

List of Attachments for Item No. 3
Consolidated Annual Performance Evaluation Report
(CAPER) / Citizen Participation Plan (CPP)

Attachments:

- 3A Draft Fiscal Year 2015-16 CAPER
- 3B Draft CPP
- 3C Draft Analysis of Impediments to Fair Housing Choice

CITY OF MILPITAS
**CONSOLIDATED ANNUAL PLAN PERFORMANCE EVALUATION
REPORT (CAPER)**
JULY 1, 2015 - JUNE 30, 2016

EXECUTIVE SUMMARY

During fiscal year 2015-2016, the City of Milpitas received \$393,490.00 in Community Development Block Grant (CDBG) funds. A total of \$59,023.50 was allocated to 10 different public service providers. These public services include a variety of programs such as: 1) supportive services for domestic violence families, 2) senior legal aid, 3) supplemental supplies of food and clothes program, 4) homeless shelter and supportive services, 5) recreational assistance programs, 6) child advocacy, 7) long-term care ombudsman services for senior in care facilities, 9) adult day care services, 10) fair housing services and 11) delivery of nutritional, hot meals for home-bound seniors.

With regards to non-public service activities, Milpitas allocated \$255,766.50 to 4 different non-public service providers, these services will include: 1) funding for the façade improvements of a senior project, 2) home repairs and improvements for senior and physically, disabled persons, 3) Milpitas Single-Family Rehabilitation Loan Program and 4) pavement resurfacing and sidewalk improvements to increase mobility and accessibility. The balance of \$78,698.00 for program administration was derived from the awarded amount of \$393,490.00.

The 15-day public review period on the Milpitas CAPER was advertised from August 20th to September 6th, 2016 for public review and comments. The Milpitas City Council held a public hearing on September 20, 2016. No comments were received prior to or during the City Council public hearing to be incorporated into the final document. Community Development Block Grant funds will be provided to all segments of Milpitas population including geographical areas with concentrated low-income households.

Public Comments: There were no public comments to be provided from the City Council Public Hearing held on Tuesday, September 20, 2016 nor during the public review period.

Introduction

Pursuant to the Department of Housing and Urban Development (HUD) funding requirements and in conformance with 24 CFR Part 91.520 Performance Report, City of Milpitas has prepared and will be recommending for approval of its 2015-2016 Consolidated Annual Performance Evaluation Report (CAPER). The CAPER describes: 1) the City's low and moderate income housing and community development activities carried out during the past fiscal year 2015-2016, 2) the funding resources that were made available for low-income activities, and 3) the number of low-income households who received assistance with housing-related needs.

The CAPER also evaluates the City's overall progress in carrying out those priority projects that were identified in the approved Five Year (2012-2017) Consolidated Plan and One-Year Action Plan. To date, Milpitas has continued to meet its overall one-year goals and will be on target to meet its goals for the Five-Year Consolidated Plan.

SUMMARY OF THE CONSOLIDATED PLAN ANNUAL PERFORMANCE REPORT

The CAPER'S Narrative Report consists of the following:

- Summary of Accomplishments
- Resources Made Available/Leveraging Resources
- Status of the Actions Taken during the Year to Implement the City's Goals and Objectives
- Affirmatively Furthering Fair Housing
- Accomplishments (Households and Persons Assisted)
- The City's Self-Evaluation on the Progress Made in Addressing and Identifying the Priority Needs and Objectives
- Citizens Comments and Public Review

PUBLIC REVIEW OF THE CAPER

The CAPER was made available for public review and comments for a 15-day public review period from August 20, 2016 to September 6, 2016. Copies were sent out to CDBG Service Providers and all interested parties. Copies are also made available in the Milpitas Public Library, Public Information Counter at Milpitas City Hall and City's Website. The Milpitas City Council held a public hearing and adopted the CAPER on Tuesday, September 20, 2016. After the public hearing, public review comment period, a copy of the CAPER along with the Financial Summary Grantee Performance Report, Summary of Housing Accomplishments and Integrated Disbursement and Information System (IDIS) reports will be forwarded to the Department of Housing and Urban Development (HUD) by September 30, 2016. Public Notice of the CAPER public review and the City Council's public hearing notice were advertised in the Milpitas Post, along with letters to Public Service and Housing Providers and other interested parties were mailed.

GEOGRAPHIC DISTRIBUTION

The specific geographic areas in which the City of Milpitas provided direct assistance with CDBG funds during the fiscal year 2015-2016 contains an inclusive population. The rationale for allocating CDBG funds are based on financial, social and economic needs of several working class neighborhoods. Neighborhoods such as Sunnyhills, Selwyn, Shirley, Dempsey Road, Temple Drive and Adams Ave have high concentration of low income populations which have benefited from CDBG funds such as: Housing Rehabilitation Loan Program, Next Door Solution to Domestic Violence, YWCA Silicon Valley, Milpitas Food Pantry, Milpitas Recreation Assistance Program, Rebuilding Together, The Health Trust, Project Sentinel, Senior Adults Legal Assistance, HomeFirst, and Terrace Gardens Senior Housing Project.

SUMMARY OF ACCOMPLISHMENTS

The City of Milpitas uses a variety of funds to support services and provide affordable and supportive housing activities during the past fiscal year. Milpitas received direct federal funds of \$393,490.00 for fiscal year 2015-2016 from the CDBG Program and \$8,959.44 in Program Income in form of the payments from the Housing Rehabilitation Program. The loan payments from the rehabilitation program serve as a revolving loan fund that will go back into the program. The total CDBG funding for FY 2015-2016 was approximately \$402,449.44.

Milpitas continues to support and encourage the Housing Authority of Santa Clara County efforts to increase Section 8 vouchers for Milpitas residents. To date, the Housing Authority has identified 615 Section 8 tenants in Milpitas and 1,892 residents on the waiting lists. Unfortunately, Milpitas has been informed by the Housing Authority of Santa Clara County that they do not have the funding to issue future Section 8 vouchers and the current waitlist is 8-10 years.

Non-Public (Capital) Services Provided

A summary of the Milpitas housing and community projects accomplishments is presented below:

- **Rebuilding Together Silicon Valley** provides funding to preserving affordable housing through home improvements. The home improvements are prioritized by the homes which is in need of safety, energy efficiency, accessibility and mobility repairs and upgrades for very low-income homeowners. The primary focus is also to correct code deficiencies that are safety hazards. Home improvements include: increasing accessibility, modifying homes to include wheelchair ramps, grab bars, and hand rails; and increasing energy efficiency through weather-stripping, appliance replacements, vent cleaning, compact fluorescent lights replacements and windows. Other home repairs and rehabilitation work includes electrical repairs roof repairs and replacements, interior and exterior painting yard cleanup, plumbing repairs, bathroom modifications flooring (linoleum, carpet tile), heating installation, indoor and outdoor lighting, fences for safety, doors, steps, and smoke and carbon monoxide alarms. Milpitas provided \$49,610.13 in CDBG funds for this project. A total of 24 Milpitas homes were rehabilitated and 40 residents benefited from this project the past year.

Goal/Objective: This accomplishments exceeded its goal of 13, as the project completed rehabilitation for low-income 24 homes.

- **Terrace Gardens Senior Housing** received funds to replace the original painting of all buildings. The project included mildew removal, caulking, patching and priming and finishing it with paint with a 10 year useful life. A total 148 very low and low-income seniors benefited from this project the past year.

Goal/Objective: This goal was accomplished with the exterior of the building removed of old paint and replaced with new paint with a 10 year old useful life time.

- **Milpitas Single-Family Rehabilitation Loan Program** provides housing rehabilitation at a low-interest rate loan to very-low and low-income homeowners with the goal of preserving City's neighborhoods through the conservation of existing stocks. The loans are for eligible improvements identified through inspections. Rehabilitation addresses building codes issues, home improvements and other housing deficiencies and to ensure that the rehabilitation units are free of lead based paint. Program income is generated through repayments of loans; that money then is contributed back into the program enabling the program to continue. Milpitas provided \$135,442.40 (includes \$8,959.44 Program Income and \$33,860.60 for Rehabilitation Administration) in CDBG funds for this report. A total of 1 Milpitas homeowner benefited from this project the past year.

Goal/Objective: This goal was not accomplished as only 1 rehabilitation of a single family home was completed out an anticipated goal of 2. During FY 2015-2016, two homes were being rehabilitated in which only 1 was 100% completed, and the other as of June 30, 2015 was 99% completed, but still awaiting notice of completion.

- **Public Works** provided pavement resurfacing that included the installation of new ADA compliant, pedestrian accessible curb ramps at various locations to assist and increase mobility and accessibility of disabled persons.

Goal/Objective: This goal was exceeded as the department successfully installed ten (10) ADA compliant concrete curb ramps at four different intersections.

- **Charities Housing Development Corporation** completed urgent repairs for 2 single family homes acquired by Senior Housing Solutions. The two homes provided housing for 10 extremely-low income seniors. The home needed dire repairs to improve the daily independent living.

Goal/Objective: The project was successfully completed. Repairs included: replacing cracked vanity counter top, repair vinyl flooring, replacing carpets in bedrooms, repair irrigation system & landscaping, replace/repair deck posts, repair windows & exterior trim, dry rot remediation, repaired kitchen appliances and termite tenting.

Affordable Housing Programs and Opportunities

- **Housing Trust Silicon Valley** has raised approximately over \$84 million and have leveraged this amount to over \$1.88 billion to create 13,553 housing opportunities for families and individuals within Santa Clara County. To date, a total of fifty-five (55) loans in the amount of \$536, 620

were approved for Milpitas First-Time Homebuyer residents with low-interest rates from Housing Trust Silicon Valley.

- **Mobilehome Park Rent Control Ordinance** has allowed the continuance of affordable rent for the 527 Mobile home units located within three (3) mobile home parks, which are regulated by the 1992 City's Rent Control Ordinance which guarantees long-term affordability. Seventy-two percent (72%) living in these mobile home parks are senior citizens over the age of 60-years-old.
- Milpitas continues to implement its Transit Area Specific and Mid-Town Specific Plans around the proposed new BART Station which is proposing a range of densities that would allow up to an additional 5,500 new dwelling units and 3,000 units from the Midtown Specific Plan.
- As required by State Planning Law, Milpitas hired a consultant, Bay Area Economic (BAE) to prepare its General Plan Housing Element (2015-2023) which identifies policies, goals and objectives to further affordable housing opportunities. It was approved by the State of California, Department of Housing and Community Development (HCD) and adopted by City Council on April 28, 2015. Milpitas next Housing Element will be due in January 2023.
- County of Santa Clara Fair Housing Task Force continues to participate in quarterly countywide Fair Housing Task Force meetings with other jurisdictions within Santa Clara County. The task force addresses a variety of issues from housing discrimination, foreclosures, redlining, and fair housing policies. Guest presenters are also invited to attend the meeting from special topics.

Met or Exceed 3-5 Year Goals and Expectations for Affordable Housing

Milpitas appears to be on target to meet and exceed its goals and expectations for affordable housing identified with the 2012-2017 Consolidated Plan:

- Milpitas currently has 974 affordable housing units with long-term affordability restriction agreements for very-low, low- and moderate-income households and senior citizens. The types of units include single family, attached townhomes and multi-family rental. An estimated additional affordable housing units with long-term restrictions agreements has submitted to the City of Milpitas for project review and approval. If approved, upon completion of construction, a total of 1, 022 affordable housing units will be available for very low, low and moderate-income households.
- City of Milpitas may incentivize and encourage the development of affordable housing with either/or: wavier of certain development fees, park/open space fees, and/or consider a reduction in development standards to assist the project.
- Prior to the dissolution of Milpitas Redevelopment Agency (RDA), RDA provided funding required 20% housing set-aside funds for affordability housing inside and outside of the project areas. In the past years, RDA provided over \$50 million in assisting developers and first-time homebuyers through park fees or impact fees and low interest rate loans. However, with dissolution of RDA effective February 1, 2012, the ability to support and financial fixture affordable housing units will be extremely difficult.

- Milpitas has negotiated with developer of South Main Street Senior Lifestyles Project to provide 48 units to very-low income seniors.
- The Housing Authority of Santa Clara County, HUD and the City has continued worked with the property owner of Sunnyhills Apartments to maintain the Section 8 contracts for the 151 units at-risk of converting to market rate. The additional 151 Section 8 Program vouchers have been maintained for low-income tenants.
- Milpitas has updated its General Plan Housing Element (2015-2023) which will include polices, goals and objectives to support affordable housing opportunities.
- In 15-16, the City began the process of preparing an Affordable Housing Nexus Study for both new commercial and residential development. Through the Nexus Study, the City may be able to implement affordable housing impact fees on new development, thus creating additional funding sources for the creation of affordable housing.

Met or Exceed 3-5 Year Goals and Expectations for Homelessness

On January 27th and 28th, 2015, Santa Clara County administered a biennial point-in-time Homeless Census and Survey. The goal of the Homeless Census and Survey is to locate, identify, and eventually house the county’s most vulnerable individuals into permanent supportive housing. A total of 112 unsheltered Milpitas residents were identified as homeless in 2015, this presents a 15% increase in homeless persons (95) from the previous homeless survey in 2013. Milpitas will continue to provide funding to address homeless issues throughout the city.

Milpitas will continue to support County of Santa Clara efforts to obtain homeless funds from the McKinney-Vento Act for Emergency Shelter Grants (ESG) to assist over 6,000 county residents identified as homeless in the 2015 homeless survey.

During the state-mandated Housing Element process Milpitas has amended its Zoning Ordinance to include the following:

- Modify Zoning Ordinance to allow transitional/supportive housing in MXD Zoning Districts.
- Modify Zoning Ordinance to allow manufactured homes in all zoning districts where residential developments are allowed.
- Milpitas will continue to provide funding to HomeFirst to provide shelter and support services for homeless Milpitas residents.

Milpitas is on target to meet its 3-5 year housing goals and expectation for homelessness.

Met or Exceed 3-5 Year Goals and Expectations for Public Services

Based on the variety of public services being provided Milpitas appears to be on target to meet or exceed its goals and expectations for public services identified within the five year Consolidated Plan.

Public Services Provided

- **City of Milpitas' Recreation Assistance Program** provides monetary assistance to subsidize recreational programs to low and very low-income households. The previous Milpitas Stay & Play after School and Camp Stay and Play Programs have been incorporated into the Milpitas Recreation Department Recreation Assistance Program. Milpitas provided \$7,206.25 in CDBG funds to this program. A total of 59 Low-income Milpitas households participated in the program.

Goal/Objective: This accomplishment has exceeded the goal of 30, as 59 Milpitas households.

- **Child Advocates of Silicon Valley** provides court-appointed, foster care children to special advocates (CASA) to provide one-on-one consistent and permanent support, by remaining in the child's life during the whole duration of the child's time in the foster care system. The CASA provide consistent critical emotional and educational support due to the absentee and inconsistencies of the child's parent(s)/guardians/adults in his/her life. Milpitas provided \$5,290.31 in CDBG funds to fund services for 37 children.

Goal/Objective: This accomplishment has met their goal as they served 37 children. In addition they recruited 441 CASA volunteers, trained 205 CASA volunteers, supported 327 CASAs to work with foster children, and provided 17 workshops to the community.

- **HomeFirst** provides shelter and supportive services for homeless adults, youth, and families in Milpitas. Programs include housing and education services to help clients overcome barriers to housing and employment to encourage self-sufficiency. HomeFirst services ranges from emergency shelter to transitional programs permanent housing and after-care services. Milpitas provided \$5,025.25 in CDBG funds to this program. HomeFirst provided 255 personal days (PSDs) to 14 Milpitas residents.

Goal/Objective: The project did not meet their goal as they only served 14 Milpitas residents from their goal of 20. Therefore a total of only 255 personal shelter days were recorded.

- **Live Oak Adult Day Care Services** specializes in adult day care services for frail and dependent at-risk senior residents including: respite for family caregivers, provides nutritious meals, counseling, referrals, and case management to support family members in their efforts to maintain their dependent senior relative in the family home. Milpitas provided \$5,337.75 in CDBG funds to this program. A total of 6 Milpitas senior residents with 214 days of social adult day care service benefited from this program the past year.

Goal/Objective: This accomplishment has not met its goal, as only 6 unduplicated Milpitas Seniors were served instead of the anticipated 10. Live Oak stated difficulties and barriers in the location of the adult day services. The day services for Milpitas residents were located in Willow Glen of San Jose, leading families to lose interest in driving their elders far or arranging transportation. Staff proposed using some of the CDBG funds to pay for Outreach ride services, but it was not successful. Residents did not want to commute and often opted for the nearby Barbara Lee Senior Center.

- **Milpitas Food Pantry** is a locally-based organization that provides supplemental emergency supplies of food to low-income individuals and households and other household items such as clothes, toiletries and school supplies. The Milpitas Food Pantry collects, purchases and store food supplies to distribute. Milpitas provided \$14,519.00 in CDBG funds for this program. A total of 522 extremely low and very-low income households (1,578 persons) benefited from this program during the past year.

Goal/Objective: The project met his household goals but not individual goals. Milpitas Food Pantry's goal was 500 households and 2,000 individuals. A total of 522 households were served, but not the 2,000 individuals as stated in their proposal. However, please note that the Food Pantry serves all income levels however they only report on extremely low and very low income data.

- **Next Door Solutions to Domestic Violence** provides emergency shelter for up to 30 days for female victims of domestic violence and her children, in addition supportive services for all victims of domestic violence. Milpitas provided \$5,105.88 in CDBG funds to this project. No Milpitas residents benefited from the emergency shelter this past year as service provider stated it was not requested. However, Next Door Solutions provided non-residential, supportive services to fifty-nine (59) victims, these services include: crisis counseling, support groups, individual therapy, legal assistance and advocacy in the past year.

Goal/Objective: This accomplishment was not met, as no Milpitas residents were housed in emergency shelter instead of the anticipated three (3). Next Door Solutions served 59 persons with non-residential services instead of the projected 63. However, they exceeded in their 24/7 crisis hotline, as they served 111.

- **Project Sentinel** provides fair housing education and landlord-tenant dispute resolution services along with mortgage default, delinquency and pre-purchase counseling to Milpitas residents. Public education and outreach activities for both fair housing and landlord-tenant services includes Rent Watch, rental housing advice column, distribution of brochures, radio and television public service announcements, presentations and workshops. Milpitas provided \$10,000 in CDBG administration funds to this project. This project benefits all Milpitas residents.

Goal/Objective: The project provided assistance to fair housing and tenant-landlord cases. Project Sentinel had 11 fair housing cases, and 11 outreaches, exceeding their goal of 8 and 3, respectively. For tenant-landlord cases, Project Sentinel had 44 cases and hosted 3 outreaches, exceeding their goal of 25 cases and 3 outreaches. A total of 55 cases were assisted by Project Sentinel. Each category has exceeded their goal.

- **Senior Adults Legal Assistance (SALA)** provides free legal services to Milpitas elderly citizens. SALA provides services by appointments at 23 senior centers throughout Santa Clara County, one being the Milpitas Senior Center. SALA has served Milpitas seniors since 1979. SALA provides an on-site intake sessions twice a month. Five, half-hour session's appointments are available at each intake session for the elderly to meet with SALA representative. Home visits are also available for those seniors who are home-bound or reside in nursing homes. Milpitas provided \$5,109.81 in CDBG funds to the program. A total of 54 senior citizens benefited from these services during the past year. SALA also conducted a community education seminar at the Milpitas Senior Center for senior citizens.

Goal/Objective: This project has exceeded its goal, as 54 unduplicated Milpitas Seniors were served, in comparison to the anticipated 30-35 seniors.

- **The Health Trust** provides nutritionally-balanced, home-delivered meals daily to eight (8) unduplicated, home-bound seniors, as well as increasing social interaction and provide additional wellness checks. Milpitas provided \$6,350.69 in CDBG funds to this program. A total of 1,654 daily, nutritionally-balanced meals were delivered to eight (8) Milpitas seniors in fiscal year 2015-2016.

Goal/Objective: The project exceeded its goal by provided a total of 1,654 meals, and 1,169 wellness checks to over eight (8) clients.

- **YWCA of Silicon Valley** provides supportive services for domestic violence victims including: 24-hour tool of free bilingual (English/Spanish) crisis hotline, confidential emergency shelter, counseling, case management, individual and group therapy, support groups, children's art therapy, safety planning and domestic violence education. Milpitas provided \$5,079 in CDBG funds to the program. A total of 14 Milpitas households were served with the domestic violence services that included emergency shelter, counseling, case management, referrals and legal advocacy services.

Goal/Objective: The project exceeded their goal by providing services to 14 Milpitas residents instead of 12. YWCA surpassed its goal in providing direct supportive services and crisis counseling/information to survivors through referrals from the Milpitas Police Department as 115 individuals were assisted. YWCA also answered 34 crisis calls from their 24-hour hotline. Lastly provided emergency shelter to two Milpitas residents with 32 nights of shelter.

RESOURCES MADE AVAILABLE

Milpitas received \$402,449.44 (including \$8,959.44 of Program Income) in CDBG funds during FY 2015-2016 from housing and community development activities. Milpitas used these CDBG funds to carry out the activities identified in the Five-Year Consolidated Plan. All activities were implemented Citywide; there were no specific geographic concentration of resources. However, the specific geographic areas in which Milpitas have provided direct assistance with CDBG include low-income neighborhoods. The rationale for targeting these areas for allocating CDBG funds are based on financial, social, and economic needs of several working class neighborhoods.

On March 4, the Milpitas Community Advisory Commission (CAC) and April 21, 2015, the City Council held public hearings to allocate the \$393,490 of CDBG funds. The funds were used for a variety of public services, programs and activities.

Leveraging Other Resources

Milpitas has leveraged other resources in support of affordable housing and community Projects which includes:

- Provide land donation (\$12.4 million by Milpitas Housing Authority) to developer to construct South Main Senior Lifestyles apartments with 48 very low-income units for seniors.

- Participate in Countywide Fair Housing Task Force to address various housing issues throughout Santa Clara County.
- Participate in a Countywide Regional Countywide Housing Task Force to consider adoption of a housing nexus study and developer impact fees.

Provided over \$37 million in Capital Improvement Projects (CIP) on community and parks projects to enhance quality of life for Milpitas residents. The following listing identifies the financial resources that have been used to leverage funds within the City of Milpitas Capital Improvement Program 2015-2020 (CIP):

City Building ADA Compliance Review	\$50,000
Sports Center Skate Park	\$1,650,000
Alviso Adobe Renovation	\$6,474,272
Murphy Park Picnic Playground Renovation	\$3,750,000
Park Access Improvements and Resurfacing	\$600,000

The majority of the public service agencies have also leveraged their funds with a variety of public, private funding sources including other foundations, corporations, and private donations. The Milpitas CDBG application process requires applicants to explain their method and strategy of leveraging funds for their programs and activities. Milpitas will continue to seek creative and alternative methods to leverage its funds and continue to financially support a variety of housing and public services programs and activities.

STATUS OF OTHER ACTIONS TAKEN DURING THE YEAR TO IMPLEMENT THE CITY'S GOALS AND OBJECTIVES

Existing Public Policy (On-Going Implementation)

The City of Milpitas has approved and adopted four important documents which will have a major impact on the City's future housing policies: 1) The Midtown Specific Plan, 2) Milpitas General Plan Housing Element, 3) Milpitas Five-Year Consolidated Plan (2012-2017) and 4) Transit Area Specific Plan.

- **Midtown Specific Plan:** Milpitas continues to implement the Midtown Specific Plan. Overall, the plan calls for up to 4,000-5,000 new dwelling units, support retail development, new office developments at key locations, bicycle and pedestrian trails linking the areas together and new parks to serve residential development. Residential densities up to 60 dwelling units per acre will be accommodated with parking reductions for developments with 1/4 miles of the Transit-Oriented Development Overlay Zones. The Milpitas City Council adopted the Midtown Specific Plan in March 2002. To date, approximately 1,317 housing units have been approved or under construction within the Midtown Specific Plan Area.
- **Milpitas General Plan Housing Element (2015-2023):** As required by State of California Housing Element Law, City of Milpitas has certified and adopted its General Plan Housing Element, which establishes goals, policies and objectives over the next eight years. Identifying adequate housing opportunity sites, appropriate densities to meet the Regional Housing Needs Allocation (RHNA) housing goals as determined by ABAG, affordable housing at-risk, governmental constraints and housing costs are several issues that will be addressed.

- **Consolidated Plan (2012-2017):** City of Milpitas submitted its Five-Year Consolidated Plan and was approved by HUD in August 2012. The Consolidated Plan is a comprehensive planning document that identifies the City's overall needs for affordable housing and non-housing community development activities and outlines the strategy to address the identified needs. Staff is working on updating the next Consolidated Plan for 2018-2023.
- **Transit Area Specific Plan:** Preparation of a report for over 400 acres around the light rail and future Montague/Capital Bart station in Milpitas for specific types of land uses, streetscape, design guidelines, and high-density residential development within half mile of the light rail and BART stations. High-density residential development would allow up to 60 dwelling units per acre. The plan also allows for a bonus of 25% increased density with a use permit. In addition housing developers can apply for the State Density Bonus. If the use permit and density bonus are approved, a developer could potentially have up to 90 dwelling units permitted on approved sites. The Transit Area Specific Plan has the potential to provide 5,000 to 7,000 additional dwelling units in Milpitas. To date, Milpitas has approved or under construction eleven (11) projects for development within the Transit Area Specific Plan with over 5, 500 new housing units.

Also, Milpitas has continued to demonstrate a commitment to providing a variety of affordable housing units to increase the City's housing supply through the use of the Density Bonus Ordinance, and first-time homebuyers program. Milpitas has and will continue to consistently negotiate with developers to provide a percentage of the units as affordable through the use of incentives such as reduction in development standards, waiver of developmental fees, and financial concessions.

Milpitas has also taken steps to streamline the permit processing procedures to expedite the approval of affordable housing projects. Milpitas in terms of the approval process has given these projects special priority for fast track approval. Milpitas policies as well as its financial commitment will continue to support, maintain and improve on affordable housing opportunities for its residents.

Public Housing Improvement and Residents Initiatives

Presently, there is no public housing within the City of Milpitas.

Institutional Structure

There are no weaknesses identified in the institutional structure.

Actions Taken to Overcoming Gaps in Institutional Structures to Enhance Coordination

Milpitas continues to work closely with the State, County, local jurisdictions, public and private agencies to provide and coordinate strategies and provide available resources within the community. The Milpitas Housing Element serves as the guide to policies and principles in providing affordable, safe and decent housing to all segments of the population.

Also, Milpitas has prepared and submitted its updated Consolidated Plan (2012-2017) to identify its CDBG housing and community goals and objectives over the next five years. Milpitas continues to serve

on the Housing Bond Advisory Committee within Santa Clara County to raise approximately \$20 million dollars to address the affordable housing and homeless support programs throughout the entire County.

Milpitas continues to participate in several countywide groups such as: Fair Housing Task Force, CDBG Coordination meetings, HOME Consortium, Regional Countywide Housing Task Force, and Homelessness Prevention over the next 10 years. Finally, Milpitas continues to support and encourage intergovernmental cooperation among the various public agencies and organizations to foster coordination and avoid the duplication of services and the effective use of financial resources. Projects such as the Countywide Homeless Survey, Fair Housing Report, Countywide Fair Housing Task Force, Housing Trust Fund, and Regional Countywide Housing Task Force are just a few examples of the City of Milpitas collaboration among the other jurisdictions in Santa Clara County.

Lead Based Paint Hazard Reduction

Milpitas has updated its information on lead-based paint hazard which will continue to be provided to all property owners and residents prior to any housing rehabilitation work being performed. If the property appears to have lead-based paint hazard, the property owner will be notified and further testing will be required to abate the problem. Milpitas has allocated \$50,000 of Single Family Rehabilitation Program Administration funds to implement compliance with the HUD Lead-Based Paint regulations.

Milpitas will continue to work with its Building Division and County of Santa Clara Environmental Health Department, as funding becomes available, in the design and implementation programs related to the detection, abatement, presentation and education of lead paint in the housing stock.

AFFIRMATIVELY FURTHERING FAIR HOUSING

The state-mandated updated Housing Element (2015-2023) was submitted, certified, and approved by the Department of Housing and Community Development (HCD) and City of Milpitas' City Council pursuant to State Housing Element Law, the following updates will be incorporated into the document to further fair housing opportunities for lower income households:

- Milpitas Zoning Ordinance was amended to permit emergency shelters without discretionary review "by right" within certain zoning district. In the past, this use would require a discretionary review by Planning Commission and or City Council through the conditional use permit process which could be denied with opposition. Development standards will also be incorporated to promote and regulate orderly development.
- Milpitas Zoning Ordinance was amended to permit transitional and supportive housing without discretionary review "by right" within certain residential zoning districts. These uses will be subject to the same development standards and restrictions as other residential uses within the same zoning districts.
- Milpitas Zoning Ordinance was amended to permit single room occupancy (SROs) units by discretionary review by Milpitas Planning Commission. These uses will also be subject to development standards to promote and regulate orderly development.

- Milpitas will review and consider updating any policies, ordinances or procedures to further allow reasonable accommodation for persons with disabilities in the application of housing opportunities.
- Milpitas' City Council directed that all new residential developments applications submitted after June 16, 2015 shall provide five percent (5%) of very-low or low-income residential units with a restriction of fifty-five (55) years or contribute an amount to the City equivalent to the five percent (5%) of the construction value or a combination of both.
- Milpitas continues to support Project Sentinel's fair housing services. Project Sentinel provides fair housing education, enforcement, tenant/landlord and dispute resolution services along with public education and outreach activities for both fair housing and tenant/landlord services for Milpitas residents.

In May 2011, the Milpitas City Council held a public hearing, reviewed and approved the updated Analysis of Impediments to Fair Housing Choice (AI) Report and its recommendations. The AI Report identified several impediments such as demographics, advertising, cases of housing discrimination, awareness of local fair housing services and public policies housing affordability will be addressed and implemented by Milpitas. The AI coincides with the update of the Consolidated Plan. Both documents will be updated by staff in the upcoming months.

The following actions have been taken during the past year to further implement the recommendations identified in the AI Report:

Statistical Summary: 4th Quarter (April 1- June 30, 2016)

Project Sentinel handled a total of 1 fair housing case in the 4th quarter and 2 outreach events in Milpitas. As for the tenant/landlord dispute side, they worked on 10 cases. During this reporting period, Project Sentinel Staff conducted the following outreach and education activities relevant to City of Milpitas:

April 21, 2016 – Presentation for Western Manufactured Association | San Jose, CA: Senior Fair Housing Coordinator presented fair housing at the Silicon Valley Chapter of the Western Manufactured Association. Of the 30 attendees, 1 rewash a resident of City of Milpitas.

- May 11, 2016 – Presentation for Milpitas Kiwanis Club | Milpitas, CA: Testing and Outreach Coordinator gave a presentation on protected classes under Fair Housing laws and focused on disability, familiar status, and national origin. Of the 16 people who attended, 11 residents were from Milpitas.

Statistical Summary: 3rd Quarter (January 1 – March 31, 2016)

Project Sentinel handled a total of 10 cases, and did 1 outreach this quarter. During this reporting period, Project Sentinel Staff conducted the following outreach and education activities relevant to City of Milpitas:

- February 1, 2016 – Milpitas Executive Lions Club | Milpitas,, CA: Fair housing coordinator and case manager made a presentation on tenant/landlord relationship and the rights/responsibilities that come with the management of property.

Statistical Summary: 2nd Quarter (October 1 - December 31, 2015)

Project Sentinel handled a total of 8 cases, which 2 were fair housing, 1 fair housing consultation, and 4 outreaches in the second quarter.

During this reporting period, Project Sentinel Staff conducted the following outreach and education activities relevant to City of Milpitas:

- October 25, 2016 – Make a Difference Day Event | Milpitas, CA: Staff tabled a booth hosted by the Milpitas Executive Lions Club for residents to ask questions relating to tenant-landlord issues and fair housing. Twelve people visited the booth, of which nine (9) were Milpitas residents.
- November 3, 2015 – Barbara Lee Senior Center | Milpitas, CA: Staff from Project Sentinel conducted a presentation at the Barbara Lee Senior Center, in which two (2) residents attended to ask detailed related questions related to fair housing and housing discrimination.
- November 17, 2015 – Next Door Solutions to Domestic Violence | San Jose, CA: Staff gave a presentation to victims of domestic violence on their rights and Fair Housing laws based on gender/sex, familiar status, and protection of domestic violence survivors. Of the four (4) attendees, 1 resident was from Milpitas.
- November 19, 2015 – National Association of Residential Property Managers | San Jose, CA: Fair Housing Legal Director from Project Sentinel gave a presentation to the National Residential Property Managers on fair housing laws. Of the 39 attendees, 2 were residents of Milpitas.

Statistical Summary: 1st Quarter (July 1 -September 30, 2015)

Project Sentinel handled a total of 26 cases and 4 outreaches. Of the total of 26 cases, 3 of them were fair housing cases and 1 consultation was done.

During this reporting period, Project Sentinel Staff conducted the following outreach and education activities relevant to City of Milpitas:

- September 3, 2015 – Meeting with City Staff | Milpitas, CA: Project Sentinel's staff met with City's Housing and Neighborhood Service Manager and Principal Planner to discuss strategies to expand outreach to diverse communities and housing issues that is affecting residents of Milpitas.
- September 3, 2015: Project Sentinel's staff distributed brochures on fair housing to the Barbara Lee Senior Center.
- September 30, 2015: Tester Training | San Jose, CA: Project Sentinel's staff conducted a tester recruitment and training. Two individuals attended, in which one was a Milpitas resident.
- September 21, 2015: Project Sentinel's staff distributed brochures at City Hall and restocked at the Milpitas Senior Center and Milpitas Police Department.

General Summary: Fair Housing Services and Community Outreach

During the past program year, Project Sentinel provided the following fair housing and tenant/landlord dispute resolution services:

- Project Sentinel investigated a total of fifty-five (55) cases for the City of Milpitas. Of those 55, eleven (11) were fair housing investigations that were more intensive and longer in duration.
- A total of 11 outreach sessions were held to benefit the general public regarding fair housing issues. Also, on-going advertising and continued outreach campaign to heighten public awareness of discrimination and fair housing services were provided.

- Housing and training seminars for tenants, owners, and managers were provided throughout Milpitas and documents were translated in languages commonly used in Milpitas i.e. Tagalog, Spanish, Vietnamese etc.

Other Policies to Further Fair Housing

Milpitas continues to support and encourage developers to consider higher density residential projects through the use of the Density Bonus Ordinance as a mechanism to increase the affordable housing opportunities for low and moderate-income families.

Milpitas Planned Unit Development (PUD) permit process allows for higher density (20-40 dwelling units per acre), if the applicant can demonstrate a public benefit. Housing developers have used this permit process to increase the density on their high-density multi-family projects, offering affordable housing units as the public benefit.

Milpitas continues to implement its Midtown Specific Plan to accommodate densities up to 60 dwelling units per acre in specific locations with 1/4 mile of the two light rail transit stations proposed in Milpitas. The adopted Midtown Specific Plan will accommodate a range of 4,000-5,000 dwelling units of various housing types and styles.

Milpitas continues to implement its Transit Area Specific Plan for those properties that are located within VTA mile of the transit stations, Santa Clara Valley Transportation Authority (VTA) light rail and Bay Area Rapid Transit (BART). Residential properties within this designated area will be classified as multi-family, high-density residential development with a transit-oriented overlay. Densities up to 75 dwelling units per acre will be allowed within this zoning district. With a use permit and state density bonus, developers can obtain up to 90 dwelling units per acre within certain designated area of the transit area. A total of approximately 400 acres around the light rail and Montague/Capital Bart station will be designated.

Milpitas has also provided funding to HomeFirst and Project Sentinel, which provides a renter education program that includes information about legal protection against discrimination. Milpitas programs such as single family housing rehabilitation, first-time homebuyers has actively pursued an affirmative action plan. In addition there are rehabilitation loans and first-time homebuyer loans to assist very-low and low-income households are available to qualified residents of the City of Milpitas.

Brochures, public handouts and other fair housing information (i.e. information on security deposits, tenant responsibilities, remedies for obtaining repairs, tenant/landlord mediation, how-to protect tenant rights etc.) are available at the Information Counter at Milpitas City Hall. Copies of all handout information are provided in Spanish, Chinese and others included Tagalog and Vietnamese.

The Planning and Building Departments will continue to enforce policies, ordinance and procedures to guarantee that all disabled and special needs persons has reasonable accommodations as it relates to housing developments. The best means to further the housing opportunities for its diverse population is to continue to provide housing programs in the City, which preserves and expands the existing housing stock especially for large families with children. The narrative within the Consolidated Plan illustrates that the City's use of CDBG and other funding resources were directed towards meeting this goal.

CONTINUUM OF CARE NARRATIVE

Milpitas will continue to fund the operations of a variety of support services and programs to address the needs of homeless persons and the special needs of persons that may require supportive housing. The supportive services and programs include the following:

Other supportive services funded in the City of Milpitas includes:

- **Milpitas Food Pantry** served about 1,578 extremely-low and very low-income individuals through weekly food supplements and household items.
- In addition **The Health Trust** provides Meals on Wheels to eight (8) homebound seniors.
- Supportive housing programs includes funding for **HomeFirst**, which provides shelter and supportive services to homeless adults, youths and families (255 shelter days for 14 Milpitas residents).
- **Next Door Solutions to Domestic Violence** and **YWCA Silicon Valley**, which provides supportive services for victims of domestic violence and their children collectively: sheltered a total of 2 individuals with 32 nights at the emergency shelter. Also both organizations provided supportive non-residential services for 124 individuals through referrals from the Milpitas Police Department.
- The goals of funding these supportive services, programs and housing activities are to assist homeless and non-homeless persons (individuals and families) on making the transition to permanent housing and independent living. Milpitas will continue to implement its Continuum of Care Strategy and take appropriate actions to provide funding to address the needs of its homeless and non-homeless populations.

ACCOMPLISHMENTS

Households and Persons Assisted

This section identifies the number of households and persons assisted through the various programs, activities and projects during the past FY 2015-2016. Milpitas has used its CDBG funds and other available resources to serve a wide range of very low and low-income households with a combination of housing rehabilitation services and providing affordable housing alternatives. The following information below outlines the specific goals established by the Plan and the accomplishments for the various categories of assistance:

Programs and Services to Address the Needs of Homeless Persons and Special Needs

- **Milpitas Food Pantry** provides monthly supplemental food supplies to 1,578 extremely-low to low-income families.
- **Live Oak Adult Day Services** provides adult day care serves for 6 frail and dependent at-risk seniors residents.
- **HomeFirst** provides shelter and supportive services to homeless men, women and families for emergency shelter and case management to find housing opportunities. Programs include housing, education, employment and self-sufficiency. A total of 255 nights of shelter have been provided to 14 Milpitas residents.
- **Housing Trust Silicon Valley** continues to work to provide over 1,049 families in securing permanent housing with the *Finally Home Security Deposited Grant Program* to end homelessness and help those at-risk of being homeless. The individuals that benefited from the program include seniors, minors, female-head of households, chronically homeless and those directed from the County's Housing 1,000 clients.
- **County of Santa Clara Housing Authority** continues to work with City of Milpitas to maintain and support existing Section 8 vouchers for Milpitas residents.

Program and Services to Prevent Persons and Families from Becoming Homeless

- Milpitas has provided financial assistance to the Milpitas Food Pantry, which provided food, clothing, and other assistance to homeless persons.
- Milpitas continues to monitor the Sunnyhills Apartments (151 units) and the other 180 Section 8 Program tenants to prevent the at-risk conversion to market-rate units and the displacement of existing low-income households. Milpitas will continue to work with the property owner and HUD to maintain its long-term affordability.

Programs and Services to Address Homeless Persons, Including Those with Special Needs, to Transition to Independent Living

- **Next Door Solution to Domestic Violence** and **YWCA Silicon Valley** provided collectively comprehensive shelter services for 2 women and their children with over 32 nights of shelter. In addition provided over 73 individuals with counseling, support groups, individual and group therapy legal assistance with restraining orders and advocacy. In addition, provided supportive services to another 115 referrals from the Milpitas Police Department.

Actions to Assist Non-Homeless Elderly Persons

- Milpitas has funded several programs which provided assistance and services to the elderly population such as: **Rebuilding Together** provided 24 home improvements services to senior homeowners; **Senior Adults Legal Assistance** provided 54 free legal services to Milpitas elderly; **Project Sentinel** provided fair housing and mediation service; and **Milpitas Food Pantry** provided food for 1,578 households.
- **The Health Trust** provided daily, nutritionally-balanced meals on wheels, social interaction and additional wellness for 8 home-bound Milpitas seniors.

- **Live Oak Adult Day Care Services** provided adult day care services for frail and dependent at-risk senior residents, respite for family caregivers and provides nutritious meals and snacks. Services include counseling, referrals, and case management, support family members in their efforts to maintain their dependent senior relative in the family home. This program provided services for 6 Milpitas senior residents.
- **Terrace Gardens Senior Housing Renovations and Improvements** provided CDBG funding for the façade improvements by replacing original paint with mildew removal and 10 years useful lifetime paint.

Actions to Assist Persons with Physical or Mental Disabilities

The City of Milpitas has committed General Funds, Capital Improvement Project (CIP) and CDBG funds for the following on-going projects (2015-2020):

- City Buildings ADA Compliance Review involves the review of all City Buildings constructed prior to 2000 to confirm compliance with access requirements in accordance with American with Disabilities Act, to identify any deficiencies and recommend improvements. The City of Milpitas has allocated \$50,000 for this project.
- Alviso Adobe Renovation provides new park improvement and restoration that include structural stabilization, seismic strengthening and improvement in walkways, parking lot and picnic areas. The City of Milpitas has identified \$1,000,000 from the Park Fund.
- Murphy Park Picnic Playground Renovation provides for renovation improvements that increase the picnic area and ADA compliance assessment and improvements. The project will be funded \$3,750,000.
- An estimated \$2,875,000 is funded for this project through the Park Fund and the Midtown Park Fund.
- Park Access Improvements and Resurfacing will provide for improvement and rehabilitation of vehicle, bike and pedestrian access for City parks. The project will be funded in the following year for about \$600,000.

A total of approximately \$13,275,000 has been allocated in the City of Milpitas' Capital Improvement Program (CIP) budget for the installation of these improvements and ADA compliance requirements.

Actions to Assist Persons with Alcohol or Other Drug Related Problems

Milpitas does not currently provide any funding for alcohol or other drug related problems as City Council has directed priorities for the funding.

Actions to Taken to Improve Public Housing and Residents Initiatives

There are no public housing units within the City of Milpitas.

Actions to Address Obstacles to Meeting Undeserved Needs

Milpitas has provided funding CDBG funding and set priorities to meet underserved individuals and families, especially that of youth. The following programs serve the needs of underserved youths:

- **Child Care Advocates** recruits, trains and support volunteers to court-appointed children in the foster care system to remain a constant supportive presence throughout the whole foster care process, some until they are adults. With the CDBG funding they were able to serve 37 Milpitas children.
- **City of Milpitas' Recreation Assistance Program** provides financial assistance to very-low and low-income Milpitas households for recreational programs at 50% of the costs in which 59 low-income youths and seniors received.

Actions to Foster and Maintain Affordable Housing and Eliminating Barriers to Affordable Housing

Milpitas continues to work with HUD and the property owners of Sunnyhills Apartments to maintain the long-term affordability of the 151 units at-risk of conversion to market rate units for very low and low-income persons. Milpitas has approximately 1,248 affordable housing units with long-term affordability restriction agreements, with an additional 56 affordable units approved with staff and developers.

Also, the Mobile home Park Rent Control Ordinance preserves affordable rent to 527 mobile home units. Milpitas continues to work closely with Project Sentinel on eliminating barriers to affordable housing. Additional outreach efforts, including seminars and workshops have been held with local property owners/managers to discuss housing discrimination and flyers, advertising on cable television are made available to the public.

Project Sentinel (the City's Fair Housing provider) aims to eliminate fair housing barriers by publicizing and advertised their services through the City's cable TV, website and Information Counter in various languages, in addition through the newspaper outlets as Milpitas Post.

Actions Taken to Reduce the Number of Persons Living Below the Poverty Level

Milpitas has continued to fund a variety of supportive programs and activities that provides food, clothing, job training, counseling, rental assistance and crisis invention to prevent individuals and families from becoming at-risk of being homeless.

Milpitas Food Pantry provided meals to supplement 1,578 extremely-low to very low-income households.

Fair Housing and tenant-landlord mediation is provided through **Project Sentinel** and **Senior Adults Legal Services** in addressing fair housing issues and complaints regarding landlords. Landlords may increase rent above and beyond the means of many low and moderate income renters and preventing unnecessary evictions.

Milpitas has also continued to work with County of Santa Clara's Social Services Agency to refer low-income families for financial assistance. As of the latest report, April 2016, Santa Clara County has experienced a decline in all public assistance programs including CalWorks, Refugee Cash Assistance, General Assistance, and Foster Care Cash Aid programs, with the exception of Medi-Cal. The number of Medi-Cal cases has increased throughout the County. For the City of Milpitas, a year ago, there were 8,443 Medi-Cal cases, as of April 2016 Milpitas has a total of 8,499 cases. Following the County's trend, CalWorks has also decreased in Milpitas. A year ago in April 2015, there was 253 CalWorks cases, today, there are 192 cases making a total of 2.3% of the County's number.

Actions Taken to Ensure Compliance with Program and Comprehensive Planning Requirements

Milpitas consistently monitors its CDBG grantee sub-recipients and projects to ensure compliance with the program goals and objectives and comprehensive planning requirements. Monitoring includes review of quarterly reports to determine if goals are achieved, invoices and review of agency audits, financial records, and clientele files. Staff also conducts annual on-site monitoring. The Milpitas Community Advisory Commission (CAC) and City Council conducts annual public hearings on its Action Plan, CAPER, and the allocation of CDBG funds to provide the general public the opportunity to review and comment on the use of CDBG funds.

Public Facilities and Improvement Needs

Milpitas has committed General Funds with Capital Improvement Projects (CIP) funding to provide improvements on street infrastructure to drainage improvements for low and moderate-income neighborhoods. These improvements includes ADA compliance, infrastructure, public safety, pedestrian walkways, and urban runoff pollution program.

SELF-EVALUATION OF PROGRESS IN ADDRESSING IDENTIFIED NEEDS AND OBJECTIVES

Milpitas appears to be on target to meet most of its anticipated objectives outlined with Five-Year Consolidated Plan. Public Service programs and supportive services have been carefully prioritized and funded to benefit an inclusive population of Milpitas. Housing, public services, seniors and homeless populations has been given special care and attention in addressing their need.

The two main goals and objectives are:

- 1) Assisting first-time homebuyers in participating in the Mortgage Credit Certificate Program
- 2) The development of the Senior Housing Project

Though (participation in?) the Mortgage Credit Certificate Program for first-time homebuyers was reduced almost 80% prior, it has been a push by the Santa Clara County to get more participation. The City will work with the County to make these opportunity available for first-time homebuyers.

Milpitas has provided support and financial assistance for the three (3) 100% affordable project (Aspen Family Apartments - 100 units, Terrace Gardens – 148 units, and DeVries Place Senior Housing – 103 units). Milpitas also provides letters for support with these projects to the State of California Tax Credit Allocation Committee (TCAC).

Milpitas Public Facilities and Improvement needs has largely been funded through the City's Capital Improvement Program (CIP) budget, which addresses citywide problems such as infrastructure, parks, and other types of recreational activities.

In general, Milpitas appears to be well on its way on meeting or exceeding its goals and objectives that have been identified within the Consolidated Plan (2012-2017) and in process of updating its new Consolidated Plan for 2018-2023.

CITIZEN PARTICIPATION

As outlined in the Milpitas Citizens Participation Plan, the Draft CAPER Report was prepared and made available to the public for review for 15 days from August 20th to September 6, 2016. A public advisement notice was placed in the local Milpitas Post Newspaper advertising the availability of the CAPER Report on August 20, 2016. In addition, copies of the report were mailed to all organizations, grantees, and other people who have expressed an interest in the City's CDBG Program. Copies of the report were also available at the Milpitas Public Library and City of Milpitas information desk. The Milpitas City Council held a public hearing on September 20, 2016 at 7:00 p.m. at Milpitas City Hall and adopted the CAPER.

Summary of Public Comments Received

There were no public comments received by the City of Milpitas to be incorporated into the final CAPER.

Public Comments

There were no public comments received by the public to be included in this final CAPER.

CITY OF MILPITAS CITIZEN PARTICIPATION PLAN UPDATE

Introduction

Pursuant to Section 24 CFR 91.05 of the final rule for submission of the Consolidated Plan requires the Department of Housing and Urban Development requires that each jurisdiction receiving federal Community Development Block Grant (CDBG) funds adopt a Citizen Participation Plan which outlines the jurisdiction's policies and procedures for local residents to participate in the development of the Consolidated Plan and the Annual Performance Report. The Citizen Participation Plan is required to be adopted by the City of Milpitas to receive CDBG funds and must be incorporated into noticing requirements as set forth by Section 24 CFR Part 91.105.

The City of Milpitas Planning and Neighborhood Preservation Division is responsible for the preparation, noticing and implementing the Citizen Participation Plan. The City of Milpitas encourages and welcomes public comments in the preparation and implementation of the plan. Copies of the Citizen Participation Plan are available in the Planning and Neighborhood Services Department at the public counter at 455 E. Calaveras Blvd. and Milpitas Public Library at 160. N. Main Street. Public comments can also be sent to:

Tim Wong, Housing and Neighborhood Services Manager
City of Milpitas
455 E. Calaveras Blvd.
Milpitas, CA 95030
(408) 586-3286
twong@ci.milpitas.ca.gov

Community Development Block Grant (CDBG)

The U.S. Department of Housing and Urban Development (HUD) provides annual grants through its Community Development Block Grant (CDBG) to local entitlement cities to assist organizations to provide decent housing, a suitable living environment and expand economic opportunities to low and moderate income persons. As part of the CDBG program, it is required that the Citizen Participation Plan provide a process to create opportunities for low and moderate income households to participate in the process of planning, implementation and assessment of program and projects. The Citizen Participation Plan here will reflect HUD programmatic requirements and to insure greater public participation.

In specific geographic areas in which Milpitas provides direct assistance with CDBG contains high concentration of minority populations including Asian, Hispanics and Black households.

The rationale for targeting these areas for allocating CDBG funds based on financial, social and economic needs of several working class neighborhoods.

To be an eligible recipient of CDBG funding, each service provider must provide evidence that they meet one of the national objectives in addition, the funds must create one of the following:

- Decent Housing
- A Suitable Living Environment, and
- Economic Opportunity

Furthermore, eligible CDBG activities must meet at least one of the National Objectives:

- Benefiting low and moderate income persons (at least 51% served are LMI)
- Aid in the Prevention of Slum and Blight
- Urgent Need

The CDBG grant allocation is funded based on the HUD requirements of a maximum of:

- 65% to Non-Public Services
- 15% to Public Services
- 20% to Program Administration (including Fair Housing Services)

In 2014, the City Council discussed funding priorities for CDBG allocations. The table below reflects their priorities:

Public Services	Non-Public Services
1. Senior Services	1. Home Repairs/Rehabilitation
2. Homeless Services/Sheltering	2. Affordable Housing
3. Child Care	3. Rental/Apartment Rehabilitation
4. Victims of Domestic Violence	4. Historic Preservation
5. Youth/Teen Services	
6. Sheltering and Services	
7. Code Enforcement	

Every two years, Milpitas City Council holds a public meeting to reconsider the CDBG funding priorities. Copy of the public hearing notice is advertised in the newspaper and copy of the notice is send to all services providers and interested parties and on the City’s website.

Estimate Amount that will Benefit Persons of Low and Moderate Income

City of Milpitas receives about \$400,000 annually from Department of Housing and Urban Development. In which, 100% of the CDBG funding is allocated to low and moderate-income households and clientele.

Below outlines the process that the City plans to incorporate residents' participation.

City of Milpitas' Citizens Participation Plan: Community Outreach and Background Information

The purpose and intent of the Citizens Participation Plan is to encourage public participation in the review on the various Community Development Block Grant (CDBG) documents including the Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER) and Consolidated Plan and amendments. Local residents, service providers, and other interested parties are encouraged to participate in the development, implementation, and performance assessment to identification the City's housing priorities and needs and non-community development (public services) needs for very- low, low- and moderate income households. Citizen participation would also include the development and reassessment of the City's five-year strategic plan as outlined in the Consolidated Plan to meet the needs and the annual Action Plan to implement the Strategic Plan. All residents are invited and encouraged to assist the City in meeting its performance goals and objectives.

Citizen Participation Plan Community Outreach: City of Milpitas will take the following steps to encourage community participation in assessing community needs, funding, reviewing public documents, notice of public hearings and meetings for all related information and documentation for the Community Development Block Grant Program.

- Appropriate public hearings and meeting notice will be advertise in a local newspaper of general circulation, City's website, Milpitas Public Library and Milpitas City Hall
- City Staff will provide language interpreters for individuals that are not English proficient
- City Staff will help translate public hearing notices in languages that are commonly spoken in Milpitas i.e. Vietnamese, Spanish, Chinese etc. upon request.
- City Staff will meet with groups, agencies and organizations representing minority populations, areas of concentration of minorities and special need populations to addresses their social and economic needs as CDBG funds will allow.
- CDBG documents (Action Plan, CAPER, Consolidated Plan, etc.) will be made available to the greatest extent possible to minority populations and special needs populations.
- Milpitas will continue to make available the TDD phone number for disabled persons.
- Any substantial amendments to any CDBG documents, Milpitas to the greatest extent possible notify all interested parties.

Jurisdiction Plans to minimize Displacement of Persons and Assistance Available

Milpitas will take every precaution to minimize the displacement of persons and provide assistance as available. Any CDBG activity that will cause displacement, City Staff will work with the tenant(s) with relocation plans, regarding site, locations, costs, moving expenses, etc. before funding is allocated. Projects that may cause temporary harm to the tenants as fumigation, must include a relocation plan into the project budget and proposal during the time of application submission to the City.

Notice of Application Solicitation and Public Hearing for CDBG Funding

- 1) At least 30 days prior to the deadline for the submission of CDBG applications, the City will publish in the local newspaper of general circulation, a Notice of Funding Availability for CDBG applications and the proposed use of funds by local residents, groups, organizations and service providers. The notice will include the estimated funds that will be made available by HUD during the fiscal year and the types of activities to be undertaken. The notice shall also include when and where applications can be obtained, the deadline for application submittal, and a City contact person to obtain additional information regarding the CDBG application submittal process.
- 2) All notices along with applications will be sent to all current CDBG sub-recipients, former applicants who were previously denied funding in the past fiscal year, and interested parties. A letter will be included with the notices to offer any technical assistance by the City to applicants explaining the CDBG regulations and process, responding to questions, and assisting on completing the application for funding.
- 3) The City will also provide this information on the City's website and local cable television to provide additional outreach efforts to local Milpitas residents, groups and organizations. Notices will also be made available in the Milpitas Public Library and other public buildings throughout the City.
- 4) Prior to the start of the funding cycle for CDBG funds, the City will make itself available to assist any applicant on the processing of their CDBG application (inform the general public about the CDBG application process, to enhance public access and participation of the CDBG process.
- 5) The Milpitas Community Advisory Commission (CAC) and City Council will hold at least one advertised public hearing on the CDBG funding during each fiscal year. Notice of the public hearing will made available in the following matter.
 - a) At least 15 days prior to the established public hearing date, the City will publish a Public Hearing notice in the local newspaper of general circulation and website. The public hearing notice will include: the time, place and date of the public hearing to be

held, the purpose of the public hearing and how and where persons interested in the public hearing can obtain more information about this matter. A City contact person for reasonable request and translators.

- b) A copy of the public hearing notice will also be e-mailed to all grant applicants and other persons who have indicated a previous interest in the CDBG public hearing process. All notices will be sent at least 15 days prior to the established meeting date.
- c) The public hearing notice will be posted on the City Public Bulletin Board in front of City Hall to allow maximum visibility by local residents. The notice will be posted at least 15 days prior to the meeting.

6) The City will provide this information (applications and notices) in print.

The Annual Action Plan, Consolidated Plan, Citizen Participation Process, Affirmatively Furthering Fair Housing, Revisions, Amendments and Performance Reports

Required reporting by HUD: the Annual Action Plan, Consolidated Plan, amendments to Citizen Participation Process, Furthering Fair Housing, and Performance Reports will follow a process to ensure residents and service providers are able to have a reasonable notice to review and comment.

The Annual Action Plan, and Five (5) Year Consolidated Plan describes the eligible programs, projects and activities to be undertaken with Community Development Block Grant funds expected to be made available during the program year and a five year period of time and their relationship to the priority housing, homeless and community development needs.

Prior to the approval and adoption of the Annual Action Plan and Consolidated Plan and other required HUD documents, the City's City Council and City Staff will ensure all draft documents available to local residents, service providers, and other interested parties. The documents will inform the public the estimated amount of CDBG funds received, the types of programs, projects and activities that will be undertaken during the fiscal year with the funds, notice of application solicitation to encourage local residents, organizations, groups and service providers to apply for funding and the required public review period to comment on the Draft Action Plan and Consolidated Plan. This information will be made available to the general public in the following matter:

Notice of Public Hearing for Action Plan and Consolidated Plan

The Milpitas City Council will hold at least two advertised public hearing per year for residents to voice their views, at different times of the year. At least one of the public hearing will be

prior to the development of the Consolidated Plan or new Affirmatively Furthering Fair Housing.

In addition another public hearing prior to approval of other HUD required documents as the Annual Action Plan, CAPER, and for the approval for CDBG Allocation. The purpose and intent of the public hearing will be to encourage public input and comments prior to the City Council taking action on the final Action Plan and Consolidated Plan. All comments received during the public hearing will be considered and then a summary will be incorporated and attached to the final Consolidated Plan and Affirmatory Furthering Fair Housing.

The public hearing will be held during the evening to encourage the maximum citizen participation in the public review process. In addition, if there are those working a schedule that prevents the person from attending a night meeting, the person will have not less than 30 days for comments.

Solicitation for written comments for not less than 30 days will be advertised in a paper of general circulation. The person can submit it to City Hall staff or via email. Staff will consider any comments and attach it to the summary of the final and approved required documents. In addition, Staff will provide written comments to the commenter within fifteen (15) days by postal mail.

Outreach towards the low and moderate income, non-English speaking, or disabled groups be made available in the following matter:

- 1) At least 15 days prior to the established public hearing date, the City will publish a public hearing notice in the local newspaper of general circulation and website regarding the time, place and date of the public hearing to be held, the purpose of the public hearing and how and where persons interested in the public hearing can obtain more information about this matter. A City contact person will be listed on the public hearing notice for those who may need a reasonable request and/or a translator.
- 2) The public hearing notice that the attendee please give Staff at least fifteen (15) days to provide the reasonable request, technical assistance or translator before the public hearing.
- 3) A copy of the public hearing notice will also be sent to all grant applicants and other persons who have indicated a previous interest in the CDBG public hearing process. All notices will be sent at least 15 days prior to the established meeting date.

The public hearing notice will be posted on the City's Website and Public Bulletin Board to allow maximum visibility by local residents. The notice will be posted at least 15 days prior to the meeting.

Public Comments on Draft Action Plan and Consolidated Plan

Upon completion of the Draft Action Plan and Consolidated Plan, City of Milpitas will publish a notice with a summary of the plan in the local newspaper of general circulation. The notice will include information regarding when and where the public can review and/or obtain copies of the draft plan and where comments may be submitted in response to the plan. The draft will be available for comments for at least 30 days prior to the public hearing for the adoption of the final plan by the City Council. This notice will also include the City's person of contact for any help or assistance relating to the drafts.

Local residents, groups, organizations, service providers and other interested parties will be given at least 30 days to review and comment on the Draft Action Plan and Consolidated Plan. The comment review period was also applied to the updated of the Citizen Participation Plan and Analysis of Impediments to Fair Housing Choice. The plan will be made available to the public at the City of Milpitas' Public Information Counter at 455 E. Calaveras Blvd., and Milpitas Public Library, 160 N. Main Street. The City of Milpitas will also take the necessary steps to accommodate requests to provide the plan to persons with physical disabilities.

The City will review and consider all citizens and service providers' written comments regarding the Draft Action Plan and Consolidated Plan prior to the final preparation of the document. A summary of the comments received during the 30-day comment period, their disposition will also be attached to the final plan.

Consolidated Annual Performance and Evaluation Report (CAPER)

As required by the Department of Housing and Urban Development, the City of Milpitas is required to prepare the Consolidated Annual Performance and Evaluation Report (CAPER) to identify programs, projects, and activities that have been undertaken during the previous fiscal year. The CAPER is due 90 days after the end of each grant year.

CAPER's Citizen Participation Process

For performance reports and notices such as the Consolidated Annual Performance and Evaluation (CAPER) to HUD, there will be at least 15 days prior to submittal for review. The City will publish Notice of Preparation of the Draft CAPER in a local newspaper and website for public comment. The notice will include the time period the draft report covers during the previous year and when and where the report can will be available for public review and comments. The notice will also indicate the deadline to submit comments and where comments should be sent.

At least 15 days prior to the submittal of the final CAPER to HUD, a copy of the notice will be posted in the Milpitas Public Bulletin Board in front of City Hall for public review and at the Milpitas Public Library.

Public Comments on the CAPER

Upon completion of the Draft CAPER, City of Milpitas will publish a summary of the plan in the local newspaper and website. The notice will be published at least 15 days prior to the public hearing for the adoption of the final plan by the City Council. The notice will include information regarding when and where the public can review and/or obtain copies of the draft plan and where comments may be submitted in response to the plan. This notice will also include the City's contact person for reasonable request and translators, if needed.

Local residents, groups, organizations, service providers and other interested parties will be given at least 15 days to review and comment on the Draft CAPER. The plan will be made available to the public at the City of Milpitas Community Development Department at 455 E. Calaveras Blvd. at the public counter, Milpitas Public Library, 160 N. Main Street. The City of Milpitas will also take the necessary steps to accommodate requests to provide the plan to persons with disabilities.

The City will review and consider all citizens and service providers' oral and written comments regarding the Draft CAPER to the final preparation of the document.

A summary of the comments received during the 15-day comment period, their disposition will be attached to the final plan.

The Consolidated Plan

The Consolidated Plan is a five (5) year comprehensive planning document that identifies a jurisdiction's overall needs for affordable and supportive housing as well as non-housing community development needs and outlines a strategy for the use of available resources to meet the one year Action Plan and CAPER which reviews the progress made in meeting the goals and objectives of the prior year Action Plan.

The Consolidated Plan, Amendments, Citizen Participation Process

Minor Amendments

Any minor amendments to the Consolidated Plan will be made administratively and will be incorporated into the City's CAPER at the end of end program year. Minor amendments shall be one that maintains the integrity of the plan and does not include any substantial change policy or in funding priorities while still maintaining flexibility in meeting the goals and objectives.

Substantial Amendments

Any substantial amendment to the Consolidated Plan will only be incorporated into the document after a public notice has been provided to local residents, organizations, groups, service providers and other interested parties at least 30 days to review and comments. Substantial changes shall be one that: 1) changes in the allocation priorities or a change in the method of distribution of funds, 2) carry out an activity, using funds from any program covered by the Consolidated Plan (including program income), not previously described in the Action Plan, and 3) change the purpose, scope, location or beneficiaries of any activity, 4) any change in use from one eligible activity to another eligible activity. Any amendment above shall be determined to be substantial if it totals 10% or more of the city grant allocation. Minor adjustments in funding levels for public services, housing activities and administration due to differences in actual versus anticipated program income should not be considered substantial.

Notice of Public Hearing for Amendments to Consolidated Plan

The Milpitas City Council will hold at least one advertised public hearing at least 30 days prior to any proposed amendments to the Consolidated Plan. The purpose and intent of the public hearing will be to encourage public review and comments prior to the City Council taking action on the final amendment. Substantial comments received during the public hearing will be considered prior to the preparing the final document. The public hearing will be held during the evening to encourage the maximum citizen participation in the public review process. Every outreach effort (advertising, public notices, letters, etc.) will be made to include low-income residents and disable persons to attend the meeting during the decision-making process. Notice of the public hearing will be made available in the following matter:

- 1) At least 15 days prior to the established public hearing date, the City will publish a public hearing notice in the local newspaper of general circulation indicating the time, place and date of the public hearing to be held. The purpose of the public hearing and how and where persons interested in the public hearing can obtain more information about this matter. A City contact person will be included in the public hearing notice.
- 2) A copy of the public hearing notice will also be sent by mail to all grant applicants and other persons who have indicated a previous interest in the CDBG public hearing process. All notices will be sent at least 15 days prior to the established meeting date.
- 3) The public hearing notice will be posted on the City Public Bulletin Board in front of City Hall to allow maximum visibility to local residents. The notice will be posted at least 15 days prior to the meeting.

Comments on Amendments to the Consolidated Plan

Upon completion of any substantial amendment(s) to the Consolidated Plan, City of Milpitas will publish a summary of the plan in the local newspaper of general circulation. The notice will be published at least 30 days prior to the public hearing for the adoption of the final plan by the City Council. The notice will include information regarding when and where the public can review and/or obtain copies of the draft plan and where comments may be submitted in response to the plan. This notice will also include the City's TDD number. Local residents, groups, organizations, service providers and other interested parties will be given at least 30 days to review and comment on the Draft Consolidated Plan. The plan will be made available to the public at the City of Milpitas Public Information Desk at 455 E. Calaveras Blvd. and Milpitas Public Library, 160 N. Main Street. The City of Milpitas will also take the necessary steps to accommodate requests to provide the plan to persons with physical disabilities or translators if applicable.

The City of Milpitas will review and consider all citizens and service providers' oral and written comments regarding the Draft Consolidated Plan prior to the final preparation of the document. A summary of the comments received during the 30 day comment period, their disposition will be attached to the final plan.

Amendments to the Citizens Participation Plan

Local residents, organizations, groups, service providers and other interested persons will be provided an opportunity to comment on any substantial amendment to the Citizens Participation Plan. Minor amendments to the Citizen Participation Plan, which comply with HUD minimum standards will not be deemed substantial and will be incorporated administratively. However, any amendment deemed substantial shall be made available for public review and comments in the following manner:

- 1) At least 15 days prior to the established public hearing date, the City will publish a public hearing notice in the local newspaper to consider an amendment to the Citizen Participation Plan. The notice will indicate the time, place and date of the public hearing to be held and the purpose of the public hearing and how and where persons interested in the public hearing can obtain more information about this matter. A City contact person will be included in the public hearing notice for reasonable request and language assistance as need.
- 2) A copy of the public hearing notice will also be sent by mail to all grant applicants and other persons who have indicated a previous interest in the CDBG public hearing process. All notices will be sent at least 15 days prior to the established meeting date.

- 3) The public hearing notice will be posted on the City Public Bulletin Board in front of City Hall to allow maximum visibility to local residents. The notice will be posted at least 15 days prior to the meeting.
- 4) The City of Milpitas will review and consider all citizens and service providers' oral and written comments regarding the Amendments to the Citizen Participation Plan prior to the final preparation of the document. A summary of the comments received during the 30-day comment period, their disposition will be attached to the amended plan.

Access to Public Records

The City of Milpitas will provide a copy of the Consolidated Plan, including the Needs Assessment, Strategic Plan, Action Plan, and CAPER for current and past years for public review during the business hours of 8:00 a.m. to 5:00 p.m. at City Hall, Public Information Desk at 455 E. Calaveras Blvd., Milpitas CA 95035, City's website and City's public library. This site is accessible to disabled persons.

Citizen Complaints

Any complaints received from citizens relating to the Action Plan, CAPER, amendments to the Consolidated Plan or Citizen Participation Plan shall be on filed in writing with the City of Milpitas Planning and Neighborhood Services Department, City of Milpitas at 455 E. Calaveras Blvd., Milpitas, CA 95035. Complaints by phone shall address within 48 hours, written comments are addressed via postal mail, and any desired outcome or resolution to the problem. All written complaints and comments should include a return address in which the City of Milpitas will respond to complaint with 15 days from receipt of the complaint. When the proposed outcome or resolution is not accepted by the City of Milpitas an explanation for not accepting the proposed resolution will be provided.

Citizen Participation Plan Amendment for CDBG

Pursuant to the Community Development Block Grant Program funding under the American Recovery Reinvestment Act of 2009 (ARRA), the Citizen Participation Plan has been amended to comply with ARRA. The amendments includes the following:

- Submittal to HUD of the amended Action Plan to reflect CDBG-R activities, programs and services to be provided with ARRA 2009 funding.
- Submittal of Standard Federal Form SF-424, and signed certifications.
- Public Notice of CDBG-R funding with a 7 day citizens comment period (*)
- Providing equal access to information about funding activities, including non-English speaking persons and persons with disabilities.
- Providing public notice of amendments in public places (Milpitas City Hall, Milpitas Public Library, and City's Website).

(*) Note: HUD has waived the normal required 30 day review and comment period on the Action Plan. To expedite the process and to ensure that CDBG-R grant are awarded in a timely manner, while preserving a reasonable citizen participation process, HUD has shortened the minimum time for citizen comments to 7 calendar days.

Limited English Proficiency

Pursuant to 65 FR 50121 of Executive Order 13166 requires every Federal agency that provides financial assistance to non-Federal entities must publish guidance on how their recipients can provide meaningful access to Limited English Proficiency (LEP) persons and this comply with Title VI regulations forbidding funding recipients from restricting an individual in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service, financial aid or other benefits under the program or from utilizing criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their race, color, or national origin or have the effect of defeating or substantially impairing accomplishments of the objectives of the program as respects individuals of a particular race, color or national origin.

The City of Milpitas Housing Division, which administers the Community Development Block Grant (CDBG) Program, is responsible for the preparation, noticing and implementing the Limited English Proficiency Plan.

City of Milpitas Limited English Proficiency Plan

The purpose and the intent of the Limited English Proficiency Plan is to encourage public participation in the review, allocation and funding in various Community Development Block Grant (CDBG) documents including the Action Plan, Consolidated Annual Performance Evaluation Report (CAPER) and Five-Year Consolidated Plan and amendments. Local residents, service providers and other interested parties are encouraged to participate in the development, implementation and performance assessment to identify the City's housing priorities, and needs and non-community development (public services) needs for very-low, low-, and moderate income households. Citizen participation would also include the development and reassessment of the City's five-year strategic plan as outlined in the Consolidated Plan to meet the needs and annual Action Plan to implement the strategic plan. All residents are invited and encourage assisting the City in meeting its performance goals and objectives.

The following Community Development Block Grant documents will be addressed in the Limited English Proficiency Plan:

- 1) The Annual Action Plan
- 2) The Consolidated Annual Performance Evaluation Report (CAPER)

- 3) The Five-Year Consolidated Plan
- 4) Citizen Participation Plan
- 5) Any Substantial Amendments to the Plans/Report stated above

What is the Limited English Proficiency Plan?

The Limited English Proficiency Plan addresses individuals who do not speak English as their primary language and have a limited ability to read, write, speak or understand English also known as Limited English Proficiency (LEP) are also individuals, many who are very-low and low-income. Those who LEP are entitled to language assistance with respect to a particular type of service, benefit or encounter through the allocation of Community Development Block Grant funds. LEP individuals can face barriers to accessing important benefits or services. The Federal Government funds a variety of programs through CDBG that can be made accessible to otherwise eligible LEP persons. The Federal Government is committed to improving the accessibility of these programs and activities to eligible LEP persons.

How is Limited English Proficiency Determined?

Recipients of Community Development Block Grant funds are required to take reasonable steps to ensure meaningful access to their programs and activities by LEP persons. The following four guidelines must be consider in the preparation of the Limited English Proficiency Plan:

- 1) The number or proportion of LEP persons eligible to be served or likely to be encountered by the program or grantee;
- 2) The frequency with which LEP individuals come in contact with the program;
- 3) The nature and importance of the program activity or service provided by the program to people lives; and
- 4) The resources available to the grantee/recipient and costs.

The intent of the guidelines stated above is to suggest a balance between ensuring meaningful access by LEP persons to critical services, while not imposing undue burdens on small business, small local governments or small nonprofits.

After analyzing the four guidelines stated above, a recipient may conclude that different languages assistance measures are sufficient for different types of programs or activities in which it engages

Identifying LEP Individuals Who Need Language Assistance

The first two guidelines require an assessment of the number or proportion of LEP individuals eligible to served or encountered and the frequency of encounters. The 2014 American Community Survey depicts the population as the following:

Ethnicity	Milpitas, 2014	Santa Clara County, 2014
White	14%	34.1%
Black	2.2%	2.4%
American Indian and Alaska Native	0.2%	0.2%
Asian	63%	32.9%
Native Hawaiian and Other Pacific Islander	0.6%	0.3%
Some other race alone	0.1%	0.2%
Two or more races	3.3%	3.1%
Latino (or Hispanic)	16.6%	26.7%

The population indicates that the demographics of Milpitas is very diverse. And that coincidentally, the percentage of those speaking another language at home, also matches this diversity:

Language Spoken at Home	Milpitas
English Only	35.9%
Language other than English	64.1%

As illustrated from the demographic population chart stated above, Milpitas is a very diverse community coincidentally with a multitude of languages. In the 2014 American Community Survey, data shows that 64.1% of Milpitas residents spoke a language other than English versus a 35.9% speaking English only. The average household size in the County is 2.96. The increase in household size can be attributed to the increase of several generation remaining in the household and extended families due to recent immigration or due to the highest cost, limited housing in the area. In 2013, Bay Area Economics and 2010 US Census has identified that 77.1% of the total population in Milpitas are over the age of 18 years.

Given the City of Milpitas diversity and ethnicity among its population, it would be extremely difficult to prepare a plan that would include the dozens of languages that are spoken within the city. The proposed LEP will attempt to address as many languages as time and financial resources will allow.



CITY OF MILPITAS

**ANALYSIS OF
IMPEDIMENTS TO FAIR
HOUSING CHOICE**



Prepared by City Staff and Project Sentinel

CITY OF MILPITAS

ANALYSIS TO IMPEDIMENTS TO FAIR HOUSING CHOICE

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DRAFT

EXECUTIVE SUMMARY

Creation of the AI

The Analysis of Impediments to Fair Housing Choice (AI) report for the City of Milpitas examines the existing demographic patterns, public and private policies, and practices which may create barriers for individuals or households to choose housing in an environment free of discrimination. The AI assesses the practices and policies that have been implemented over the course of the last six years, specifically between December 2010 and February 2016. The AI was originally created by Project Sentinel, a non-profit fair housing agency which provides comprehensive fair housing services with an update by the Staff at the City. This report was funded by the City of Milpitas.

The purpose of the AI is to evaluate the existing public policies and practices in Milpitas, determine whether or not they create barriers to fair housing choice, and propose recommendations and actions to eliminate or minimize those impediments. Recommendations are made based on careful analysis of current practices and by identifying the barriers to fair housing.

Overview of Research

In order to obtain a better understanding of the needs of Milpitas residents, the AI provides a demographic overview of the City's population, and a detailed summary of the City's housing stock. In examining public policies and practices, the AI analyzes the Milpitas Zoning Ordinance, Housing Element, and Consolidated Plan. To assess and provide a better understanding of the types of cases investigated, the AI scrutinizes the cases of alleged housing discrimination investigated by Project Sentinel over the past six years. The AI also assesses the available social service and legal resources available to residents of the City, and the specific service(s) each agency or group provides. The report will also review the 2011 AI for Milpitas, and, when appropriate, make references to evaluate whether or not the City has undertaken the proper course(s) of action to achieve the recommendations made by the previous AI.

Findings and Conclusions of the AI

In reviewing various aspects regarding the City - including public and private practices and policies, demographic trends, and Fair Housing trends and services - the AI found a number of impediments to fair housing choice in Milpitas. In addition to the impediments determined by the AI, the Report also found that the City has addressed a number of the impediments identified in the 2011 AI.

Demographics and Housing Stock

In examining Milpitas' demographics, the AI found that almost half of the City's residents consider language other than English their primary language spoken at home. As a result, a language barrier exists which prevents many residents of the City from taking full advantage of their housing rights. Due to the demand, Milpitas is one of the few cities in the South Bay that is redeveloping and repurposing underdeveloped land. While Milpitas has a relatively young

housing stock, and despite an increase of over 2,000 housing units during this reporting period, a significant portion of it is beginning to age, as the median house was built in 1977 .

Land Use and Zoning

While the Milpitas Zoning Ordinance allows for a density bonus which provides incentives for developers to build more units of affordable housing for low-income residents, the Zoning Code places a series of restrictions to allowing the existence of secondary dwelling units. However, these restrictions do not appear to impede Fair Housing choice, as the presence of these units provides additional affordable housing alternatives to elderly and low-income residents.

Public Policies and Barriers to Affordable Housing

Although the shortage of affordable housing in Milpitas remains an impediment to fair housing, the City has developed a strategy to develop more units of affordable housing. The Midtown Specific Plan and Transit Area Specific Plan promote both high-density and low-income housing development, and create mixed-use zones that combine residential zones with commercial and industrial zones.

In addition, on June 16, 2015, the City Council passed a resolution to address the significant shortage of affordable housing in Milpitas by requiring new developments have five percent (5%) of very-low and low –income units in their project. If they do not provide 5% of affordable units as defined in the resolution, they are required to contribute an amount equal to the construction value to the City.

Investigation of Housing Discrimination

Housing discrimination on the basis of disability and familial status were the two most prominent categories of investigated cases of alleged housing discrimination. Whites reported the most allegations of housing discrimination, while the Asian population - which accounts for 63% of Milpitas' population - reported a significantly lower proportion of the cases. The low proportion of complaints filed by Asian households is a concern and contributes to an impediment to Fair Housing choice requiring improved fair housing outreach.

Project Sentinel is addressing the language barrier, by hiring staff that speak Tagalog, Vietnamese, Cantonese Chinese and Mandarin. In addition, there are City Staff that are available to interpret if needed; Languages varies from Cambodian, Chinese, Dari, Hindi, Korean, Punjabi, Spanish, Tagalog, and Vietnamese.

Assessment of Local Fair Housing Services

Project Sentinel contacted local community and social service agencies to evaluate their ability to assess fair housing complaints and refer the complainants to the appropriate fair housing agencies. While many of the agencies were able to refer callers to an agency that could assist

with fair housing complaints (i.e. Legal Aid of Santa Clara County and the California Department of Fair Employment and Housing), only 40% of the agencies were able to properly refer the caller to Project Sentinel. The AI also assessed Project Sentinel's outreach efforts, and found that many of the agencies that have had fair housing outreach were not able to correctly refer callers to Project Sentinel, indicating a need to enhance the agency's outreach efforts.

A summary of the impediments to fair housing choice and recommendations is provided in the final chapter of the AI.

PURPOSE AND SCOPE OF THE AI

The AI is a broad analysis of private and public practices and policies whose implementation may impact a person's ability to choose housing in an environment free from discrimination. The purpose of the AI is to increase housing choice, identify barriers, and consolidate fair housing information. The AI:

- Serves as the substantive, legal basis for Fair Housing Planning;
- Provides essential and detailed information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates;
- Assists in building public support for fair housing efforts both with entitlement jurisdictions, boundaries, and beyond, (HUD Fair Housing Planning Guide pages 2-8).

The U.S. Department of Housing and Urban Development (HUD) defines impediments to fair housing choice as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choice;
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, familial status, or national origin, (HUD Fair Housing Planning Guide pages 2-8).

Equal and free access to housing choice is fundamental to achieving equality of opportunity. HUD stresses that entitlement jurisdictions become fully aware of the existence, nature, extent and causes of all fair housing problems and the resources available to solve them. By recognizing the barriers to fair housing choice and providing recommendations to eliminate them the AI can assist the jurisdiction in utilizing its available resources effectively to eliminate impediments to fair housing choice.

To assist policy makers, the AI consolidates fair housing related data which is otherwise located in a variety of sources. The AI also incorporates information which may not otherwise be

perceived as fair housing-related. The information used for compiling the Milpitas AI includes the following:

- Demographic patterns
- Land use and zoning policies
- City of Milpitas Housing Element
- City of Milpitas Consolidated Plan
- The nature and extent of fair housing complaints
- Results of testing
- Patterns of occupancy in Section 8, Public and Assisted Housing, and private rental housing.

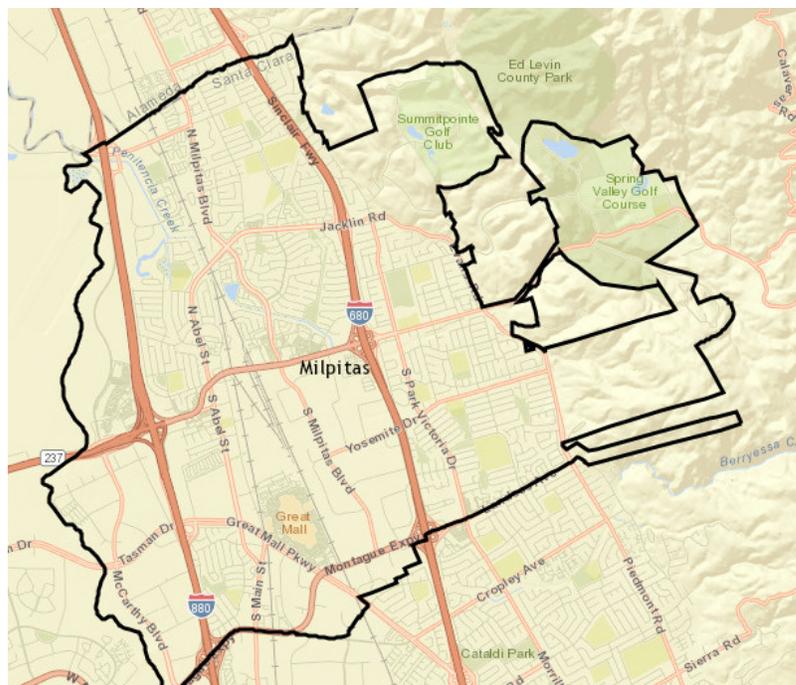
The majority of the demographic data was gathered from the US Census 2010, 2014 American Community Survey and California Department of Finance (DOF). Demographic data was analyzed to determine current trends within Milpitas' population. The City's housing stock was evaluated to identify the extent of opportunities for residents to acquire adequate housing. Land use and zoning policies were reviewed to ensure fair housing compliance, and to assess whether current policies promote or impede the development of affordable housing. Cases of housing discrimination were examined to isolate trends in housing discrimination. In addition, local newspapers and online advertisers were also reviewed for practices of discriminatory advertising.

HUD does not intend for AI's to be the product of original research. Therefore, City Staff and Project Sentinel relied primarily on existing data for this report; however, when necessary, limited original research was conducted.

DEMOGRAPHICS

Size and Location

The City of Milpitas is a suburban city that covers 13.6 square miles. The southern and western frontiers of Milpitas border the City of San Jose, while the City of Fremont lies along the northern border. Interstates 880 and 680 serve as the City's major north/south traffic routes, and Highway 237 leads to Milpitas and terminates at the west end of the City. Milpitas is under the jurisdiction of Santa Clara County, and is a vital part of Silicon Valley. In 2015, the California Department of Finance stated Milpitas' population is 72,606, a 3.9% change from 2014.



Map of City of Milpitas: The southern and western frontiers of the Milpitas border with the City of San Jose, while the City of Fremont lies to the North of Milpitas. Source: HUD, CDP Maps, 2016.

Historical Growth and Development

When the expansion of the Western Pacific Railroad came to Milpitas in 1867, the modernized means of transportation galvanized the local economy, and generated a marketing center for the rural population which lived in the surrounding area. The City of Milpitas was incorporated into Santa Clara County in January 1954, and the Ford Motor Company assembly plant opened in Milpitas in 1955. The opening of the assembly plant created new jobs for many, and resulted in the City's rapid population growth. The former site of the plant is now the current site of the Milpitas Great Mall, a symbol of the City's ascent from a nascent farming community to a growing suburban city. Milpitas continued to rapidly grow and flourish with the Silicon Valley boom, and the City has also emerged as a home to a largely diverse population.

While Milpitas has emerged as one of the fastest growing areas in Santa Clara County, vacant land for new construction has become scarce and more expensive. The decrease of vacant land and simultaneous increase in cost of housing has created a barrier to affordable housing for many of the City's residents. As the City's population continues to increase, it is important that the City is able to continue to assist low-income residents with housing affordability.

Population

According to the California Department of Finance (DOF), the total population of the City of Milpitas in 2015 was 72,606, the 7th greatest percent change in California. Since 2014, the City's population has increased by 3.9%, while the County's population has experienced an increase of 1.2%. Milpitas is one of the few cities left in Silicon Valley with available land zoned to build more housing structures, and with the demand of housing in the Bay Area only increasing,

developers have capitalized on this opportunity. The City ranks as the sixth largest city in the County, and accounts for 3.8% of the County's total population.

Age

The population of Milpitas has aged since the previous reporting period in 2011. According to the DOF, the median age of Milpitas residents in 2014 was 37.2. Previous reports, reported the median age in Milpitas was 35.1 years old. While Santa Clara County's median age in 2015 is 36.6. In 2011, the average age in Santa Clara County was 34 years old. However, the two most prominent age groups in Milpitas are in the ranges of 0-19 years old at 25.44% and 35-54 years old at 31.55% according to 2010 Census.

The two largest age groups, in terms of representation, within Milpitas are now those between 0-19 (25.44%) and 35-54 (31.55%) years old, and the aforementioned shift in the City's age demographic becomes more apparent when considering that residents aged 35 and older now comprise 51.95% of the total population. The percentage of residents aged 65 and older has not increased significantly, from 9.4% during the previous reporting period, to now accounting for 9.5% of the City's total population.

Correspondingly, the proportion of residents 9 years of age and younger - who accounted for 13.8% of Milpitas' population during the previous reporting period - now represent 13.16% of the population, a slight decrease. The most represented age group under 35 years of age exists within those residents aged 25-34 (16.33 %), accounting for nearly a third of the population under age 35. As the previous reporting period the trend there is a steady, and growing working population of adults. As younger residents of Milpitas become older adults, the estimates indicate that the trend towards an older population in Milpitas will continue.

Race and Ethnicity

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

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

proportion of Milpitas' population; this includes the Blacks, whose representation decreased by 14%.

Ethnicity	Milpitas, 2014	Santa Clara County, 2014	Milpitas, 2010
White	14%	34.1%	14.6%
Black	2.2%	2.4%	2.9%
American Indian and Alaska Native	0.2%	0.2%	0.5%
Asian	63%	32.9%	62.2%
Native Hawaiian and Other Pacific Islander	0.6%	0.3%	
Some other race alone	0.1%	0.2%	3%
Two or more races	3.3%	3.1%	
Latino (or Hispanic)	16.6%	26.7%	16.8%

Source: American Community Survey, 2014 and U.S. Census Bureau, Census 2010

Based on 2014 American Community Survey, only 35.9% speak English at home. This figure can be attributed to the diverse population that speak many of their heritage language at home.

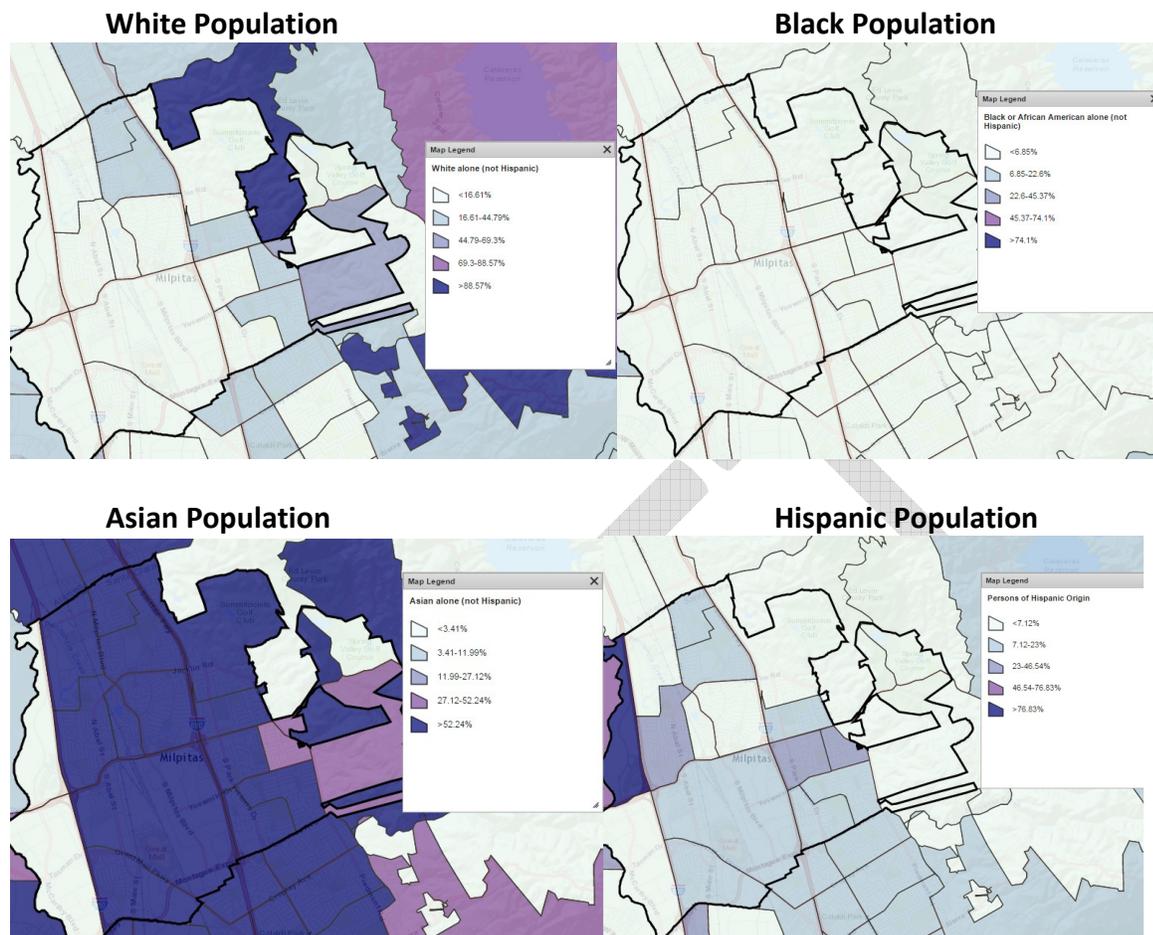
The chart below shows the percentage of the population that speak English primarily at home.

Language Spoken at Home	Milpitas	Santa Clara County
English Only	35.9%	47.9%
Language other than English	64.1%	52.1%

Source: American Community Survey, 2014

Given that 64.1% of Milpitas households speak a language other than English at home, it indicates that the primary language is not English – suggesting official documents need to also reflect this difference. Santa Clara County also portrays the same figures of a greater foreign language spoken in the home, but not to the extent of Milpitas.

Population by Ethnicity Distribution



Source: U.S. Census Bureau, Census 2010

Although these maps refer to data from the Census 2010, they are indicative of a trend already referenced: the decline of White residents in Milpitas and very small population of Blacks. The map indicating the concentration levels of White residents were to the east of the City's border as the deeper purple suggest. While the map to the right representing Blacks, does not show a concentration of Blacks nearby or around the City's borders at all – reinstating the decline of Blacks in the Bay Area. The remaining maps provide a precursor to the current concentration levels of other races and ethnicities within Milpitas, and given the increase in Asian and Hispanic residents.

Type of Households

Results from the Census 2010 indicated that the majority of the households in Milpitas were family occupied. In comparison to Santa Clara County, the disparity between family and non-family occupied households was much wider. According to the *Milpitas General Plan Housing Element (2014)*, 2011 estimates projected these totals to remain intact. However, the estimated median household size in the City decreased minimally - from 3.5 to 3.41 persons - while the estimated median household size in the County also slightly increased from 2.94 to 2.96. These estimates, as shown in the figure below, continue to validate the trend of larger

household sizes in Milpitas than in the County, as well as a higher frequency of family occupied households.

Household Type	Percent of Total Households	
	Milpitas	Santa Clara County
2 or more person household:	86.9%	78%
Family Households	82.1%	70.8%
Married-couple family:	61.5%	54.8%
With own children under 18 years	31.0%	29.6%
Other family:	20.7%	16.0%
Male householder, no wife present:	5.8%	5.2%
With own children under 18 years	1.4%	2.7%
Female household, no husband present:	14.9%	10.8%
With own children under 18 years	11.2%	6.3%
Nonfamily households:	4.8%	7.2%
Male householder	4.4%	4.4%
Female householder	0.4%	2.7%
One person household	13.1%	22.0%
Total households	100%	100%

Types of Households. Sources: American Community Survey, 2011; BAE, 2013.

Household Income

Milpitas has historically enjoyed a higher median household income in comparison to Santa Clara County. In 2013 Nielsen and Bay Area Economics indicate that this trend is not only continuing, but that the disparity between the City and County is increasing. Whereas the median household income in Milpitas exceeded the County's median household income by 14% during the last reporting period, the 2013 estimates conveyed a 7.97% marginal advantage. While the percentage differences between the City and County within each income bracket do not appear substantial, the figure below demonstrates that overall, household income is less evenly distributed within Milpitas than in Santa Clara County. The difference in median income further indicates that a greater percentage of Milpitas' population is in the upper tier of the \$75,000 - \$149,999 income bracket - the most represented category in both the City and County - and that the proportion of the populous in the lower income groups continues to decline.

Income (\$)	Household Income, 2013 (Estimate)	
	Milpitas	Santa Clara County
Less than \$35,000	16%	20%
\$35,000 to \$74,999	24%	24%
\$75,000 to \$149,999	38%	32%

\$150,000 or more	22%	24%
Median Household Income	\$99,072	\$93,854

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

Poverty Rate

Corresponding to Milpitas' household income distribution is the low relative percentage of residents living below the poverty threshold. According to the DOF, 7.5% of the City's residents live below this threshold, compared with 9.9% in Santa Clara County. Although Milpitas has a lower percentage of minors and individuals under the age of 65 living in poverty in comparison to the County, the City has a higher rate of poverty within its population over 65 years old.

Household Type	% Living In Poverty, 2014	
	Milpitas	Santa Clara County
All Families	6.7%	5.6%
Married Couple Families	3.5%	4.2%
Female-Only Households	17.4%	18.4%
Persons Under 18 years	8.4%	11.7%
Percent of All People	7.5%	9.9%

Poverty rates by Families. Source: California Dept. of Finance, American Community Survey, 2014

Education

The overall level of educational attainment within Milpitas' and Santa Clara County's aged 25 years and older has increased since the 2009 American Census Survey, as demonstrated in the figure below. According to 2014 American Community Survey, Milpitas improved upon every educational attainment level, resulting in a decline of those who do not have a high school diploma, and the County reported similar figures. Yet while the City reported a higher rate of the population with a high school diploma or some collegiate experience, it lacks behind Santa Clara County in percentages with either a Bachelor's Degree or a Graduate Degree. Santa Clara County experienced a higher growth rate in percentage regarding both of these degrees, especially regarding Graduate degrees, and the disparity between the City and County at the highest educational attainment level is the widest of any of the comparable categories.

Educational Attainment, Population 25 years and Over	Milpitas 2014	Santa Clara County 2014	Milpitas, ACS 2009
No High School diploma	13.9%	12.6%	14.4%
High School graduate	15.9%	15.5%	21.2%
Less than 4 years of College	27.8%	23.5%	26.5%
Bachelor's degree	25.7%	26.1%	24.5%
Graduate or Professional degree	16.7%	22.3%	13.4%

Highest Educational Attainment. Source: American Community Survey, 2014

Occupations

Relative to the previous reporting period of 1998-2003, the proportion of Milpitas residents in various occupational fields has not varied substantially. The majority (48%) of the City’s labor force holds an occupation in the “Managerial and Professional Specialty” category of occupations, while “Technical, Sales, and Office Support” professions (15.7%) comprise the next most populated occupational category, which has decreased from the previous AI report.

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

Occupation	2014	2009
Managerial & Professional Specialty	48%	46%
Service Occupations	14.5%	8.3%
Technical, Sales & Office Support	15.7%	23.1%
Precision Production, Craft & Repair	7.9%	6.1%
Operators, Fabricators & Laborers	13.9%	16.3%

Occupations in Milpitas. Source: American Community Survey, 2014

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

Means of Transportation

As evidenced by the 2014 American Community Survey estimates, there has not been a significant change in the distribution of commuting methods for Milpitas’ labor force since the previous reporting period. The overwhelming majority of the City’s residents use a vehicle to reach their jobs. While most modes of commuting has not change, there has been an increase in “work at home” which has almost doubled. This can be attributed to the rise of the cost of

housing closer to work, resulting those to stay in the current location, commuting. Due to the increase of traffic, those opt to work from home instead of commuting.

Method of Commuting	Milpitas, 2014 Estimates	Milpitas, 2009 Claritas
Car, truck or van	91.9%	94.7%
Public transportation	3.1%	2.3%
Walk	1.0%	0.7%
Other means	1.5%	0.8%
Work at home	2.6%	1.5%

Method of Commuting in Milpitas. Sources: American Community Survey, 2014; Claritas, Inc. 2009

Disability

According to the 2014 American Community Survey, 7% of Milpitas’ population identified themselves as disabled, though the “institutionalized population” did not account for any of this data. Given the previously referenced age distribution of the City’s residents, the percentages shown below are applicable even when compared to more current population figures. Considering the decrease in the youth population- and the subsequent increase in the percentage of residents over 65 years of age - the proportions of disabled residents within each age group parallel Milpitas’ population trends in regards to age.

Disabilities often develop and worsen as one gets older, explaining the high proportion of disabled residents over the age of 65. The aging of the City’s population supports the notion that those between 15-64 years old would then comprise the next highest proportion of disabled residents, as it should be noted that this age group represents the majority of Milpitas’ population. The City’s median age in comparison to Santa Clara County further explains why Milpitas has a higher rate of disabled residents aged 18-64 years and older.

Age of Population	% of Civilians with a Disability	
	Milpitas	Santa Clara County
Under 18 years	0.9%	1.7%
18 to 64 years	5.1%	4.9%
65 years and over	32.9%	33.5%

Disability Status of non-institutionalized population. Source: American Community Survey, 2014.

Conclusion

Milpitas is an ethnically diverse city, whose population is comprised of a large proportion of foreign-born residents. Though there is no direct, recent figure of foreign-born population for Milpitas, Santa Clara County shows the percentage of foreign born in the County:

Foreign Born Country	Percentage of Santa Clara’s County
Europe	8.1%

Asia	64.1%
Africa	1.6%
Oceania	0.6%
Latin America	24.4%
Northern America	1.2%

As represented by the primary language spoken at home in the previous figure, the chart shows that 64.1% of the County was born in Asia. Sub-sequentially, there is that large portion of the population that English is not their primary language. An effort needs to be made to provide adequate translations of fair housing material - specifically in the many Asian languages which comprise the City's Asian population and Spanish as the next highest foreign-born population is Latin America in order to minimize any language barriers they may experience, and thereby avoid creating or enabling an impediment to Fair Housing choice. In the recent years, Project Sentinel has added translators who fluently speak Tagalog, Vietnamese, Mandarin and Cantonese.

The majority of households in Milpitas are comprised of families, and there are a larger percentage of family households in the City than in Santa Clara County. While the City has a lower rate of households living in poverty in comparison with the county, residents over the age of 65 have the highest rate of poverty in Milpitas. This demographic also experiences the highest disability rate, and it is important that elderly residents are accommodated and assisted in an effort to make Fair Housing choices as available to them as any other demographic group in the City.

Milpitas continues to experience population growth. As the City population continues to increase, it is imperative that City officials and policy makers take the proper courses of action to ensure that all new and existing residents are provided with the same accommodated the vast increase in residents.

HOUSING PROFILE

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

According to 2014 American Community Survey estimates, there are a total of 21,992 housing units in Milpitas, of that 21,145 is occupied; estimates project that 13,707 or 64.8% of those units were owner-occupied, while 35.2% were renter-occupied. Milpitas has a noticeably higher proportion of owner-occupied units, and thus a lower proportion of renter-occupied

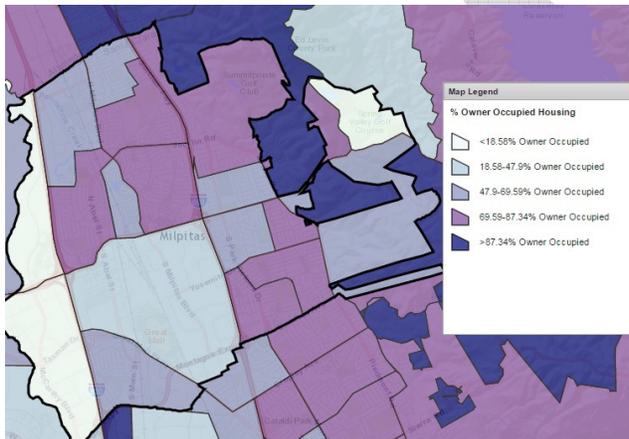
units, than Santa Clara County. The City’s housing stock accounts for 3.4% of the County’s total housing stock.

Housing Units	Milpitas	Santa Clara County	Milpitas, Census 2010
Total Housing Units	21,992	651,171	19,806
Owner-occupied Housing Units	64.8%	56.1%	69.3%
Renter-occupied Housing Units	43.9%	35.2%	30.7%

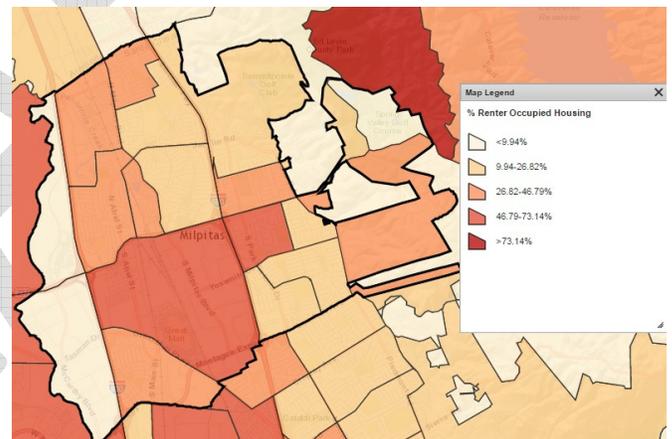
Source: U.S. Census Bureau, Census 2010; American Community Survey, 2014.

Although there has been a slight decrease in the percentage of owner-occupied housing units in Milpitas over the last decade, the decline has been minimal, and is a trend that was paralleled by Santa Clara County during the same time period. The figures below demonstrates that the highest concentration of renter-occupied properties is concentrated on the outskirts on the western side of the City, while the highest rate of owner-occupied housing units are located within City limits in the east.

Owner Occupied Units



Renter Occupied Units



Source: HUD, CDP Maps, 2016

The majority of the City’s owner-occupied units are primarily located in one area, while the renter-occupied units are marginalized to the outskirts on the City’s boundaries.

Type of Dwelling

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

According to 2014 estimates by the American Community Survey the proportion of single family homes in Milpitas decreased over the previous decade, while the proportion of dwellings with 5 or more units increased. Santa Clara County experienced similar trends, and although Milpitas continues to have a higher proportion of single family homes in comparison with Santa Clara

County, the disparity gap has narrowed. Similarly, the margin between County and City percentages of dwellings of 5 or more units has also narrowed, as these types of dwellings account for 28.8% of the County housing stock, and 17.1% of the City’s housing stock.

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

Type of Dwelling	Milpitas, 2014 Estimate		Santa Clara County, 2014 Estimate	Milpitas, 2010 Estimate
	Number	Percent	Percent	Percent
Detached Single Family	11,919	57.6%	53.5%	57.3%
Attached Single Family	3,969	19.2%	10.4%	11.5%
2 to 4 Units	1,155	5.6%	7.5%	8.6%
5 or More Units	3,131	15.1%	25.8%	26.8%
Mobile Homes	529	2.6%	2.9%	3.1%
Total Housing Units	20,703	100%	100%	100%

Type of Dwelling. Source: US Census Bureau, American Community Survey, 2014

Housing Cost

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

The Bay Area has one of the highest costs of living in comparison to other metropolitan areas in the nation. As shown below in below, the median price of SFRs in Milpitas increased by 54% between 2008 and 2015. More notably, the median price of a condominium increased by 45.5%; this increase nearly doubled the increase in median price of SFRs in the City, and the 2015 median price of a condominium in Milpitas nearly doubled that of Santa Clara County. According to the 2015 Santa Clara County Association of Realtors, Inc. estimates, the median price for a home in Milpitas was valued at \$842,000 and \$600,000, respectively. Santa Clara median prices also increase from 2008. Santa Clara’s SFRs median price was \$447,000, in 2015 it was almost doubled at \$950,000, which also reflects similar patterns with condominiums

(\$294,500 to now \$610,000). But note, the drastic amounts is compared to 2008, when the economy was in the Great Recession.

Dwelling Type	Milpitas 2015 Median Price	Santa Clara County Median Price	Milpitas, 2008
Single Family Residences	\$842,000	\$950,000	\$547,675
Condominiums	\$600,000	\$610,000	\$412,288

Median SFR and Condominium Price. Sources: Santa Clara County Association of Realtors, 2016

Although the information illustrated in the figure below refers to the 2010 Census data, it remains relevant due to the minor variations in Milpitas’ residential distribution proportions. The percentage of the City’s population occupying owned units has not changed substantially, and the rising median prices for SFRs and condominiums - along with the increase in median household income - indicates that the proportions demonstrated below should still be applicable for both the City and Santa Clara County. Housing costs tend to be a greater burden for renter -occupied households than for owner-occupied households. However, across all levels and county, households are spending more than 30% of their income on monthly housing costs. Before, renters in Milpitas paid approximately 31%, on average of all income levels, 44.2% of the households pay more than 30% of their income on housing costs; substantially, even owner-occupied households is experiencing an increase from 19% to now 34.3%.

Monthly Housing Costs As % of Household Income	% Of Renter Households		% Of Owner Households	
	Milpitas	Santa Clara County	Milpitas	Santa Clara County
Less than 20%	22.2%	26.1%	40.5%	42.2%
20% to 29%	29.1%	24.1%	24.5%	23.2%
30% or more	44.2%	46.3%	34.3%	33.9%

Housing Costs as percent of income. Source: U.S. Census Bureau, Census 2010; American Community Survey

Age of Housing Stock

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

While the proportions of structures built before 1999 have decreased, 56.9% of the housing stock in Milpitas is over 30 years old. Housing structures tend to begin showing signs of aging

approximately 30 years after they are built, and home maintenance costs can adversely impact a household's income, especially low-income and elderly households. Thusly, poor housing conditions can result in an impediment to fair housing.

Year Structure Built, Milpitas	2010
2010 and later	1.3%
2000 to 2009	14.6%
1980 to 1999	30.3%
1960 to 1979	44.9%
1940 to 1959	8%
1939 or earlier	0.7%
Median Year Structure Built	1978

Source: U.S. Census Bureau, Census 2010

Conclusions

While Milpitas continues to retain a greater proportion of single family homes than the County, over the previous decade, there has been a substantial increase in the proportion of new multi-family housing. Due to the lack of vacant land for new construction, and the continuing increase in the City's population, it is recommended that Milpitas continue to increase the amount of multi-family housing units available to its residents and rezone much of their land. Insufficient available housing presents a barrier to fair housing choice that impacts the City's entire population. It is imperative that Milpitas continue taking the proper courses of action to oversee that there is enough housing available to accommodate the populous.

The increase in recently built multi-family housing may have shifted the median age of the City's housing stock, but more than half of Milpitas' housing is 30 years or older. Many low-income and elderly residents are often unable to afford the home maintenance and repair costs. Due to this reason, it is important that the City ensure that residents have access to all necessary resources available to assist with the cost of repairs. The City has addressed this with CDBG funded low-income Seniors rehabilitation with Rebuilding Together Silicon Valley, San Jose Conservation Corps and also the City's own Rehabilitation Loan Program.

In addition, it is vital that Milpitas continue to construct new housing structures - specifically multi-family dwellings - and that the City simultaneously monitors the condition of its existing housing stock to maintain an adequate level of living conditions for residents.

Renters in Milpitas continue to undertake a higher cost of housing in relation to their total incomes than home-owners do. The higher relative cost of living in the City compared to Santa Clara County median prices indicates that the residents of Milpitas- specifically renters- experience a more substantial cost of burden than the County. Due to the increasing costs of housing, it is important that the City ensures that a sufficient proportion of newly constructed

dwellings are affordable housing structures to make fair housing choice available to low-income and elderly residents.

LAND USE AND ZONING

Zoning and land use laws utilize systematic planning in an effort to stabilize and preserve the characteristics of a given district within that city. These policies and regulations are implemented to assist in the designation of residential, industrial, and commercial areas. When zoning policies result in the segregation of different demographics of residents from one another, an impediment to fair housing choice is created. However, the effective implementation of land use and zoning policies can also serve as a means to enhance a city's Fair Housing opportunities, and can positively impact a population's accessibility to available resources and housing choices.

The focus of this section is to determine whether or not the existing land use and zoning policies for the City of Milpitas create a barrier to Fair Housing choice. Because the City's housing costs are relatively high and its population is steadily increasing, it is imperative that Milpitas utilize proactive policies, such as the density bonuses and similar strategies, as tools to provide residents with affordable and adequate housing.

Density Bonuses

Density bonuses are implemented to encourage developers to construct affordable housing units for low-income residents. These bonuses provide an incentive for developers to build more units, with the caveat that they reserve a portion of their units for residents that are in need of affordable housing. According to the 2014 *Milpitas Housing Element Update*, the City provided information related to the Milpitas Density Bonus Ordinance. In the aforementioned update, it was recommended that the Density Bonus eliminate the Combining District approach, and parallel itself to State Law. This occurred in 2005 after Milpitas adopted a Density Bonus Ordinance (Section XI-10-54-15 of the Zoning Code).

The Density Bonus Law can be applied to all residential zones where the developer agrees to reserve any one of the following options: 10% of the units in the project for lower-income households, 5% for very low-income households, or if the project is a senior housing development. If the development is a condominium, the developer can apply this ordinance by agreeing to reserve 10% of the units for affordable to moderate-income households. Density bonuses may be applied to any project of 5 or more units, and the affordability restrictions must remain in place for at least 10 years; however, these restrictions may be extended to 30 years should certain funding requirements be in-place or if additional incentives are provided to the developer.

Secondary Units

Secondary housing units are attached or detached units that provide complete independent living facilities for one or more persons on the same lot as an existing single family housing unit. The unit must include permanent provisions for living, sleeping, cooking and sanitation. The construction of these types of units can increase affordable housing stock, and offers additional housing opportunities for low-income people, particularly seniors.

State law requires local jurisdictions to either adopt ordinances that establish the conditions under which secondary units will be permitted or to adopt the State Law provisions governing secondary dwellings (Government Code, Section 65852.2).

Milpitas allows the construction of secondary housing units “by right” on any lot located in a single family residential zone, but includes a restrictions for the secondary housing unit. The secondary unit requires a use permit, and restrictions are imposed to control traffic congestion, parking problems, and other concerns resulting from increased density in single family residential neighborhoods. Section XI-10-13.08 of the City’s Zoning Ordinance states that a second family unit may be allowed on a single family zoned lot subject to the following criteria:

- The secondary unit cannot be larger than 1,200 square feet in size (depending on the geographic location of the unit), but shall not be smaller than 150 square feet.
- The lot is residentially zoned and contains only one existing, legal single-family dwelling unit. A maximum of one second family unit shall be permitted on any lot.
- If attached to the main dwelling, the second family unit shall comply with the same building height, setback, rear yard coverage and lot coverage requirements and limitations as the main dwelling
- A detached second family unit shall be located on the rear half of the lot, and no closer than six feet or farther than 100 feet from the main dwelling.
- The secondary unit cannot have more than one bedroom and one kitchen.
- The owner must occupy one of the two units at the time of application, and shall not be sold to a different owner than the main residence, but may be rented.
- The second family unit shall be designed to be architecturally compatible and visually integrated with the main dwelling.
- The second family unit shall provide one (1) more off-street parking space than required for a single family dwelling.

Secondary housing units can be much more affordable for low-income residents, and provide additional housing alternatives to the City’s relatively expensive housing units.

Housing for Persons with Disabilities

The Federal Fair Housing Act (FFHA) of 1988 prohibits discrimination on the basis of disability. Disabled individuals are one of the more marginalized demographic groups in society, and they experience housing discrimination at a higher rate as a result. Zoning policies which disparately

impact a disabled individual's ability to live in certain residential zones, and dwellings that are not compliant with the American with Disabilities Act's (ADA) accessibility standards are examples of how the disabled population in any city experiences discrimination in a much different manner than other Federal and State categories.

Group Homes for Disabled Persons

Group homes are designated for care-dependent people, specifically those who are disabled. Limiting the number of unrelated disabled persons who may live together in certain residential zones or requiring certain conditions or permits in order for these people to share housing are violations of the FFHA and create systemic impediments to fair housing choice.

As long as the occupancy of a residence does not result in overcrowding, non-related disabled persons should be accommodated if they wish to live in group housing, and should be able to do so free of required City or County special use permits. Denying this type of request would result in the addition of unreasonable conditions to zoning policies.

It is important to note that whether a group dwelling is licensed by the state or not has no impact on the applicability of the FFHA. A license considers the internal conditions and protocols of the group housing unit that affects the day-to-day life of the residents- not an external factor such as geographic location - and should thus have no relevant bearing on zoning requirements.

California state law prohibits local governments from requiring special use permits for 1 to 6 disabled persons in the same household. However, state law does not explicitly prohibit municipalities from requiring special use permits for group housing units of 7 or more disabled persons. In the past, Milpitas had required such a permit for group housing of 7 or more disabled individuals, and had also mandated public hearings when considering granting a group home a special use permit to reside in a residential zone.

The previous AI presented the recommendation, as in the 1998 AI, that Milpitas re-examine its requirement of special use permits for disabled group housing, and take the necessary action of aligning the City's policy to State and Federal regulations. Milpitas has taken such action and, according to the previous *Milpitas Housing Element Update*, there are now "no zoning, design review, or building code provisions" that restrict a group dwelling's ability to establish itself in a residential zone. "Small" group homes (6 persons or less) are allowed in all residential areas, while "large" homes (7 or more persons) are permitted in multi-family residential zones. This change has assisted in eliminating a significant past impediment to fair housing choice in Milpitas.

ADA/Title 24 Regulations

The ADA sets federal accessibility standards for new structures, and Milpitas complies with these in both retrofitting existing buildings and facilities, and applying the regulations to new housing developments in an effort to make more housing units accessible to disabled

individuals.

The ADA standards for new structures are known as “Design and Construction” regulations, and they dictate maximum and minimum measurements for the variety of features found within a given housing unit. Examples include door way width, mail box height, type of door knob, and depth of kitchen counters. These standards may be applied to all single family residential units, as well as all multi-family structures of 4 or more units, and they ensure that compliant new structures are accessible to disabled persons nation-wide.

The ADA equivalent for accessibility standards in the state of California is Title 24 of the California Building Code. The standards established by Title 24 are more stringent than those of the ADA, and also apply to wider range of dwelling types, including multi-level townhomes and condominiums. These standards are known within the industry as “visitability” regulations, and when coupled with ADA standards, encompass a protective and comprehensive set of protocols that provide disabled persons equal access to housing.

The City enforces Title 24 regulations for all new housing development projects, and provides applicants with a checklist to assist with compliance. Milpitas also “requires ADA-compliant parking, accessible entries, accessible paths of travel through areas being altered, and handicap- accessible bathrooms, drinking fountains, and public phones.” Additionally, all new structures exceeding three stories include elevators.

Conclusions

Since the 2004 AI, Milpitas has taken a proactive approach towards updating or revising zoning policies that in the past disparately affected low-income and disabled residents. The continued implementation of the density bonus as a component of the Milpitas’ zoning policy provides additional motivation for developers to build more units of affordable housing for low-income residents. The resulting supplementation to the City’s housing stock has increased fair housing choice for many households that may not have the financial means to afford the relatively high cost of housing in the City.

Regulations for secondary dwelling units have been updated since the previous reporting period, and the building of this type of unit is allowed “by right” in all lots within single-family residential zones. The increase in secondary dwellings, as well as the incorporation of density bonuses, raises the amount of affordable units within the Milpitas’ housing stock, and consequently allows the City to accommodate more low-income households, specifically seniors. By addressing prior restrictions on the building and presence of secondary dwelling units, the City eradicated a significant impediment to fair housing choice.

By updating the Milpitas group home zoning ordinance, the City has provided care-dependent disabled individuals with more housing options, and the inclusion of these dwellings in both single family and multi-family residential zones has demonstrated an effort to de-stigmatize this portion of the City’s population. Furthermore, the adoption of Title 24 accessibility regulations

as the standard for new housing structures in Milpitas ensures that more dwellings will be accessible to disabled persons, enhancing their choice of housing.

PUBLIC POLICIES AND BARRIERS TO AFFORDABLE HOUSING

This section discusses the public policies and programs in Milpitas, and assesses the strategies and policies which affect affordable housing.

The City's 2015-2023 *Housing Element Update* describes its strategy to address the housing unit production need, as determined by the Association of Bay Area Governments (ABAG). The California DOF estimated that Milpitas' 2015 population totaled 72,606 residents, a 1.47% increase from the 2010 population of 71,552. The Census 2010 documented 19,806 housing units in the City, indicating an increase of 2,442 units (or 14.1 %) over the past decade. The DOF further estimated that there were 18,379 households in Milpitas in 2009, indicating a surplus of housing units. It is notable that both population and household amounts increased at roughly the same rate during the past decade, as it is an indication that the City has continued to increase its housing stock to keep pace with its growing population.

Due to the scarcity of vacant land for the construction of new housing in Milpitas, the increase of denser multi-family dwellings is vital. The ability to be able to accommodate a growing population within fixed city limits will continue to present a challenge when considering new housing developments. To accommodate the overwhelming majority of family households in Milpitas, 77% of the residential units approved were in structures of five or more units permitted since 2003. The incorporation of previously referenced density bonuses provides additional incentive for developers to include affordable units within new structures, accommodating both low-income family and low-income non-family households. However, sustaining this development will be vital to the City's ability to continue to accommodate its growing population.

Midtown Specific Plan

The Midtown Specific Plan was implemented to develop that particular area of Milpitas. Rather than responding to each specific development plan on a site-by-site basis, the City undertook a comprehensive and cohesive plan in developing this district to incorporate residential zoning areas with industrial and commercial zoning areas, creating a multi-faceted area that would accommodate the City's growing population and the resulting increase in demand for employment and housing. Thusly, one of the primary goals of the Midtown Specific Plan is to increase construction of multi-family units and the proportion of affordable housing units within this area of Milpitas. The Plan will provide 3,000 new housing units, with an immediate priority for the development of very-low income and low-income housings units, and is estimated to take another 10 years to fully complete.

According to the Midtown Specific Plan, the City has set forth the following goals for the land use of this area:

- Encourage a compatible mixture of residential, retail, office, service-oriented commercial and industrial units within the Midtown Area.
- Provide for a significant component of new housing within the area in order to: improve the vitality of the Midtown Area, address local and regional housing needs, and reinforce the use of transit.
- Promote an intensity of development in Midtown that is appropriate to its central location.
- Provide for a land use mix that supports major transit facilities.

Transit Area Specific Plan

Similar to the Midtown Specific Plan, the Transit Area Specific Plan was approved as is currently being implemented in an effort to revitalize this area in southern Milpitas. The same stated goals of utilizing a combination of residential, commercial, and industrial zones in applying the Plan are also being supplemented by the particular geographic location that it is focusing on. The Transit Area Specific Plan will prioritize combining the Valley Transit Authority (VTA) Lightrail system and the proposed site of a future Milpitas BART station to the proposed residential and commercial developments to enhance the quality of life for its residents. In doing so, the Plan has approved over 5,500 additional housing units, many of which will benefit low-income and senior residents. As with the Midtown Specific Plan, the Transit Area Specific Plan will significantly emphasize housing density, creating an increase in multi-family housing units, and also increasing the proportion of affordable units.

According to the Transit Area Specific Plan, the City has set forth the following land use goals for the area:

- Transition from older industrial uses to a high intensity mixed use area with housing, office, retail, restaurants, personal services, hotels, parks, and community facilities.
- Add a large amount of housing in order to meet regional housing needs. Adding housing improves the jobs/housing balance in the South Bay and can thereby reduce regional traffic congestion.
- Develop land uses and high densities that maximize transit ridership, so that land use planning supports the large public investment in transit facilities. Locate the highest densities closest to the transit stations.
- Provide a mix of land uses that responds to market demand over the next twenty years, and provides opportunities for complementary uses, such as by locating hotels and offices near retail and restaurants.
- Site neighborhood-serving retail uses in each sub-district of the Transit Area so residents and workers can easily walk to shops, restaurants, and services.

- Develop retail and hotel uses and other revenue-generating uses to help support the cost of capital improvements and ongoing public services for residents and workers in the Transit Area.
- Minimize noise and traffic impacts on residences

The previously referenced increases in multi-family units within Milpitas since the previous reporting period is evidence of the impact these two Plans have had on housing choice in the City. However, as the population continues to grow, it is vital that comprehensive development plans such as the Midtown Specific Plan and Transit Area Specific Plans continue to be implemented so that all demographics of the growing amount of residents are accommodated.

Community Development Block Grant

The Community Development Block Grant (CDBG) is a federal entitlement program that began in 1975, and is administered by the Community Planning and Development Division of HUD. The amount of funding a city receives depends on the population growth, poverty rate, overcrowding, and the age of housing stock. According to the 2015-2016 Action Plan, the City of Milpitas received \$393,490.30 in CDBG funds. The funds are intended to primarily benefit very low to moderate-income households, and are often used for economic development and housing rehabilitation projects.

The following are several examples of programs for which the City of Milpitas has allocated CDBG funds.

- **City of Milpitas Housing Rehabilitation Program** provides housing rehabilitation loans to very-low and low-income homeowners in Milpitas. As documented in the Action Plan, the City provided \$135,442.40 in CDBG funds to this program from FY 2015-2016.
- **HomeFirst** provides shelter and supportive services for homeless individuals, families, and youth. Services and programs provided by HomeFirst assist clients in overcoming barriers to housing, employment, and overall self-sufficiency; its services range from emergency shelter to transitional housing programs and after-care assistance. As documented in Action Plan, the City of Milpitas contributed \$5,025.25 in CDBG funds to HomeFirst during FY 2015-2016, providing 500 nights of shelter to 15-20 Milpitas residents.
- **City of Milpitas Senior Housing Project: Terrace Gardens** is a low-income senior housing community that serves the City's senior population. The existence of affordable housing communities such as Terrace Gardens provides this populous with additional housing choice. According to the FY 2015-2016 Action Plan, Milpitas contributed \$112,713.25 in CDBG funds to assist with the façade and exterior improvement that included mildew removal, scarping, sanding and a new paint project. These funds assisted 184 senior residents living at Terrace Gardens.

- **Project Sentinel** investigates housing discrimination and provides fair housing, and tenant-landlord mediation services, along with mortgage default, delinquency, and pre-purchase counseling to Milpitas residents. Public education and outreach activities for all services includes Rent Watch housing advice column, distribution of brochures, radio and television public service announcements. And presentations and workshops. As stated in Action Plan, Project Sentinel received \$10,000 in CDBG funding for FY 2015-2016 to continue providing its services to Milpitas residents. These services potentially benefit all Milpitas residents.

Housing Affordability

Affordable housing is considered housing units which can be rented or purchased by a household without paying more than 30% of their income. It is crucial that housing affordability programs- including those implemented by the aforementioned Midtown Specific Plan and Transit Area Specific Plan- be made available to low-income households that cannot afford to pay the costly price for housing.

The following chart, obtained from the 2015-2023 Housing Element, demonstrates the achievements Milpitas has made in terms of providing affordable housing to its residents:

Affordable Developments	Affordable Units	Tenure	Senior/Family	Target Affordability
Terrace Gardens	148	Rental	Senior	148 Low
Summerfield Homes	22	Ownership	Family	22 Low
Parc West	68	Rental	Family	35 Low, 33 Moderate
Senior Housing Solutions - 751 Vasona	5	Rental	Senior	5 Extremely Low
Devries Place Senior Housing	103	Rental	Senior	102 Very Low, 1 Moderate
Scattered Sites on Edsel Court	4	Rental	Family	4 Low
Aspen Family Apartments	101	Rental	Family	100 Very Low, 1 Moderate
Senior Housing Solutions - 1170 N. Park Victoria	5	Rental	Senior	5 Extremely Low
Total	456			
Mixed Income Projects				
Sunnyhills Apartments	149	Rental	Family	Section 8
Montevista Apartments	153	Rental	Family	77 Very Low, 76 Low

Crossing at Montague	94	Rental	Family	94 Very Low
Parc Metro	28	Ownership	Family	10 Low, 18 Moderate
Parc Place	58	Ownership	Family	18 Very Low, 6 Low, 34 Moderate
Luna at Terra Serena	25	Ownership	Family	25 Moderate
Paragon	29	Ownership	Family	9 Very Low, 20 Moderate
Terra Serena	63	Ownership	Family	63 Moderate
Centria East	26	Ownership	Family	9 Very Low, 7 Low, 10 Moderate
Town Center Villas	16	Ownership	Family	16 Moderate
Cerano Apartments	88	Rental	Family	20 Very Low, 30 Low, 38 Moderate
South Main Street Senior Lifestyles	48	Rental	Family	48 Very Low
Shea Properties	8	Rental	Family	8 Very Low
Coyote Creek	7	Ownership	Family	7 Low
Total				792
Grand Total of Number of Affordable Units				1,248

Section 8 Rental Assistance Program

This program provides monthly rental assistance payments to private owners who lease their units to low-income individuals and households, and is administered by the Housing Authority of Santa Clara County (HASCC). Participants who are accepted into the Section 8 program qualify based on income, and typically pay 30% of their adjusted monthly household income in rent. The HASCC pays the remaining rental balance in the form of a voucher to the housing provider of the assisted household's unit. Ultimately however, it is the housing provider's choice whether or not to rent to individuals or households participating in the program.

According to the FY 2015-2016 Milpitas Action Plan, 615 households and in Milpitas currently benefit from Section 8 vouchers, while another 1,892 households residing in Milpitas are on the HASCC's waiting list. Due to high demand for the program, the County's waiting list for the Section 8 voucher program is currently closed, but the City of Milpitas will notify residents of its re-opening through announcements on the City website and on Cable TV.

Mobilehome Parks

Milpitas has maintained a Mobile home Rent Control Ordinance, which was adopted in 1992, which maintained affordable housing to 527 mobile home owners. According to 2009-2010 CAPER, approximately 70% of the residents in the mobile home parks are senior citizens.

Disability

As documented in Chapter 5's Section on ADA and Title 24 of the California Building Code, recent Federal and State regulations require that all new housing units must be constructed in a manner accessible to the physically handicapped and disabled. Milpitas has adopted and continues to enforce the standards set forth by Title 24, the more stringent of the two sets of regulations. The City provides developers with an accessibility checklist to assist with compliance when constructing a new housing unit. For additional information, please refer to the above named section.

Transportation

The Midtown Specific Plan, as well as the Transit Area Specific Plan, encourages high-density development near major transit areas in an effort to make public transit more accessible to its residents. Specifically, they require the Transit Overlay District to develop high-density, multi-family dwellings within $\frac{1}{4}$ of a mile from transit stations. Low-income, disabled, and senior households tend to comprise a significant portion of the residents of these types of dwellings, and also comprise a notable proportion of those who most frequently utilize public transit as their primary means of transportation. For this reason, it is vital that a high concentration of multi-family housing be made available near areas of public transit systems. As outlined in the both Plans, the area will be served by the Tasman East Light Rail Line (LRT), the new Bay Area Rapid Transit (BART) station, as well as the Valley Transit Authority (VTA) bus systems. Both are beneficial in helping to increase the availability of public transit throughout the City.

Along with the VTA bus routes, and soon BART station, the entire City is made more accessible to its residents, and the presence of high density housing nearby greatly impacts the amount of residents that can utilize public transit.

Conclusion

While housing affordability continues to be a barrier to fair housing choice for all low-income residents in Santa Clara County, Milpitas has developed a strategic plan to address this issue. The Midtown Specific Plan, currently in the process of implementation, will focus on high-density development. Yet although the amounts of both multi-family units and low-income units have increased, the proportion of low-income units has declined. It is imperative that affordable housing be made available to all residents in the City. Although the Plan utilizes mixed-use zoning to combine residential zones with commercial and industrial zones to address the City's needs and concerns of housing affordability and land scarcity, Milpitas' growing population and high housing costs create more demand for affordable housing. The City should continue to follow through with its high density development strategy for the Midtown Specific Plan and Transit Area Specific Plan, but should increase its proportion of low-income units to better accommodate these residents.

The Housing Authority of Santa Clara County (HASCC) has issued 615 HUD Section 8 vouchers to City residents, but the need for housing assistance has greatly increased, as indicated by the 1,892 people currently on the waiting list. The City should provide affordable housing units as

an alternative for its residents who are wait-listed for Section 8, and doing so further necessitates the need for an increase of low-income units within multi-family dwellings.

Milpitas should also continue to utilize Title 24 accessibility standards regarding new construction and restored units, and should continue providing developers with accessibility checklists to ensure that all housing units these accessibility requirements. The availability of accessible housing removes a substantial barrier, almost literally, to fair housing choice for disabled residents, allowing them to have more options in where they choose to reside.

ADVERTISING

The Fair Housing Act explicitly prohibits the publishing of discriminatory housing advertisements. Publishing, or involvement in the publication of, an advertisement that demonstrates housing discrimination is a violation of fair housing Law and leaves that individual subject to investigation and possible enforcement. The purpose of this section is to examine the fair housing law, and determine whether local housing advertisements present an impediment to fair housing.

Federal Law

42 U.S.C § 3604 (c) states that it is unlawful, “To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.”

California Law

In accordance with the federal law, Section 12955.c of the California Government Code prohibits housing providers and the media from printing or publishing an advertisement that indicates a preference, limitation, or discrimination based on a protected class.

Even if the individual or entity which publishes the advertisement does not agree with the message or particular wording of the ad, the publisher is still held accountable for the material which they print. If discrimination is present in a housing advertisement, the real estate owner or developer, the advertising agency, as well as the publisher of the advertisement, are all held liable for the unlawful act of discriminatory advertising.

Court Decisions

United States v. Hunter: The case involved a classified advertisement seeking a tenant for an apartment in a “white home.” The Court of Appeals ruled that the newspaper that published the advertisement violated section 3604(c). The Court held that while the ad was placed by another party, the law, as stated by section 3604(c), still applies to newspapers and other media that publish the discriminatory advertising. The Court’s decision also held that the First

Amendment's guarantee of freedom of the press does not protect a newspaper from a section 3604(c) lawsuit. [United States v. Hunter, 459 F.2d205,211 (5thCir.1972)].

Ragin v. New York Times Co.: The complainant filed allegations on the premise of a recurring pattern in the New York Times of publishing real estate advertisements in which models used to portray the potential customers were always Caucasian, while the African-American models were often depicted as building maintenance or service employees. The Court's decision held that the use of only White models in a real estate advertisement was a discriminatory action and did not comply with section 3604(c). Plaintiffs were awarded \$150,000 plus \$300,000 of advertising space. [Ragin v. New York Times Co. 923 F.2d 995 (2d Cir. 1991)].

Examples of Discriminatory Ads

Examples of discriminatory housing advertisements range from using direct phrases such as "for whites only" to less obvious examples of language that indicates a housing provider's unwillingness to make reasonable accommodations for people with disabilities. The following are examples of how advertisements may be discriminatory against members of protected classes.

Race/National Origin: Real estate advertisements should not state any preference or limitation on account of race or national origin. The use of language such as "Whites Only" or "No Asians" are examples of discriminatory acts under this section. Also, as evidenced by the above-referenced Ragin vs. New York Times case, any advertisement which depicts or seems to imply a racially homogenous group as the preferred residents or tenants of the unit(s) in question is considered a discriminatory advertisement. This lawsuit challenged a 20 year practice of publishing real estate ads with only white models. This decision was significant because it recognized that an ad picturing all white models may have implied the same illegal message as the words "Whites only."

Familial Status:

Familial status refers to the presence of children under age 18. Overly restrictive occupancy standards may also constitute familial status discrimination. Advertisements may not state an explicit preference or limitation based on familial status. Advertisements may not contain limitations on the number or ages of children, or state a preference for adults, couples or singles. Further, though HUD guidelines state a housing provider must be willing to permit at least two people per bedroom of an available unit, the California Department of Fair Employment and Housing employs a more permissive standard of restricting occupancy to no fewer than two people per bedroom, plus one additional person.

Disability: Under the Federal Fair Housing Act, a disability is defined as a physical or mental impairment which substantially limits one or more of a person's major life activities. California's Fair Employment and Housing Act broadens the definition of disability by removing the federal requirement that an impairment "substantially" limit a major life activity. Real estate advertisements should not contain explicit exclusions, limitations, or other indications of

discrimination based on either physical or mental disability. Examples of discriminatory advertisements based on disability include statements like, “No wheelchairs allowed.” However, advertisements that describe accessibility features, such as “wheelchair ramp,” are lawful. Further, though a housing provider may lawfully advertise a “No Pets” policy, housing providers may be required to make an exception to such a policy as a reasonable accommodation for a person with a disability.

Advertising in Milpitas

Under 42 U.S.C. § 3604 (c), it is unlawful to “make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on membership in a protected class, or an intention to make any such preference, limitation or discrimination.”

Real estate advertisements should not contain explicit exclusions, preferences, or other indications of discrimination based on handicap (e.g., no wheelchairs). Advertisements containing descriptions of properties (e.g., great view, fourth-floor walk-up, walk-in closets), services or facilities (e.g., jogging trails), or neighborhoods (e.g., walk to bus-stop) do not violate the Act. Advertisements describing the conduct required of residents (e.g., “non-smoking”, “sober”) do not violate fair housing laws. Advertisements containing descriptions of accessibility features are lawful (e.g., wheelchair ramp).

Housing advertisements are continuously published, updated, and replaced in local newspapers, and are also frequently posted on the internet. The major newspapers serving the City of Milpitas are the *Milpitas Post* and the *San Jose Mercury News*. Many individuals and families also use www.craigslist.org- a website that posts classified advertisements online- as a service to assist them in seeking available rental units.

Project Sentinel identifies discriminatory ads for available rental units in Milpitas through anonymous tips, complaints from people who may have experienced discrimination, or monitoring sites such as Craigslist.

Between FY 2010 and 2015, Project Sentinel opened 45 fair housing investigations in Milpitas. Twenty-five of these investigations, or more than 55%, were based on discriminatory ads. Although discriminatory ads continue to present a significant impediment to fair housing choice, the reduction in cases opened in Milpitas as a result of discriminatory advertisements stands as evidence of the efficacy of outreach and education efforts to housing providers undertaken by Project Sentinel.

In 1997, Project Sentinel filed a complaint with the California Department of Fair Employment and Housing (DFEH), against the *San Jose Mercury News* for publishing real estate advertisements which used only White models based on precedent set by Ragin v. New York Times. As a result, Project Sentinel provided educational presentation to the San Jose Mercury

News, and continues to print classified ads for discrimination. Between 2010 and 2015, Project Sentinel did not identify any discriminatory ads published by the Mercury.

Conclusions

Advertisements continue to present a substantial impediment to fair housing choice in the City of Milpitas. Although an average of four discriminatory ads per year is low compared to other cities in Santa Clara County, that advertising violations accounted for more than half of Project Sentinel's investigations in Milpitas over the last six years is evidence of a continuing barrier to fair housing choice. Because homeseekers are increasingly reliant on the internet to locate new housing, impediments created by discriminatory ads must be addressed. Project Sentinel regularly monitors Craigslist and other online real estate advertisers, and has provided education to Craigslist staff regarding fair housing issues. Craigslist's provision of general information about housing discrimination and a link to report discriminatory ads on every housing listing posted on the site is a testament to Project Sentinel's efforts to curtail the frequency of complaints derived from discriminatory ads.

It is recommended that a specific strategy be developed to regularly examine local newspapers, but especially internet real estate advertisers, for discriminatory practices in real estate advertising. Additionally, continued outreach efforts should be made to both the general public and Milpitas housing providers to raise awareness of potentially discriminatory advertisements and statements; outreach efforts should also be provided to local newspapers and classified advertisers.

INVESTIGATION OF HOUSING DISCRIMINATION

Federal Fair Housing Law

The Federal Fair Housing Act of 1968 prohibits discrimination in the sales, rental, and financing of dwellings, on the basis of race, color, gender, religion and national origin. In 1988, the Fair Housing Act was amended to extend further protection to familial status and people with mental or physical disabilities. Title II of the Americans with Disabilities Act (ADA) of 1990 prohibits discrimination on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance, and housing referrals.

California Fair Housing Law

Similarly, Section 12955(a) of the California Government Code states that: "It shall be unlawful for the owner of any housing accommodation to discriminate against or harass any person because of the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, or disability of that person."

Local governments are required by HUD to provide an investigative service for those people who feel they have been victims of housing discrimination.

Municipalities often fund private fair housing agencies to process, investigate, and resolve fair housing complaints. Project Sentinel is the primary organization responsible for providing fair housing investigation and education services in the City of Milpitas.

Testing for Housing Discrimination

Project Sentinel investigates allegations of housing discrimination, often through testing. Testing involves comparing the experience of two similarly-situated home seekers, the only difference being that one tester is a member of a protected class. Project Sentinel analyzes the treatment afforded to both tester; significant differences in treatment may indicate discrimination on the basis of membership in a protected class. Other methods of investigation include surveying and interviewing witnesses for the complainant or other residents at the property.

Between July 1, 2010 and June 30, 2015, Project Sentinel investigated 35 allegations of housing discrimination in the City of Milpitas. The following is an analysis of the data reported by Project Sentinel. The purpose of this analysis is to identify and obtain an understanding of the type of discrimination experienced by those seeking housing in Milpitas.

Protected Category

The majority of the cases investigated by Project Sentinel between 2010 and 2015 involved discrimination on the basis of disability and familial status, accounting for 78% of the total 33 fair housing investigations (including audits) opened in Milpitas during this time. Discrimination on the basis of gender, age, and other categories did not comprise a substantial amount of the cases.

Protected Categ	Percent of Cases		
	2004-2010	July 2010-June 2015	
	Milpitas	Milpitas	Santa Clara County
Disability	61%	67%	58%
Familiar Status	23%	11%	31%
Race/National Origin	6.7%	8%	6%
Sex	2.6%	3%	0.5%
Other	6.7%	11%	4%

Fig. 8.1 Cases based on protected categories. Source: Project Sentinel

The number of complaints alleging disability discrimination increased since 2004 – 2010. In contrast, the number of complaints alleging familial status discrimination decreased. Complaints on the basis of race and/or national origin remain steady, accounting for just under 10% of all discrimination complaints.

Disability complaints may include cases where a housing provider refused to grant a reasonable accommodation or modification for an in-place tenant, or instances where a housing provider rejected an applicant based on a physical or mental disability.

Increased public awareness of fair housing laws may account for the high proportion of cases filed on the basis of disability. While the FHA was enacted over 40 years ago, disability was not added as a protected class until 1988. Further, the Americans with Disabilities Act (ADA), which gives broader protections to disabled individuals and households, was enacted relatively recently in 1990. Over the last 20 years, the general public has become more aware of the protections afforded by both acts, specifically the ADA. This developing awareness- assisted by ever-increasing resources now available on the internet- has provided a solid foundation of knowledge for individuals to report and file fair housing complaints. However, not all members of the general public are adequately informed about their rights as residents and the resources available to them. This report examines local fair housing services and their outreach programs, whose role is vital in increasing the public’s understanding of fair housing issues, in the next section.

Cases by Complainant’s Race/Ethnicity

According to the 2014 American Community Survey, 63% of Milpitas residents are Asian (primarily Filipino, Chinese, Vietnamese, and Indian); 14% are non-Hispanic white; and 2% are Black. Across all races, 17% of residents identify as Hispanic. However, the majority of discrimination allegations investigated by Project Sentinel in Milpitas between 2010 and 2015 were filed by non-Hispanic white complainants. Complaints received from Hispanic individuals were proportionate to general City demographics: 17% of complaints received from Milpitas were filed by Hispanics. Although Project Sentinel noted a slight increase in the percentage of complaints reported by Asian individuals, data shows Asians are significantly underrepresented as complainants.

Ethnicity	Percent of Cases		
	Milpitas		Santa Clara Co.
	FY 2004-2010	FY 2010-2015	
White	58%	53%	77%
Black	3%	13%	9%
Asian	14%	17%	8%
Other	2%	17%	6%
TOTAL	77%	200%	100%
Hispanic (of all races)	23%	17%	29%

Fig. 8.2 Cases by Complainant’s Ethnicity. Source: Project Sentinel

As previously stated, white complainants filed the majority of the cases investigated in Milpitas during FY2010-2015. Twenty percent (20%) of disability cases were filed by Asians, and 59% by white complainants, the majority of whom were non-Hispanic. This data indicates that although the white population of Milpitas is perhaps more aware of what constitutes housing discrimination, Asians as well as Blacks are now also beginning to report fair housing violations. This data may also indicate the need for further outreach to LEP communities within Milpitas to improve access to reporting resources for people with limited English proficiency.

The willingness of an individual to report housing discrimination, regardless of its specific basis, is vital to identifying impediments to fair housing choice. According to Project Sentinel, individuals are often reticent to proceed with discrimination complaints based on fear of retaliation from their housing provider or other negative impacts on their current or future housing prospects. This is particularly problematic with non-White complainants - especially those for whom English is not their primary language.

Although complaints by white individuals still comprise a majority of the complaints reported to and investigated by Project Sentinel, it is important to note that in comparison with the 2004-2010 distribution of complaints filed in Milpitas, the reporting period of FY 2010-2015 showed an increase in the percentage of cases filed by Asians and Hispanics, the largest and second-largest race and national origin classes in the City. The decrease in the percentage of cases filed by white complainants seems to correlate with general demographic trends in Milpitas, and may be indicative of their decreasing proportions within Milpitas' total population.

Project Sentinel's complaint data indicates a growing number of Asian and Hispanic households are willing to come forward with allegations of housing discrimination. Though the overall rise in cases reported by Asian and Hispanic complainants signifies past outreach and education efforts have been successful, there remain significant distinctions within those broad ethnic categories which may indicate remaining barriers to fair housing choice. For example, Vietnamese, Indian, and Filipino residents are all grouped together under the umbrella of "Asian," though the language needs are varied across those national origins.

Cases by Complainant's Income

Consistent with the goal of providing the majority of its services to individuals and households of the lowest income bracket, the majority of fair housing investigations filed by Project Sentinel in Milpitas during FY 2010-2015 were reported by very low- and low-income residents. The percentage of cases filed by low-income residents, regardless of ethnicity, was 46% versus 28% filed by moderate-income persons.

The increasing disparity between cases filed by low-income and medium-income households did not just apply to the City of Milpitas; rather, this is a trend shared by Santa Clara County as well. In fact, as shown in Figure 8.4 below, there is a wider disparity between the two income brackets at the County level. Overall however, there are other similarities between the City and County regarding the trends indicated by the income data of Project Sentinel's complainants. Aside from the growing difference between low and medium-income households, there was a slight increase in the amount of high-income complainants for both Milpitas and Santa Clara

County. Thus, the percentage difference between medium and high-income complainants is decreasing as the percentage of medium-income complainants also declines. This data signals that low-income households may experience disproportionate fair housing needs as compared to middle- and high-income households, and highlights the need for targeted education, outreach, and advocacy for low-income households in Milpitas.

CASES BY COMPLAINANT’S INCOME				
	FY 2010-2016		FY 2004-2010	
Income Level	Milpitas	Santa Clara County	Milpitas	Santa Clara County
Low (0-30% & 31-50% AMI)	50%	72%	67%	74%
Medium (51-80% AMI)	8%	15%	27%	22%
High (80%+ AMI)	28%	11%	6%	4%
Other (Above 80% AMI)	2%	2%		

Fig. 8.3: Cases by Complainant’s income. Source: As reported by Project Sentinel

Cases by Complainant’s Gender

Despite the fact that only 3% of the housing discrimination complaints in Milpitas were filed on the basis of gender during the reporting period of FY 2004-2010, only 7% (five of the 71) total cases were reported by males. To put this data in better perspective, one out of every 13 investigations conducted in Milpitas by Project Sentinel during the reporting period was filed by a male. Although the trend in Santa Clara County during the same time period was somewhat similar, the staggeringly low amount of male complainants might be explained in part by the fact that in cases without an actual complainant (anonymous or otherwise), the gender listed for the “complainant” is the gender of the tester being used to investigate the claim. Therefore, given the amount of cases that were opened as a result of anonymous tips- particularly for discriminatory advertisements- one could surmise that the extremely lopsided ratio of female to male complainants was due in large part to the amount of cases involving female testers, whose use may have been a result of tester availability or profile need.

Seen on the following page, Table 8.4 demonstrates the ratio of female to male complainants in Milpitas and Santa Clara County for the reporting period of FY 2004-2010. The more typical ratio in this case is Santa Clara County’s, as Milpitas’ ratio in the previous reporting period of 1998-2003 indicates. Project Sentinel’s case data for most jurisdictions typically reflects a ratio of female to male complainants closer to 3-1 than 12-1, as was the case during the reporting period of FY 2004-2010.

Cases by Complainant’s Gender, FY 2004-2010			1998-2003
Gender	Milpitas	S.C. Co.	Milpitas

Female	93%	75%	76%
Male	7%	25%	24%

Fig. 8.4. Cases by Complainant's Gender. Source: Project Sentinel

Cases by Disposition

The following are brief descriptions of the various potential dispositions of a fair housing investigation conducted by Project Sentinel. Each disposition is determined by the circumstances surrounding the particular case.

Types of Dispositions

- **Counseled:** The fair housing agency does not find sufficient evidence of housing discrimination while investigating the allegation. The agency informs the complainant of the results, and the case is closed. The complainant reserves the right to file the complaint with HUD and/or the DFEH.
- **Conciliated:** Evidence of discrimination is found; agency mediates an agreement between the complainant and the housing provider. Possible agreements may include granting an accommodation request, such as waiving a “no pets” policy to allow a service animal or waiving a certain fee or deposit where it disparately impacts disabled tenants.
- **Educated:** Some evidence of discrimination is found, and the fair housing agency educates the housing provider through a letter and/or training.
- **Referral:** Evidence of housing discrimination is found, and the case is referred to a private attorney, or a government agency such as the DFEH or HUD. Mediation, and possibly litigation, may be used to reach a fair settlement for the complainant, including damages suffered.
- **Declined to pursue:** The complainant chooses not to pursue the case, and it is closed.
- **Pending further investigation:** These are cases in which the investigation process has not yet been completed. Cases with this disposition are not closed, and require a final decision by the agency, depending on the evidence obtained regarding the particular allegation.

CASES BY DISPOSITION		
	2004-2010	2010-2016

Disposition	Milpitas	Santa Clara County	Milpitas	Santa Clara County
Accommodation*				6%
Counseled	45%	39%	43%	39%
Educated	17%	13%	19%	16%
Conciliated	11%	19%	14%	21%
Referral	10%	18%	14%	14
Pending Further Investigation	9%	4%	3%	3%
Declined to Pursue	9%	7%	8%	1%

Samples of Case Settlements

2011 – Project Sentinel v. Confidential – Housing provider refused to permit a service animal for a disabled tester. Case conciliated through DFEH, terms included training for property owner/manager.

2012 – Project Sentinel v. Confidential – Project Sentinel received a complaint that an apartment complex's staff requested disabled tenants visit the office to sign a medical record release and allegedly sent notes to tenants requesting their medical providers' name and contact information. Case referred to the Fair Housing Law Project.

Trends in the disposition of cases held steady as compared to the previous AI period. The majority of the cases investigated in Milpitas by Project Sentinel resulted in a disposition of “counseled,” meaning that the investigation did not result in clear evidence of differential treatment based on membership in a protected class. The increase of cases which resulted in the education of the housing provider is further indication that awareness was provided to the general population as result of the investigation.

The number of cases that were referred to the DFEH, HUD, an attorney, or another agency also held steady compared to the previous reporting period. A referral occurs when clear evidence of housing discrimination is discovered during the investigation. In these types of cases, conciliation is typically not possible without one of the aforementioned groups becoming involved.

ASSESSMENT OF LOCAL FAIR HOUSING SERVICES and OUTREACH EFFORTS*

It is crucial that outreach efforts are increased- both in range and frequency- so that community and social service agencies are knowledgeable and aware of fair housing issues and the services

available to them and the general public, and also so that these agencies can properly refer callers or clients when presented with a fair housing-based complaint or inquiry.

Outreach efforts and presentations are the primary method used to educate and raise awareness within agencies and members of the community regarding housing discrimination. Project Sentinel's routine outreach efforts include:

- Designing and distributing English, Spanish, and Chinese language brochures and flyers throughout the County at community centers, government offices, churches, schools, social service agencies, and libraries;
- Distributing public service announcements to over 30 Bay Area radio stations and various cable television government access channels. Radio PSAs that include agency telephone numbers are sent quarterly to stations;
- Placing newspaper ads in the classified sections of local newspapers informing the public to call the Hotline number if discrimination is suspected. These phone numbers can also be easily found in the phone directory under "Community Services and Social Services";
- Publishing the newspaper column "Rentwatch" in numerous local papers and housing-industry trade magazines, including the San Francisco Examiner, the San Jose Mercury News, La Voz, and Filipino Guardian;
- Submitting articles to the Tri-County Apartment Association monthly magazine, which reaches over 5,000 property owners;
- Distributing press releases of significant court cases involving fair housing issues as well as cases resolved outside of litigation;
- Sponsoring workshops, seminars, and symposiums on an annual basis to help educate targeted audiences;
- Providing fair housing training to housing providers;
- Providing air housing presentations to the staff and clients of various community and social service agencies;
- Hosting an educational booth and/or making a feature presentation at local trade shows and community fairs, including the Tri-County Apartment Association trade shows and the Abilities Expo;
- Operating a website (<http://www.housing.org>) to provide fair housing information and resources to those seeking knowledge of their fair housing rights on the internet; and
- Placing posters in trains, buses, and transit stops providing riders with fair housing information and telephone numbers.

Outreach efforts are intended to educate social service agencies, community partners and general public, and also to provide lasting knowledge and awareness.

Project Sentinel developed a series of questionnaires to gauge the effectiveness of outreach presentations, including those provided to housing providers, community and social service agencies, and the general public. These questionnaires “test” the audience’s knowledge of fair housing issues both before and after the presentation, and also give the audience members an opportunity to provide recommendations to improve the presentation. The information gathered from these questionnaires has provided Project Sentinel valuable insight on how to modify presentations depending on the specific audience.

Conclusions

Fair housing agencies- not just Project Sentinel- will never be able to optimally serve the public if their community’s residents and social service agencies are not aware of the services available to them. While Project Sentinel continues to make a concerted effort to increase awareness and knowledge regarding housing discrimination and fair housing services in Milpitas and throughout Santa Clara County, a large portion of the community remains inadequately educated and unaware of where and how to seek assistance with these types of issues.

As a result, many individuals may contact a social service agency seeking assistance; if that particular agency is unable to assist and also cannot refer the individual to the appropriate fair housing service provider, then cases of housing discrimination cannot be properly identified and investigated. Therefore, it is vital that outreach efforts are increased- in both scope and frequency- among social service providers and members of the community. Methods of ensuring the effectiveness of these efforts should be consistently examined and updated when necessary.

Investigation of Housing Discrimination

Between FY 2010-2015, an overwhelming majority of the fair housing cases investigated by Project Sentinel were based on disability. This may be due in part to the wide range of possible investigations t conducted within this category, but notable nonetheless. Complaints on the basis of disability increased slightly, while allegations of discrimination on the basis of familial status decreased. Investigations into national origin/race discrimination remained steady. However, reporting of complaints from Asians – including the diverse Filipino, Chinese, Vietnamese, and Indian communities – remain at disproportionately low numbers, indicating the need for targeted increased outreach and education to groups based on national origin.

Assessment of Local Fair Housing Services

Although Project Sentinel has implemented a strategy to gauge the effectiveness of its outreach efforts, disproportionately low numbers of complaints from non-white residents indicates the need for a more effective approach in raising and sustaining awareness within the community.

Recommendations and Conclusions

Section	Impediments	Recommendation
Demographics	<ul style="list-style-type: none"> • Many of the City’s residents are foreign born, and the 60% does not consider English their primary language. Consequently, a language barrier may create an impediment to fair housing. 	<ul style="list-style-type: none"> • Increase the distribution of fair housing pamphlets and brochures in multiple languages.
Housing Stock	<ul style="list-style-type: none"> • Vacant land remains scarce for the construction of new homes. • Milpitas has a relatively young housing stock, but over half of the dwellings are now older than 	<ul style="list-style-type: none"> • Continue to carry out plans for high density development and continue the utilization of density bonuses.
Land Use and Zoning	<ul style="list-style-type: none"> • The Conditional Use Permit (CUP) for group homes of 7 to 12 persons is no longer required; these types of dwellings are now permitted in multi-family zones. • The specific requirements of a secondary dwelling unit have been reduced; homes in single-family residential zones can have this type of dwelling “by right” 	<ul style="list-style-type: none"> • Continue to monitor State regulations for group homes of 7 to 12 persons. The City’s policy should be consistent with both the State and Federal regulations • Any changes to California Law regarding secondary dwellings need to be posted on the City website.
Public Policies and Housing Affordability	<ul style="list-style-type: none"> • Although the City has constructed additional multi-family housing units, the proportion of those that are reserved for low-income households has declined since the previous reporting period. The shortage of affordable housing continues to be an impediment to fair housing. 	<ul style="list-style-type: none"> • The City should continue to follow the strategies specified by the Midtown Specific Plan and the Five Year Consolidated Plan, and should specifically focus on increasing the amount of low-income housing through the plans’ implementations.

Advertising	<ul style="list-style-type: none"> • No significant evidence of discriminatory housing advertising was identified in the <i>Milpitas Post</i> or the <i>San Jose Mercury News</i>; however the majority of Project Sentinel’s investigated cases originated from discriminatory ads, specifically from <i>Craigslist.org</i>. 	<ul style="list-style-type: none"> • Continue to regularly monitor the <i>Milpitas Post</i>, <i>San Jose Mercury News</i>, and <i>Craigslist.org</i> for discriminatory real estate advertisements. • Increase outreach to residents and housing providers regarding what constitutes a discriminatory advertisement.
Cases of Housing Discrimination	<ul style="list-style-type: none"> • Although it has increased since the previous reporting period, the proportion of complaints filed by Asians is very low in comparison with their proportion of Milpitas’ total population. 	<ul style="list-style-type: none"> • Increase outreach efforts targeting the City’s Asian community. As mentioned above, multi-language brochures and presentations should also be made available to the Asian Community.
Awareness of Local Fair Housing Services	<ul style="list-style-type: none"> • Not all recipients of outreach were able to correctly refer callers to Project Sentinel. • Many community and social service agencies could not properly refer a caller with a Fair Housing complaint to the appropriate agency 	<ul style="list-style-type: none"> • Increase the amount and frequency of outreach efforts made to community and social service agencies. • Continue and improve methods of ensuring the effectiveness of these outreach efforts to raise and sustain community awareness of Fair Housing issues.

Analysis of Local Fair Housing Services

When presented with either of the two discrimination scenarios, 40% of the agencies contacted referred the caller to Projected Sentinel, while 20% of the agencies referred the caller to an agency that would then direct the caller to Project Sentinel; 40% of the agencies referred the caller to agencies defined as “other referrals”.

Of the referrals made to agencies within the category of “Agency that would refer caller to Project Sentinel”, three of the four were to legal groups that typically refer complaints in

Milpitas to Project Sentinel, while the other referral was to the City of Milpitas, which had referred a tester to Project Sentinel when contacted. The category of “Other Referrals” is comprised of all remaining referrals made by the agencies contacted by testers. This category included a wide array of organizations ranging from the DFEH, to agencies such as the Better Business Bureau and the Housing Authority of Santa Clara County. These agencies nevertheless failed to provide the caller with a referral to Project Sentinel.

Referral	Number of Referrals	Percentage of Referrals
Project Sentinel	8	40%
Other Referral	8	40%
Agency that would refer the caller to PS	4	20%

It should be noted that a referral to the DFEH or to HUD is not incorrect, as these agencies can assist an individual with a fair housing related complaint in Milpitas. Yet when considering the large amount of calls and complaints received by each respective agency, a referral to Project Sentinel would ensure quicker attention to the complainant’s matter, enabling a more efficient investigation. Similarly, since the Legal Aid Society of Santa Clara County also includes a fair housing division, a referral to Legal Aid does not constitute an improper referral. However, specifically for the City of Milpitas, a more appropriate referral would be to Project Sentinel, which is funded to specifically investigate housing discrimination in the City.

The 2004 AI netted similar results in assessing the referrals provided by Santa Clara County and Milpitas agencies; out of the 40 agencies which testers contacted, 15 of them (37.5%) referred the caller to Project Sentinel. Given that the sample size of the “tested” agencies contacted for the current AI is half that of the previous AI’s, the percentage of agencies that properly referred callers has remained relatively constant, indicating that outreach efforts for the City are inadequate.

If agencies are unaware of the available fair housing resources- and thus unable to properly refer callers to the appropriate assistance- then an impediment to fair housing is created. Because of the nature of housing discrimination, the average individual does not typically know where to immediately obtain assistance when faced with it. Referrals therefore play a vital role in directing the general public to agencies and organizations that can investigate and file these complaints on their behalf. The inability to refer callers to the appropriate fair housing agency poses an immediate barrier to identifying the matter as a case of housing discrimination, thus impeding the ability of the individual to find the assistance he or she needs to resolve the matter.

It is crucial that outreach efforts are increased- both in range and frequency- so that community and social service agencies are knowledgeable and aware of fair housing issues and the services available to them and the general public, and also so that these agencies can properly refer callers or clients when presented with a fair housing -based complaint or inquiry.

Analysis of Outreach Efforts

It is crucial that outreach efforts are increased- both in range and frequency- so that community and social service agencies are knowledgeable and aware of fair housing issues and the services available to them and the general public, and also so that these agencies can properly refer callers or clients when presented with a fair housing-based complaint or inquiry.

Outreach efforts and presentations are the primary method used to educate and raise awareness within agencies and members of the community regarding housing discrimination. Project Sentinel's routine outreach efforts include:

- Designing and distributing English, Spanish, and Chinese language brochures and flyers throughout the County at community centers, government offices, churches, schools, social service agencies, and libraries;
- Distributing public service announcements to over 30 Bay Area radio stations and various cable television government access channels. Radio PSAs that include agency telephone numbers are sent quarterly to stations;
- Placing newspaper ads in the classified sections of local newspapers informing the public to call the Hotline number if discrimination is suspected. These phone numbers can also be easily found in the phone directory under "Community Services and Social Services";
- Publishing the newspaper column "Rentwatch" in numerous local papers and housing-industry trade magazines, including the San Francisco Examiner, the San Jose Mercury News, La Voz, and Filipino Guardian;
- Submitting articles to the Tri-County Apartment Association monthly magazine, which reaches over 5,000 property owners;
- Distributing press releases of significant court cases involving fair housing issues as well as cases resolved outside of litigation;
- Sponsoring workshops, seminars, and symposiums on an annual basis to help educate targeted audiences;
- Providing fair housing training to housing providers;
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IMPEDIMENTS TO FAIR HOUSING CHOICE AND RECOMMENDED ACTIONS

Overview of Impediments

IMPEDIMENTS TO FAIR HOUSING CHOICE AND RECOMMENDED ACTIONS

Overview of Impediments

Demographics

Milpitas is an ethnically diverse city, and for many of its residents, English is not their native language. For example, the Asian population accounts for almost two-thirds of the City's residents, and within that specific demographic there are a variety of cultures. Furthermore, less than half of the City's residents consider English their primary language. If each statistical race category is comprised of a multitude of different dialects and languages, the inherent benefits of such a diversely populated community are neutralized by the prevalence of various language barriers. The presence of these barriers creates an impediment to fair housing.

Housing Stock

Milpitas is mostly built-out, and as a result, the availability of land for new construction remains scarce. Despite the effects of the economic recession, the cost of housing in Milpitas remains relatively high. While the City's housing stock is remains relatively young, a significant proportion of the housing stock is beginning to age, and more than half is older than 30 years.

Land Use and Zoning

The City provides a density bonus and other incentives for developers to increase the construction of affordable housing for low-income residents. This is commendable and should be continued. Allowing the presence of more secondary dwellings, as well as easing guidelines on group homes, are also ways that Milpitas is making housing more accessible to all residents, but specifically low-income and disabled households. To that end, the City should also continue utilizing Title 24 of California Building Code accessibility standards when designing and constructing new housing units and restoring older units.

Public Policies and Barriers to Affordable Housing

The high cost of housing in Milpitas remains a substantial burden for many low-income residents, especially when considering the effects of the economic recession. Through the Midtown Specific and Transit Area Specific Plans, the City has developed a plan to increase high density development, and develop a greater proportion of affordable housing units. However, the proportion of low-income units within the new housing units has decreased, and this is an issue that must be addressed as the Plan is implemented. High housing costs and growing population indicate that the demand for affordable housing will only grow. This is especially true when considering the amount of residents on the waiting list for the Section 8 voucher program.

Advertising

Though there were no significant discriminatory real estate advertisements identified in the *San Jose Mercury News* or *Milpitas Post*, the presence of discriminatory real estate advertisements on internet-based advertisers remains problematic. A majority of the cases investigated in Milpitas by Project Sentinel during FY 2010-2015 originated from complaints based on discriminatory ads. While Project Sentinel routinely monitors online advertisers, specifically *Craigslist*, society's increasing dependence on the internet as a source of advertising vacant

units and assisting the housing search indicates that this trend will continue without an aggressive course of action to eradicate discriminatory advertisements and impose penalties on online advertisers who publish such ads.

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Assessment of Local Fair Housing Services

Although Project Sentinel has implemented a strategy to gauge the effectiveness of its outreach efforts, disproportionately low numbers of complaints from non-white residents indicates the need for a more effective approach in raising and sustaining awareness within the community.

Recommendations and Conclusions

Section	Impediments	Previous Recommendation	Action
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Demographics	Over 60% of the City’s residents do not consider English as their primary language. Consequently, a language barrier may create an impediment to fair housing.	Increase the distribution of fair housing pamphlets and brochures in multiple languages.	With the collaboration of Project Sentinel and City Staff, provide interpreters as needed and translate documents as needed.
Housing Stock	<p>Vacant land remains scarce for the construction of new homes.</p> <p>Milpitas has a relatively young housing stock, but over half of the dwellings are now older than 30 years.</p>	<p>Continue to carry out plans for high density development and continue the utilization of density bonuses.</p> <p>Monitor the conditions of the housing stock.</p>	<p>Due to lack of vacant land, the City have made strides to rezone and repurpose underdeveloped areas.</p> <p>Continue to provide funding for rehabilitation projects to keep affordable housing stock and homeownerships.</p>
Land Use and Zoning	<p>The Conditional Use Permit (CUP) for group homes of 7 to 12 persons is no longer required; these types of dwellings are now permitted in multi-family zones.</p> <p>The specific requirements of a secondary dwelling unit have been reduced; homes in single-family residential zones can have this type of dwelling “by right.”</p>	<p>Continue to monitor State regulations for group homes of 7 to 12 persons. The City’s policy should be consistent with both the State and Federal regulations</p> <p>Any changes to California Law regarding secondary dwellings need to be posted on the City website.</p>	<p>In 2015, the City passed a resolution to require new developments to include 5% affordable housing or pay into the affordable housing fund if they chose not to comply.</p>

<p>Public Policies and Housing Affordability</p>	<p>Although the City has constructed additional multi-family housing units, the proportion of those that are reserved for low-income households has declined since the previous reporting period. The shortage of affordable housing continues to be an impediment to fair housing.</p>	<p>The City should continue to follow the strategies specified by the Midtown Specific Plan and the Five Year Consolidated Plan, and should specifically focus on increasing the amount of low-income housing through the plans' implementations.</p>	<p>In 2015, the City passed a resolution to require new developments to include 5% affordable housing or pay into the affordable housing fund if they chose not to comply.</p>
<p>Advertising</p>	<p>No significant evidence of discriminatory housing advertising was identified in the <i>Milpitas Post</i> or the <i>San Jose Mercury News</i>, however the majority of Project Sentinel's investigated cases originated from discriminatory ads, specifically from <i>Craigslist.org</i>.</p>	<p>Continue to regularly monitor the <i>Milpitas Post</i>, <i>San Jose Mercury News</i>, and <i>Craigslist.org</i> for discriminatory real estate advertisements.</p> <p>Increase outreach to residents and housing providers regarding what constitutes a discriminatory advertisement.</p>	<p>Staff reviews the newspaper often and seek residents to forward complaints to Project Sentinel.</p>
<p>Cases of Housing Discrimination</p>	<p>Although it has increased since the previous reporting period, the proportion of complaints filed by Asians is very low in comparison with their proportion of Milpitas' total population.</p>	<p>Increase outreach efforts targeting the City's Asian community. As mentioned above, multi-language brochures and presentations should also be made available to the Asian Community.</p>	<p>Make interpreters as available as possible, if unable to reach Project Sentinel for assistance.</p>

<p>Awareness of Local Fair Housing Services</p>	<p>Not all recipients of outreach were able to correctly refer callers to Project Sentinel.</p> <p>Many community and social service agencies could not properly refer a caller with a fair housing complaint to the appropriate agency</p>	<p>Increase the amount and frequency of outreach efforts made to community and social service agencies.</p> <p>Continue and improve methods of ensuring the effectiveness of these outreach efforts to raise and sustain community awareness of fair housing issues.</p>	<p>With the help of organizations like Senior Adults Legal Assistance and Project Sentinel, residents are aware of the services that are available to them.</p>
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