

**Department of Housing and
Community Development**

APR 01 2016

ANNUAL HOUSING ELEMENT PROGRESS REPORTCity or County Name: City of SunnyvaleMailing Address: 456 W. Olive Ave.
Sunnyvale, CA 94086Contact Person: Ernie Defrenchi Title: Affordable Hsg. Mgr.Phone: 408-730-2784 FAX: 408-737-4906 E-mail: edefrenchi@sunnyvale.ca.govReporting Period by Calendar Year: from 1/1/15 to 12/31/15

These forms and tables, (see sample – next page) must be submitted to HCD and the Governor's Office of Planning and Research (OPR) on or before April 1, of each year for the prior calendar year; submit separate reports directly to both HCD and OPR (Government Code Section 65400) at the addresses listed below:

Department of Housing and Community Development
Division of Housing Policy Development
P.O. Box 952053
Sacramento, CA 94252-2053

-and-

Governor's Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction City of Sunnyvale, CA
 Reporting Period 1/1/2015 - 12/31/2015

Table A
Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information										Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions
1	2	3	4				5	5a	6		7	8
			Affordability by Household Income						Assistance Programs for Each Development	Deed Restricted Units		
Project Identifier (may be A/P/N No. or address)	Unit Category	Tenure O=Owner R=Renter	Very Low-Income	Low-Income	Moderate-Income	Above-Moderate-Income	Total Units Per Project	Est. #/Infl. Units*	See Instructions	See Instructions	See Instructions	
Classics on the Square III	SF	O	0	0	1	12	13	13	NA	Inc	NA	
Classics @ Olive Tree Terrace	5+	O	0	0	1	9	10	10	NA	Inc	NA	
Classics @ Town Plaza	5+	O	0	0	3	21	24	24	NA	Inc	NA	
Sandalwood	5+	O	0	0	3	22	25	25	NA	Inc	NA	
610 Weddell Dr.	5+	R	16	0	0	189	205	205	NA	DB	NA	
550 Weddell Dr.	5+	R	18	0	0	216	234	234	NA	DB	NA	
520 Weddell Dr.	5+	R	9	0	0	222	231	231	NA	DB	NA	
Argues Place	5+	O	0	0	7	50	57	57	NA	Inc	NA	
Foundation	5+	O	0	0	3	30	33	33	NA	Inc	NA	
(9) Total of Moderate and Above Moderate from Table A3					0	25	25	25				
(10) Total by Income Table A/A3			43		18	796	857	857				
(11) Total Extremely Low-Income Units*												

* Note: These fields are voluntary

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**Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant
to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program fit the housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c) (7) of Government Code Section 65583.1
	Extremely Low Income	Very Low Income	Low Income	TOTAL UNITS	
(1) Rehabilitation Activity	0	0	0	0	
(2) Preservation of Units At-Risk	0	0	0	0	
(3) Acquisition of Units	0	0	0	0	
(5) Total Units by Income	0	0	0	0	

* Note: This field is voluntary

**Table A3
Annual building Activity Report Summary for Above Moderate-Income Units
(not including those units reported on Table A)**

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of Infill units*
No. of Units Permitted for Moderate	0	0	0	0	0	0	0
No. of Units Permitted for Above Moderate	25	0	0	0	0	25	25

* Note: This field is voluntary

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Table B

Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2015									Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level	RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
		Very Low	Dead Restricted Non-dead restricted	1,640	43	0						
Low	Dead Restricted	906	0								0	906
	Non-dead restricted		0								0	
Moderate	Dead Restricted	932	18								18	914
	Non-dead restricted		0								0	
Above Moderate		1,974	796								796	1,178
Total RHNA by COG. Enter allocation number.		5,452										
Total Units			857								857	4,595
Remaining Need for RHNA Period												

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

Table C
Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.	
Name of Program	Objective	Status of Program Implementation
BMR Housing Program	Continue to implement BMR Home Ownership Program. Review and refine BMR program guidelines and codes periodically as needed to accommodate changing market conditions and improve overall program effectiveness.	Ongoing: 2015-2023 Continuing to implement BMR Home Ownership Program. In calendar year 2015, 26 BMR homes were sold.
First Time Home Buyer Program	Continue to implement FTHB Program; aim to assist 5-10 homebuyers per year, or as demand warrants.	Ongoing: 2015-2023 Continuing to implement FTHB Program. In calendar year 2015, three home buyers were assisted.
Affordable Housing Development Assistance	Provide financial and regulatory assistance for new affordable housing development, using available funds.	Ongoing: 2015-2023 (Annual NoFA issuance) <ul style="list-style-type: none"> • Issued RFP in March 2015 for \$10M from 3 local funds: Housing Mitigation, BMR In-lieu, and Housing Successor Agency funds. • Proposal received requesting \$6M for Orchard Gardens project. • Made conditional award of \$5M to MidPen for 66-unit development at 460 Persian Dr. in early 2015 in response to 2014 RFP.

Density Bonus Provisions	Educate developers about density bonus incentives using outreach materials provided online and/or at the One-Stop Center. Promote use of density bonus in discussions with applicants and share the City's density bonus calculator tool with interested developers.	Ongoing: 2015-2023	Ongoing. Density bonus calculator was developed several years ago and has been shared with developers and Planning staff, and met with positive feedback. In 2015 one density bonus project (Parkside) was completed and six others are under construction, all of which used the calculator during the application stage.
Home Improvement Program	Continue to operate the Home Improvement Program to assist lower-income households with funding for housing rehabilitation and minor improvements. Assist a total of 15-20 households per year, or as demand warrants.	Ongoing: 2015-2023	Program continues to operate successfully; seven households were assisted in FY 14/15 and additional projects are currently in progress.
Multi-Family Rental Property Rehabilitation	Continue to offer below-market rate financing for rehabilitation of affordable rental units, using funding sources available for this purpose. Provide rehabilitation financing to one or more properties during the planning period.	Ongoing: 2015-2023	<ul style="list-style-type: none"> City provided \$1M loan for major rehabilitation of Morse Court, a 35-unit affordable rental project (work in progress). Committed \$1.05M in HOME and CDBG funds for rehabilitation of Crescent Terrace, a 48-unit senior affordable rental project.
Multi-family Rental Property Acquisition and/or Preservation	Assist in acquisition and/or preservation, alone or in combination with rehabilitation assistance, of at least one multi-family rental property during the planning period.	Enter into first funding agreement by 2017; other thereafter as feasible	<ul style="list-style-type: none"> The Morse Court and Crescent Terrace rehabilitation projects (above) are also preservation projects. Another acquisition/preservation project is in planning stage.

Neighborhood Preservation Program	Continue to implement the Neighborhood Preservation Program, with affordable housing support from the Housing Division.	Ongoing: 2015-2023	Housing staff provides ongoing support to the Neighborhood Preservation Program on an as-needed basis.
Preservation of Assisted Rental Housing	Maintain contact with owner of Life's Garden and offer financial and other assistance to maintain the affordability of the at-risk units.	Completed by 2017	Preservation and rehabilitation of this property is moving forward. The City will hold a "Tax and Equity Fiscal Responsibility Act" hearing on developer's proposed bond financing on March 29, 2016; staff is providing technical assistance to developer, who reported that they do not need City funding for this project.
Section 8 Rental Assistance	Support the Housing Authority in its efforts to maintain adequate federal funding for Section 8. Refer residents to the Housing Authority for Section 8 and related information. Encourage landlords to participate in the program.	Ongoing: 2015-2023	Ongoing.
Anti-Displacement Provisions	Consider developing an anti-displacement policy applicable to redevelopment or major renovation of larger rental properties. Conduct outreach on the topic with interested stakeholders before developing proposed provisions.	Begin program by 2016	Staff completed background research for this program and is planning to begin outreach process later this year.
Mobile Home Park Preservation	Continue to implement current mobile home park protections and maintain mobile home park zones. In the event of mobile home park closure, enforce the Mobile Home Park Conversion requirements to provide relocation assistance to park residents.	Ongoing: 2015-2023	Ongoing. One mobile home park began the conversion process in 2015 and the park owner has complied with the City's conversion requirements so far. This park was not subject to the City's park preservation policies (zoned commercial). Closure is expected to occur in August 2016.

Foreclosure Prevention	Provide information and referrals about available foreclosure services and related information through City public outreach channels.	Ongoing: 2015-2023	Ongoing
Condominium Conversion Regulations	Continue to provide tenant protections through implementation of the City's condominium conversion regulations.	Ongoing: 2015-2023	Ongoing
Consider Modifications to Development Standards for Accessory Living Units (ALU's)	Conduct outreach, complete analysis of ALU standards and possible modifications, and provide recommendations for public, stakeholder, and Council consideration.	Begin program by 2017	Plan to begin program in 2017
Retooling the Zoning Code	Complete the Retooling project by providing a final draft of the Zoning Code for Council consideration by the end of 2015.	Complete project by 2016	Project should be completed in late 2016 (some delay from initial schedule due to very high volume of development activity in past 2 years).
Residential Sites Inventory	Maintain current inventory of potential residential and mixed use sites; provide to developers with information on incentives.	Ongoing: 2015-2023	Ongoing; information is in online Housing Element and other website content; also available at One-Stop Permit Center.
Minimum Densities	Inform developers of policy to develop to at least 75% of General Plan density.	Ongoing: 2015-2023	Ongoing. Planning staff reviews development applications to ensure that proposed projects meet this standard; this information is also highlighted in reports to Planning Commission.

Downtown Specific Plan	Encourage provision of affordable housing by requiring BMR units to be provided on-site or within the boundaries of the Specific Plan, and by promoting density bonus incentives.	Ongoing: 2015-2023	Ongoing.
Accessory Living Units	Facilitate the development of new accessory living units by making information about how to obtain permits for them available to the public.	Ongoing: 2015-2023	Ongoing. Information is available online and at One-Stop Permit Center.
Housing Policies for Priority Development Areas	Consider developing specific housing policies for designated PDAs in the City through preparation of specific plans or station area plans.	Begin program by 2017	Work in progress for two PDAs: Lawrence Station Area Plan (LSAP) (draft published in Feb. 2015) and El Camino Real Specific Plan (update in process) both include/will include specific housing policies.
Fair Housing Program	Contract with qualified fair housing agencies to provide fair housing services to the extent funding is available. Provide fair housing brochures at City facilities and fair housing information on the City's website, with links to HUD fair housing page. Participate in the Santa Clara County Fair Housing Task Force.	Ongoing: 2015-2023	Ongoing. <ul style="list-style-type: none"> • City provided CDBG grants to Law Foundation for fair housing services in FYs 14/15 and 15/16. • In April 2015 staff hosted a Fair Housing workshop. • Housing staff maintains webpage with current fair housing information and resources. • Brochures and posters provided at City and partner agency facilities.

Accessible Housing	Maintain procedures for reasonable accommodations in codes and permitting. Adopt accessibility updates to codes as needed. Provide grants for accessibility improvements for eligible households, and provide CDBG funds for accessibility improvements to pedestrian facilities as needed in residential neighborhoods.	Ongoing: 2015-2023	<ul style="list-style-type: none"> • City codes are updated; reasonable accommodation procedures are available to Planning/Building permit applicants. • City operates Home Access Grant program. • City provided CDBG funding for accessibility retrofits of pedestrian facilities in FY 14/15.
Programs to Address Homelessness	Provide funding for programs that seek to prevent and end homelessness and provide supportive services, such as the TBRA and WorkFirst Sunnyvale programs. Offer financing for permanent supportive housing and projects that reserve units for homeless applicants.	Ongoing: 2015-2023	<p>City continues to provide significant funding for these programs:</p> <ul style="list-style-type: none"> • WorkFirst Sunnyvale • TBRA • Supportive Services <p>City financing provided to several projects with some PSH/homeless units (Parkside, Onizuka, and pending to 460 Persian).</p>
Special Needs Housing Development Assistance	Include priority for special needs units in all City notices of funding availability for new housing construction, rehabilitation, and/or preservation projects. Aim to assist in the development of one new project with some units reserved for special needs tenants. Encourage developers to include advocacy groups in marketing and leasing efforts related to newly available units.	Begin program by 2016	<ul style="list-style-type: none"> • RFPs issued in 2014 and 2015 included this priority. • Pending proposal, Orchard Gardens will include 43 units for special needs tenants in partnership with local advocacy group and service providers.

<p>Housing for Large Families and Single-Parent Households</p>	<p>Encourage rental developers to include units with three or more bedrooms, and to provide family-friendly common areas, open space and amenities such as on-site child care. Inform developers of the density bonus incentives for qualifying projects with child care facilities.</p>	<p>Ongoing: 2015-2023</p>	<p>Ongoing.</p>
<p>Sustainability and Green Building</p>	<p>Continue the City's comprehensive sustainability and green building programs.</p>	<p>Ongoing: 2015-2023</p>	<p>Ongoing. City offers a density bonus for projects meeting green building standards.</p>

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General Comments:

III. DESCRIPTION OF EXPENDITURES FROM LMIHAF

Although funds were deposited to the LMIHAF in FY 14/15, there were no expenditures from the fund that fiscal year, as no expenditures had been budgeted for FY 14/15 due to uncertainty about it and when any deposits might be made to the LMIHAF, and the prior year's fund balance of zero. However, the City's Adopted Projects Budget for FY 15/16 (the current fiscal year) included an allocation of \$250,000 in LMIHAF for a new Homeless Prevention and Rapid Re-housing (HPRR) Program, using funds deposited into the fund in FY 14/15. Expenditures for that new program will be reported in next year's annual report, which will cover FY 15/16.

IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

Under the Dissolution Law and for purposes of this Report, the "statutory value of real property" means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule approved by the Department of Finance as listed in such schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of property(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The Housing Successor Agency has no assets according to the above definition. For details, please see the due diligence report available on the Successor Agency website.

V. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successor(s) under Section 34176.1(c)(2) during the Fiscal Year. The Housing Successor Agency has no assets according to the above definition. For details, please see the due diligence report available on the Successor Agency website.

VI. PROJECT DESCRIPTIONS

The Housing Successor had no projects in FY 14/15.

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; however, this Report presents a status update on the project related to such real property.

With respect to interests in real property acquired by the former redevelopment agency prior to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, if any the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset.

The Housing Successor does not own any real property.

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing. The former RDA did not incur any Section 33413(a) replacement housing obligations nor transfer any such obligations to the Housing Successor. Various plans and reports of the former Redevelopment Agency are posted on the Agency Oversight Board's website at Sunnyvale.ca.gov.

Inclusionary/Production Housing. The former RDA did not incur any Section 33413(a) Inclusionary/Production housing obligations nor transfer any such obligations to the Housing Successor. Various plans and reports of the former Redevelopment Agency are posted on the Redevelopment Successor Agency Oversight Board's website at Sunnyvale.ca.gov.

The Housing Successor has no outstanding or unmet obligations pursuant to Section 33413.

IX. EXTREMELY LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor spend at least 30% of the LMIHAF to assist in development of rental housing affordable to and occupied by extremely low income (ELI) households, which are households with incomes that do not exceed 30% of the AMI. If the Housing Successor fails to comply with this ELI requirement in any five-year reporting period, then it must annually spend at least 50% of the funds remaining in the LMIHAF following that reporting period on rental housing affordable to ELI households, until it demonstrates compliance with the ELI requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

The Housing Successor did not spend any LMIHAF in FY 14/15, however it will prioritize and encourage development and preservation of ELI rental units in any projects assisted by the Housing Successor in the future.

X. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future LMIHAF funds to assist additional senior housing units until the Housing Successor or City assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10 year period of 2005-2014:

City-Assisted Rental Units, 2005-2014 (Calendar Years)	
Total Assisted Senior Units	273
Total Assisted Units	695
Senior Housing Percentage	39.2%

Note: "Total assisted units" counts deed-restricted, standard rental dwelling units only; does not count single-family homes assisted with rehabilitation loans or grants, inclusionary housing units that did not receive City subsidies, or City-assisted shelters or transitional housing units, pursuant to guidance of Successor Agency legal counsel.

XI. EXCESS SURPLUS TEST

Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the Housing Successor's preceding four Fiscal Years, whichever is greater.

The Housing Successor had a balance of \$440,070.02 at the end of FY 14/15, which did not constitute an excess surplus according to the above definition.

