



# **Annual Housing Element Report and Housing Successor Annual Report 2017**

**City Council  
March 20, 2018**

# City of Milpitas Housing Element

- City's guiding housing document for the period between 2015-2023
- One of the 7 mandated elements of the General Plan
  - Only element that requires State certification
  - Must accommodate Regional Housing Needs Allocation (RHNA) for 2015-2023
  - Adopted April 28, 2015

# Annual Report

Reports City's progress in meeting RHNA requirements

- Housing Element must demonstrate sufficient sites to accommodate the City's RHNA requirement.
- Housing Report shows progress of units completed counting towards RHNA allocation

\*Numbers reflect units that have received final inspections

# RHNA 2007-2014

<b>Income Category</b>	<b>Projected Need</b>	<b>Units Built or Permitted</b>	<b>Balance</b>	<b>% Achieved</b>
Very Low	689	253	436	36.7%
Low	421	44	377	10.5%
Moderate	441	174	267	39.5%
Above Moderate Income	936	5,963	N/A	637.1%
<b>Total Units</b>	<b>2,487</b>	<b>6,434</b>	<b>1,080</b>	<b>56.6%</b>

# RHNA 2015-2023

<b>Income Category</b>	<b>% of AMI</b>	<b>Projected Need</b>	<b>Percent of Total</b>
Very Low	0-30	1,004	30.5%
Low	31-50	570	17.3%
Moderate	51-80	565	17.2%
Above Moderate Income	81-120	1,151	35.0%
<b>Total Units</b>		<b>3,290</b>	<b>100%</b>



# Affordable Housing Efforts

- Affordable Housing Ordinance
  - May 2016 Affordable Housing Workshop
  - January 31, 2018 Study Session
  - June 2018 Council Consideration of ordinance
- Potential units within existing Montevista Apartments
- 355 Sango Ct.
  - May 2018 Council review

# Affordable Housing Efforts

- CDBG funding recommendations
  - June 2018
- Sunnyhills Apartment HUD Contract Extension
- Zoning Updates including Accessory Dwelling Unit Ordinance

# 2017 Housing Successor Annual Report

- Annual report of the City's Affordable Housing Fund expenditures.
- \$1,061,582 deposited in the Affordable Housing Fund (interest, loan repayments)
- \$444,703 expended on administration, maintenance, services and other housing expenditures.

# Recommendation

- Receive the 2017 Housing Element Annual Report and Successor Housing Report

# Current Affordable Housing Inventory

## Ownership

- 274 affordable ownership units in the City

## Rental

- 974 rental units in the City

# Income Levels

Income Category	% of AMI
Extremely Low	0-30
Very Low	31-50
Low Income	51-80
Moderate Income	81-120

	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Santa Clara County	Extremely Low	23450	26800	30150	33500	36200	38900	41550	44250
4-person	Very Low	39100	44650	50250	55800	60300	64750	62900	73700
Area Median Income	Low Income	59400	67900	76400	84900	91650	98450	105250	112050
<b>\$107,100</b>	Median Income	74950	85700	96400	<b>107100</b>	115650	124250	132800	141350
	Moderate Income	89950	102800	115650	128500	138800	149050	159350	169600

# Update on the San Francisco Public Utilities Commission and the Santa Clara Valley Water District Proposed Wholesale Water Rates

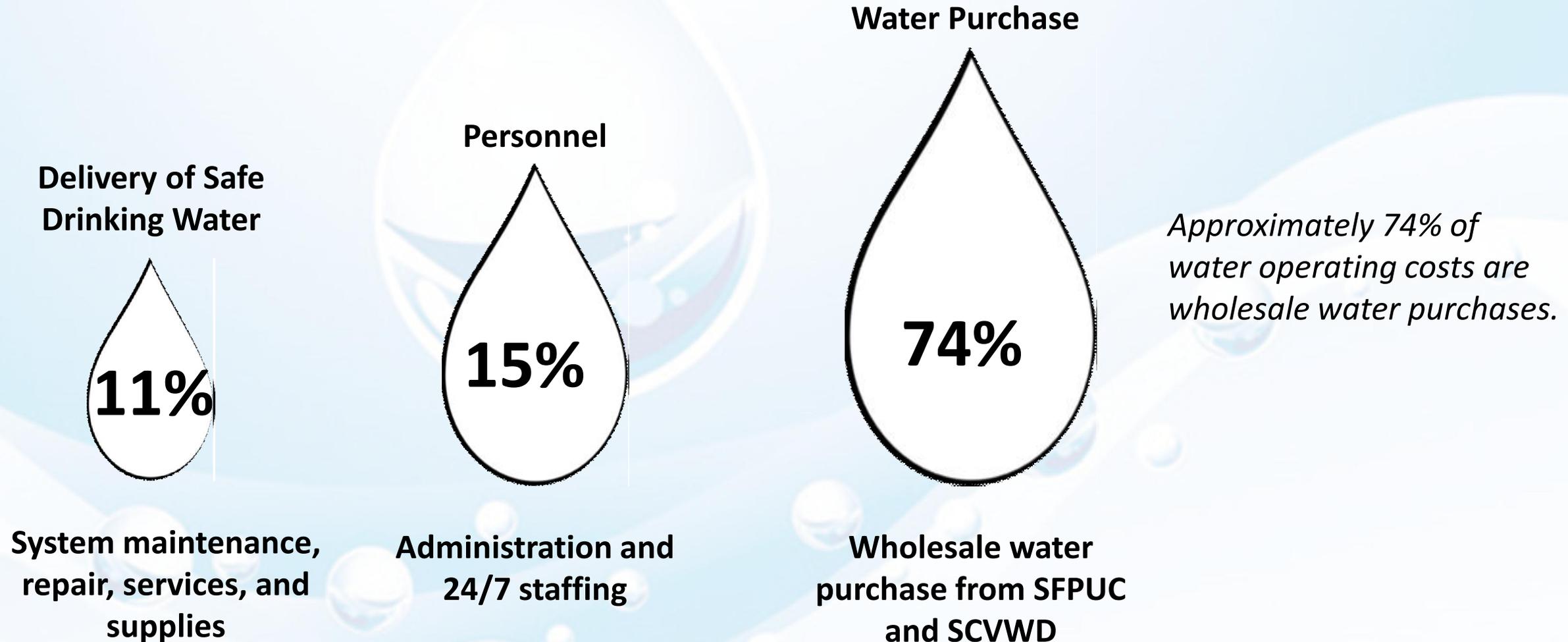
## Fiscal Year 2018-2019

**March 20, 2018**

**Tony Ndah**

**Public Works Director**

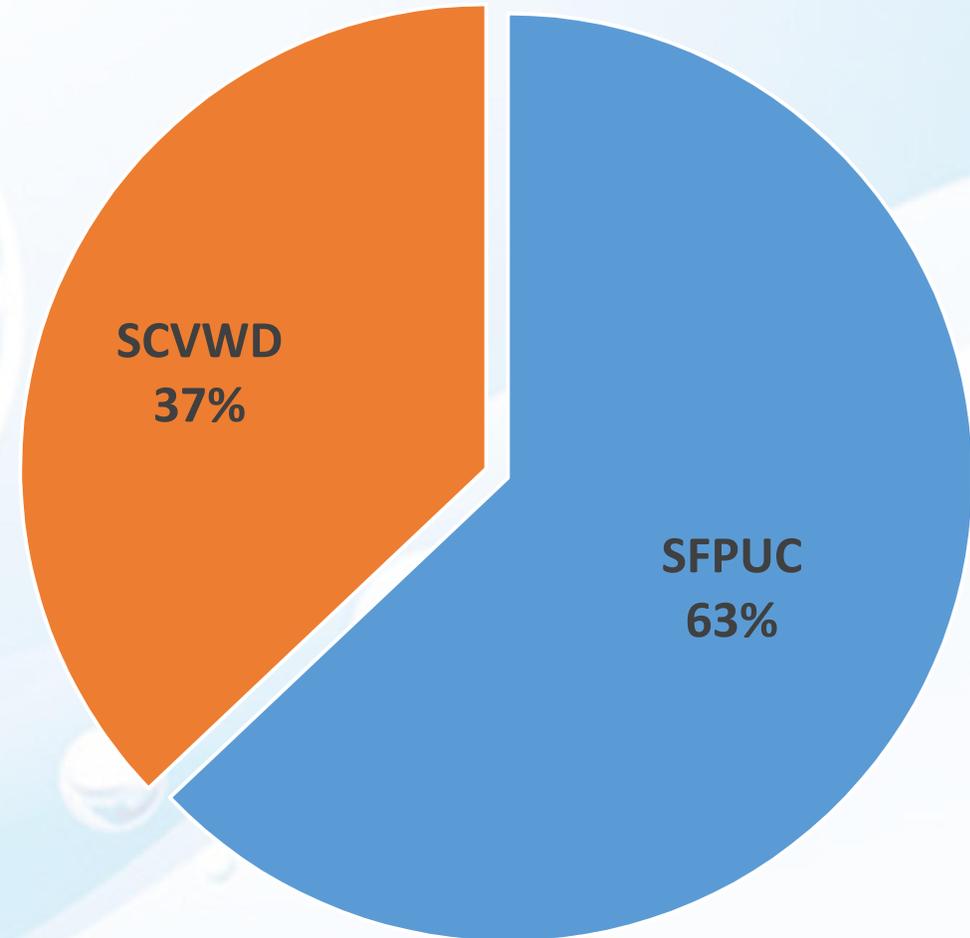
# Water Fund Operating Costs



# City's Potable Water Supply Breakdown

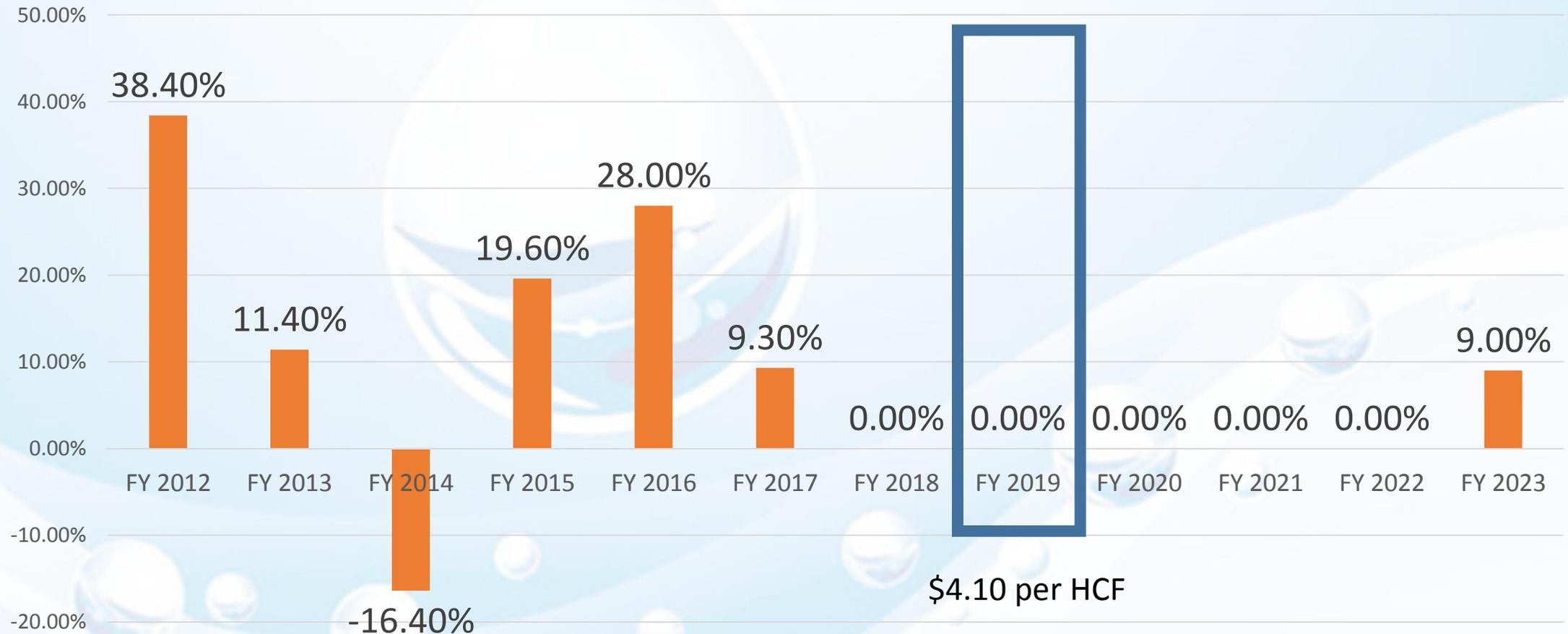
City's potable water supply system is divided into two distinct service areas, served by two water wholesalers:

- I. San Francisco Public Utilities Commission (SFPUC)
- II. Santa Clara Valley Water District (SCVWD)



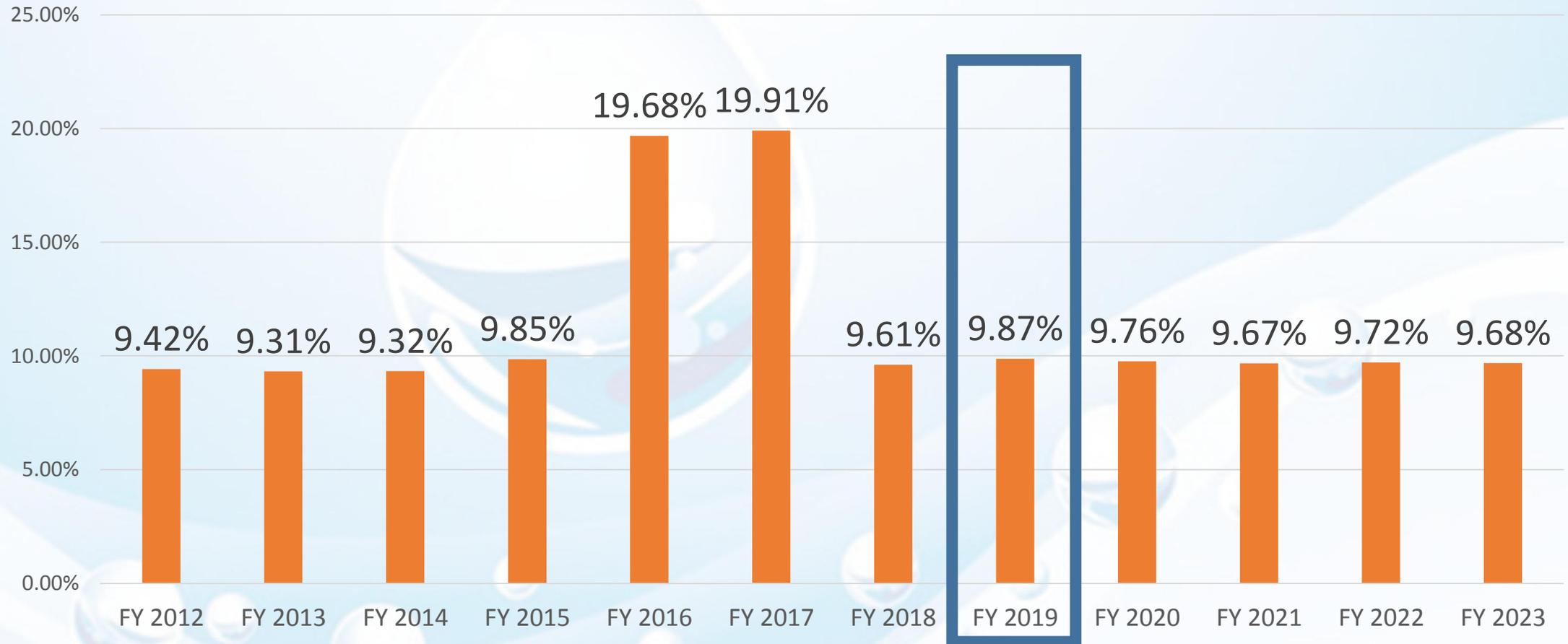
# SFPUC Wholesale Water Rate Projection

Current Rate (FY18): \$4.10 per HCF



# SCVWD Wholesale Water Rate Projections

Current Rate (FY18): \$2.70 per HCF



\$2.96 per HCF

# Key SCVWD Projects Funded (FY 19 thru FY 28)

- Anderson Dam Seismic Retrofit (\$510M)
- Long-Term Purified Water Program (\$368M)
- FAHCE Implementation (\$145M Placeholder)
- Rinconada Reliability Improvement (\$125M)
- 10 Year Pipeline Rehabilitation (\$98M)
- Calero Dam Seismic Retrofit (\$81M)
- Guadalupe Dam Seismic Retrofit (\$61M)
- Los Vaqueros – Bethany Pipeline (\$11.2M)

# Five Year Projected Wholesale Water Cost

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
*SFPUC (\$/HCF)	\$4.10	\$4.10	\$4.10	\$4.10	\$4.47
**SCVWD (\$/HCF)	\$2.96	\$3.25	\$3.57	\$3.91	\$4.29
Total Wholesale Cost of Water	\$16.9 million	\$17.4 million	\$17.9 million	\$18.5 million	\$20.2 million
Increased Cost to City	\$440,000	\$910,000	\$1.4 million	\$2.0 million	\$3.6 million

\* Does not include SFPUC meter charge and BAWSCA Bond.

\*\*Does not include SCVWD treated water surcharge.

# Opportunities to Participate in SCVWD Rate Setting Process

## Council Participation

**March 21, 2018**  
**6:00 p.m.** Joint Meeting between SCVWD Board and Milpitas City Council  
Santa Clara Valley Water District Board Room  
5700 Almaden Expwy., San Jose

**April 11, 2018**  
Santa Clara Valley Water Commission Meeting  
Santa Clara Valley Water District Board Room  
5700 Almaden Expwy., San Jose

## Public Hearings for Rate Setting Process

**April 10, 2018**  
**1:00 p.m.** Public Hearing (Opens)  
Santa Clara Valley Water District Board Room  
5700 Almaden Expwy., San Jose

**April 12, 2018**  
**6:00 p.m.** Open House and Public Hearing  
Gilroy City Council Chambers  
7351 Rosanna Street, Gilroy

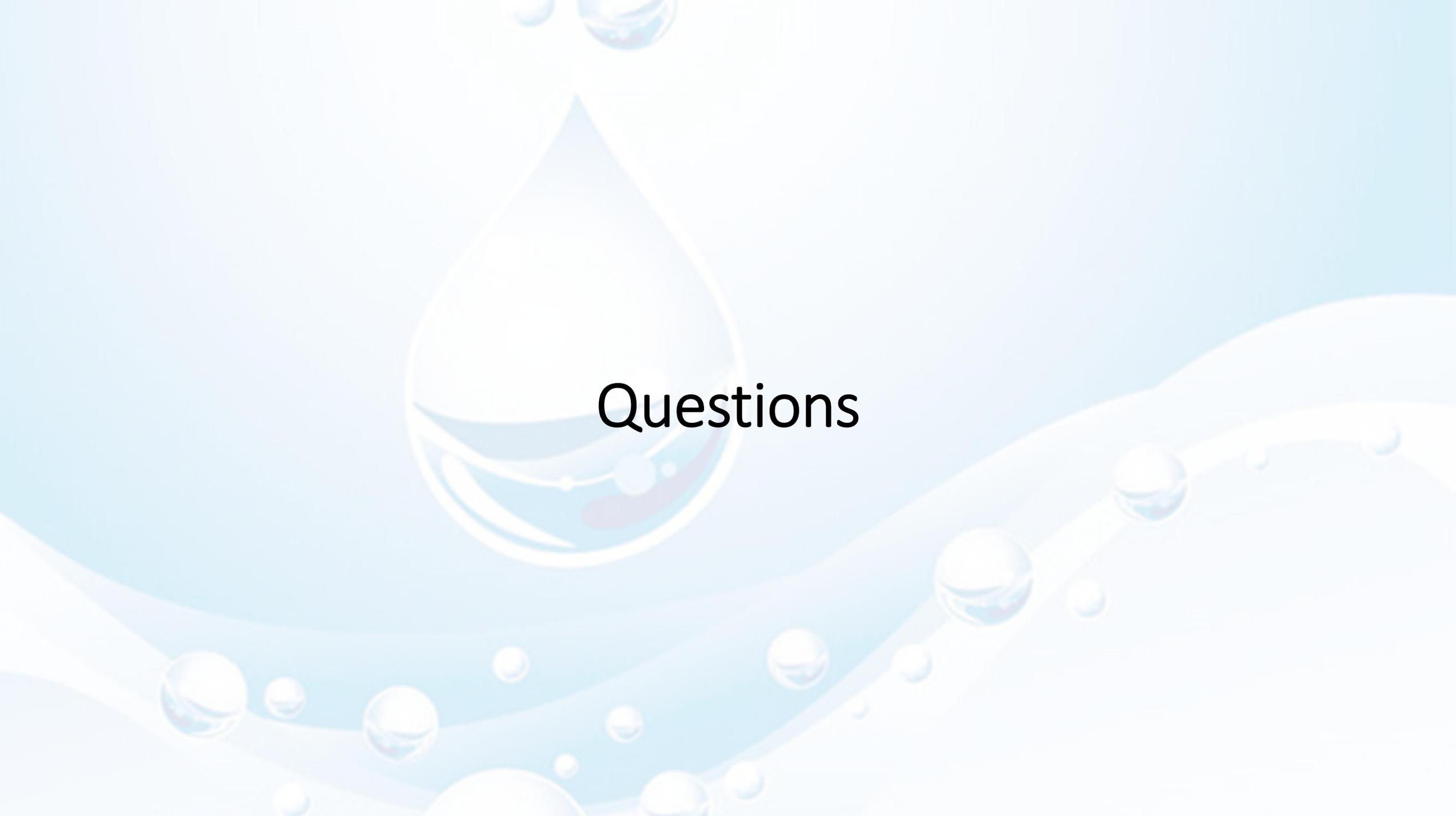
**April 24, 2018**  
**6:00 p.m.** Public Hearing (concludes)  
Santa Clara Valley Water District Board Room  
5700 Almaden Expwy., San Jose

# Key Take Aways

- Approximately 74% of water operating costs are wholesale water purchases.
- SFPUC Water Wholesale rate increase for Fiscal Year 2018/2019 and Fiscal Year 2019/2020 is projected to be 0%.
- SCVWD Water Wholesale rate increase for Fiscal year 2018/2019 is projected to be up to 9.9%, and increase by 9.7% for the next 7 years.
- Estimated wholesale water cost increase for City in Fiscal Year 2018/2019 is projected to be \$440,000.
- The rate-setting process includes a series of opportunities for Council and the public to provide input at meetings, open houses, and public hearings in April 2018.

# Upcoming Actions and Dates

- **Workshop to Review Proposed Water Rates Structures – Mid April 2018**
- Council Meeting: Council Provides Direction to staff on Water Rate Structure – May 2018
- Complete Cost Allocation Plan – June 2018
- Begin Public Outreach and Proposition 218 Process – TBD
- Council Meeting: Rate Adoption – TBD



# Questions