



## City of Milpitas - Sunnyhills Update October 8, 2020

The City of Milpitas remains committed to assuring long-term housing stability and affordability within the Sunnyhills apartment neighborhood. The City has been working hard to remove the threat of eviction associated with demolition of apartment buildings, or drastic rent increases for the existing 149 Sunnyhills apartments that are currently subsidized by the federal Housing and Urban Development (HUD) rent voucher program. We want to share our progress and success with the following information:

- 1) The City is currently updating the General Plan which is an official City planning document. This document contains official goals and policies to preserve existing neighborhoods like Sunnyhills, which is a very high priority of the City Council. There are no changes or incentives in this document that would encourage the property owner to demolish or replace the apartment buildings with more expensive apartments. The City Council has consistently expressed strong support for maintaining Sunnyhills as an affordable housing community.
- 2) The City entered into an agreement with the property owner to pay \$1,250,000, for apartment building maintenance and upkeep improvements through February 2023. In exchange, the property owner agreed to renew existing HUD rent vouchers to preserve the existing affordability for the 149 apartments. This agreement helped the property owner's decision to not demolish or replace the apartment buildings with more expensive apartments.
- 3) The City further provided an additional \$200,000 for roof replacement on existing Sunnyhills apartment buildings. This will add more safety for residents and make the apartment buildings more weather resistant for another 10 to 15 years. This is another example of how the City has worked with the property owner to not demolish or replace the apartment buildings with more expensive apartments.
- 4) The property owner decided to propose the construction of 44 new housing units at Sunnyhills without the demolition of any existing apartments. New apartments and new neighbors demonstrate the owner's intent to maintain the Sunnyhills apartments as they exist today. These new apartments will not affect the existing 149 HUD apartment rent vouchers. The City's Planning Commission will meet on October 14, and public comments are welcome by e-mailing [planningdepartment@ci.milpitas.ca.gov](mailto:planningdepartment@ci.milpitas.ca.gov).
- 5) Lastly, when the existing HUD Covenant expires in February 2023, HUD will allow the property owner to renew the rent subsidy program through 2028 or later. The City sees no reason why the property owner would turn down such an ongoing beneficial financial incentive that guarantees him good steady income into the future. The City's decision to invest \$1,250,000 plus \$200,000 mentioned above has proven to be the best possible solution to keeping Sunnyhills apartments preserved and affordable now and into the future.

We hope this up-to-date information provides the answers to many of your questions, and assurance of the City's commitment to preserving and protecting the Sunnyhills apartment neighborhood. If you have any questions about the success of our efforts, you may e-mail [housing@ci.milpitas.ca.gov](mailto:housing@ci.milpitas.ca.gov) (408-586-3219). Thank you.