support a permanent source of affordable housing, such as a nexus study to look at housing mitigation or commercial linkage fees. Moreover, the City most include programs to address constraints, such as updating zoning for hillside areas, taking more specific actions to preserve at-risk units, and developing programs to prevent the displacement of low-income families from the City.

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[22] (HCD, Analysis of Sites and Zoning, avail. at http://hcd.ca.gov/hpd/housing_element2/SIA_zoning.php#capacity).
[23] Government Code Section 65583(c)(2).

We would be happy to speak with you to discuss these comments further. If you have any questions, please feel free to contact Nadia Aziz at (408) 280-2453.

Sincerely,

/s/

Nadia Aziz, Senior Attorney
Fair Housing Law Project

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