


**City Council**

**Item #3**  
**RTC 21-918**  
**Study Session**  
**Housing Element**

**April 6, 2021**

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**City of Santa Clara**  
The Center of What's Possible

# Housing Element

## Study Session Goals

- Overview of State Requirements for Housing Element Update
- Share information on RHNA allocation process
- Provide input on potential strategies including an update to the Affordable Housing Ordinance
- Review next steps



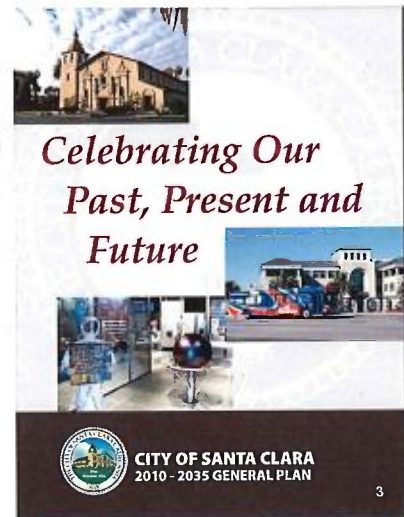
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# Housing Element

## State Requirements

- General Plan – Required Elements: 7 (+ 1 or 2\*)
- Housing Element must be reviewed / approved by California State Housing and Community Development (HCD)
- Jurisdictions must update their housing elements every eight (8) years:
  - Cycle 5 Housing Element certified 2/13/2015
  - Cycle 6 Housing Element due 1/31/2023



# Housing Element

## Status of Required General Plan Amendments

Amendments to be made during the next Housing Element Update, or by 2022, as required by State Law:

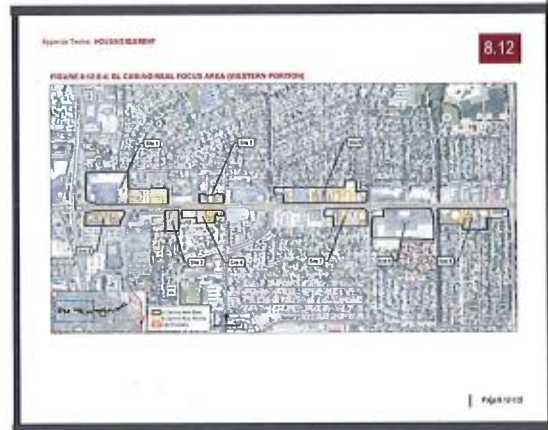
- An Environmental Justice element, to identify objectives and policies to reduce the unique or compounded health risks in disadvantaged communities
- Climate Adaptation and Resilience Policies, to be included as a part of the 2021 Climate Action Plan Update
- An update of the Safety Element for Fire Hazards and Climate Change



# Housing Element

## Components

- Review of previous Housing Element
- Goals, Programs, and Policies
- Housing Needs
- Governmental and Non-Governmental Constraints
- Sites Inventory and Analysis
  - Availability per State criteria
  - RHNA capacity per State criteria



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# Housing Element

## Regional Housing Needs Allocation (RHNA)

- State Department of Housing and Community Development (HCD) determines regional housing needs by affordability levels for 8-year planning cycles
- Association of Bay Area Governments (ABAG) allocates share of region's housing needs by affordability level to every jurisdiction
- Local jurisdictions update their housing elements every 8 years to demonstrate available capacity to accommodate their allocation

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# Housing Element

## Regional Housing Needs Allocation (RHNA)

- Housing Element must demonstrate capacity for full development of RHNA within the 8-year time period & provide annual progress reports
- RHNA Allocation is divided up by income level
  - Very Low Income (0-60% AMI)
  - Low Income (60-80% AMI)
  - Moderate Income (80-120% AMI)
  - Above Moderate / Market Rate (>120% AMI)

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# Housing Element

## Housing Production 2015-2022 (Building Permits)

Income Level	RHNA Target	2015	2016	2017	2018	2019	2020	Total
Very Low	1,050		1			130	37	168
Low	695		1			15	158	174
Moderate	755	19	16	6	5	8	3	57
Above	1,593	212	399	1,609	1,162	626	415	4,423
Total	4,093	231	417	1,615	1,167	779	613	4,822

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# Housing Element

## Cycle 6 (2023 – 2031) RHNA Allocation Process

- State allocation to Bay Area (ABAG) Region
- ABAG Board adopted Draft RHNA Methodology (1/21/2021)
- HCD reviews Draft RHNA Methodology
- ABAG Final RHNA Methodology/DRAFT RHNA (spring 2021)
- Appeal Period (summer 2021)
- Final RHNA (end 2021)
- (Adopted Housing Element due January 2023)

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# Housing Element

## Cycle 6 (2023 – 2031) RHNA (Illustrative Allocations)

- Bay Area: 441,176 units (~2.5 x Cycle 5)
- Santa Clara County: 129,579 units (29.4% of Bay Area)

City of Santa Clara (Illustrative Allocations)	
Very Low Income (0-60% AMI)	2,872 units
Low Income (60-80% AMI)	1,653 units
Income (80-120% AMI)	1,981 units
Above Moderate/Market Rate (>120% AMI)	5,126 units
Total	11,632 units (2.6% of County)

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# Housing Element

## City of Santa Clara Cycle 5 and 6 Comparison

Income Category	Cycle 5 (2015-2023)	Cycle 6 (2023-2031)
Very Low	1,050	2,872
Low	695	1,653
Moderate	755	1,981
Above Moderate	1,593	5,126
<b>Total</b>	<b>4,093</b>	<b>11,632</b>

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# Housing Element

## Cycle 6 (2023 – 2031) Strategies

- General Plan Growth Capacity
- Long Range Plans (Specific Plans, Precise Plans, Focus Areas)
- Accessory Dwelling Units (ADUs)
- Zoning Code Update
- Affordable Housing Ordinance

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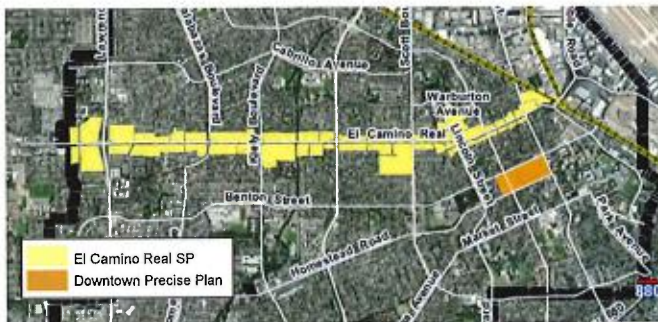




# Housing Element

## Strategies – Long Range Plans

Planned Capacity: ~16,000 Units



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# Housing Element

## Accessory Dwelling Units

- 71 Building Permits Issued (2020)
- Zoning Code Update
- Affordable by design
- Housing Collaborative providing support



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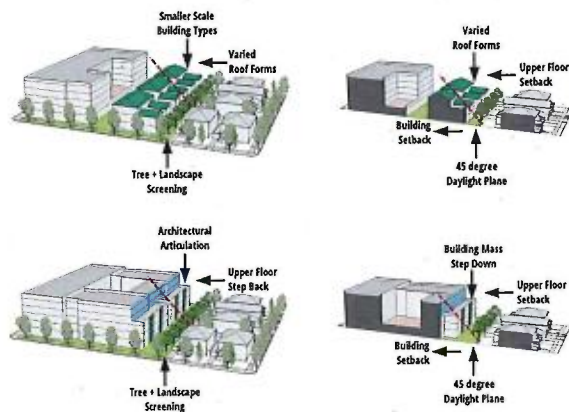
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# Housing Element

## Zoning Code Update

- Codify objective design standards
- Create development standards that reflect modern development (reduce need for PD Zonings)
- Rezone sites to be consistent with General Plan



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# Housing Element

## Affordable Housing Ordinance

- Tasman East Specific Plan (10% Phase 1, 15% Phase 2)
- Citywide Affordable Housing Requirements (adopted January 2018)
  - Projects of 10+ units provide at least 15% of units affordable at average income  $\leq 100\%$  AMI
  - Projects <10 units can pay In-Lieu Fee or provide 1 inclusionary unit
  - Option for alternative fulfillment that benefits the City
  - Commercial linkage fees
- Feasibility Study (2021)

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# Housing Element

## Affordable Housing Ordinance – Feasibility Study

- Initiated to provide information
- No specific proposal
- Meet legal requirements
- Independent verification of market feasibility

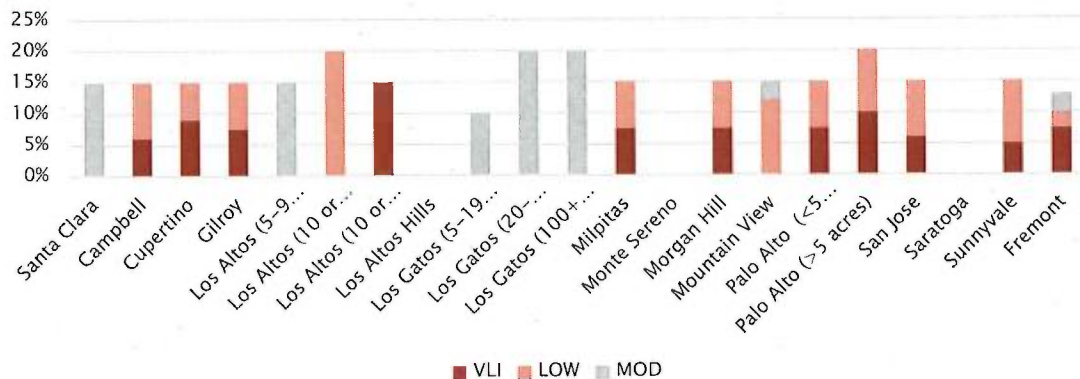
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# Housing Element

## Neighboring Cities Affordable Housing, Citywide Rental



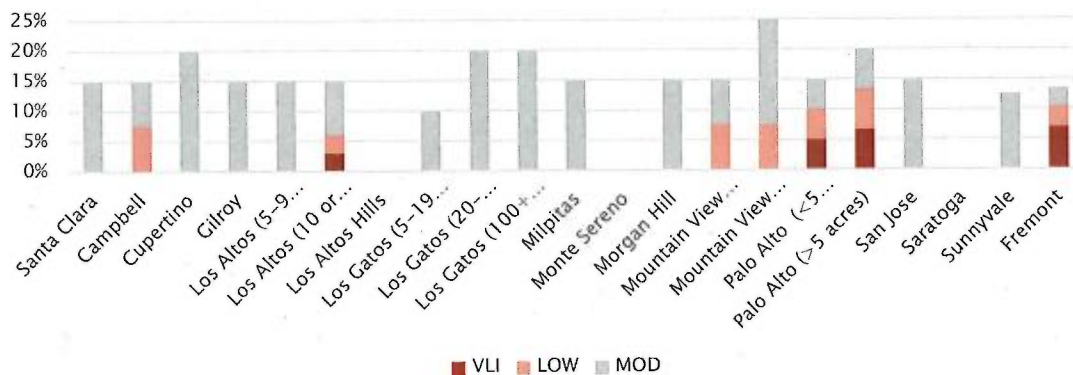
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## Housing Element

### Neighboring Cities Affordable Housing, Citywide For-Sale



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## Housing Element

### Affordable Housing Feasibility Prototypes

Product	Density & Construction Type
Mid rise Condo	50 DU/Ac, Type V
Mid rise Rental	65 DU/Ac, Type V
Intermediate Rise Rental	100 DU/Ac, Type III
High Rise Rental	200 DU/Ac, Type I
Townhome	20 DU/Ac, Type V



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# Housing Element

## Affordable Housing Feasibility Prototypes

FEBRUARY 2021

Prototyping And Initial Pro Formas

Developer Input

March  
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City Council Study Session

April 6

APRIL 2021 +

Next Steps TBD

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# Housing Element

## Affordable Housing Ordinance Considerations

- Other cities have similar or greater requirements
- Some Prototypes (e.g., Type I) already face feasibility challenges
- Some Prototypes (e.g., Type III) currently at feasibility limit
- Townhouse development most able to bear increased requirements
- Some projects become feasible if they can use a density bonus
- Increased inclusionary requirement could cause project to qualify for density bonuses, resulting in more units that offset increased costs
- Density bonus not helpful if it requires a change in construction type

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# Housing Element

## Possible Options

- Maintain Status Quo
- Proceed with focused changes based on feasibility study
- Re-evaluate commercial linkage fees
- Explore incentives or changes to other requirements that can offset financial impact of added affordability requirements

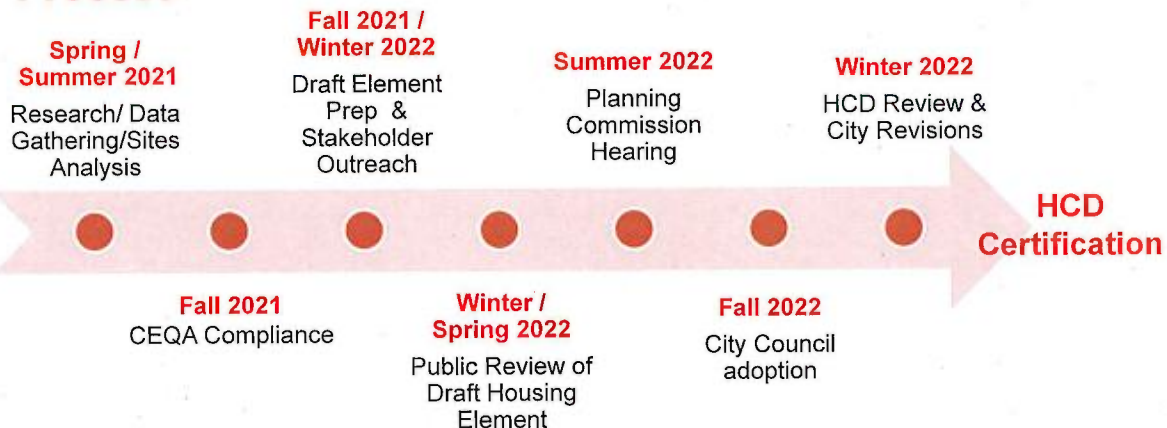
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# Housing Element

## Process



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The seal of the City of Santa Clara, California, is circular. It features a central illustration of a mission-style building with a red roof and a bell tower, set against a blue sky with clouds and a green field. The year "1852" is prominently displayed in the center. The outer ring of the seal contains the text "CITY OF SANTA CLARA CALIFORNIA" at the top and "THE MISSION CITY" at the bottom, separated by small stars.

**City Council**

**Item #3**  
**RTC 21-918**  
**Study Session**  
**Housing Element**

**April 6, 2021**

04-06-21

ITEM # 3  
RT# 21-918

**Melissa Meslo**

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**From:** Public Comment  
**Sent:** Tuesday, April 6, 2021 8:49 PM  
**To:** Melissa Meslo  
**Subject:** FW: Public Comment for April 6, 2021 City Council Meeting - Item #21-918 - Study Session: Housing Element Update  
**Attachments:** santaclarapril62021meetingVIERRApubliccomment1.docx

PMM for study session

**From:** dvierra@ymail.com <dvierra@ymail.com>  
**Sent:** Tuesday, April 6, 2021 10:48 AM  
**To:** Public Comment <PublicComment@santaclaraca.gov>  
**Subject:** Public Comment for April 6, 2021 City Council Meeting - Item #21-918 - Study Session: Housing Element Update

Hi!

Attached are comments that I wish to submit to the City Council for the meeting this evening (April 6, 2021 at 4:00 pm) regarding Item #21-918; Study Session: Housing Element Update.

Please contact me with any questions and confirm receipt.

Thank you!

Regards,

Dave Vierra



**DAVID A. VIERRA**  
**BROKER**  
  
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**POST MEETING MATERIAL**





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April 6, 2021

Mayor Lisa M. Gillmor  
Vice Mayor/Councilmember Raj Chahal  
Councilmember Kathy Watanabe  
Councilmember Karen Hardy  
Councilmember Kevin Park  
Councilmember Sudhanshu Jain  
Councilmember Anthony Becker

**CITY OF SANTA CLARA**

1500 Warburton Avenue  
Santa Clara, California 95050

Delivered via email: [publiccomment@santaclaraca.gov](mailto:publiccomment@santaclaraca.gov)

**RE: PUBLIC COMMENT – APRIL 6, 2021 COUNCIL MEETING; AGENDA ITEM#: 21-918: STUDY SESSION:  
HOUSING ELEMENT UPDATE**

Dear Mayor Gillmor and Councilmembers:

My name is David Vierra and my family and I own property located at 2050 Lafayette Street in Santa Clara. Our family also owns several contiguous parcels surrounding 2050 Lafayette Street which total approximately 5.0-acres. My family has owned property here and elsewhere in Santa Clara for generations. Prior to their current uses, our properties were part of our family ranch.

Although properties on our section of Lafayette Street, Parker Court and DiGiulio Avenue have provided housing for decades, our underlying zoning is "ML" or Light Industrial. I feel that my family and I are now at a crossroad similar to what my grandparents faced at the property approximately 70 years ago. As immigrant ranchers they were approached by neighbors and friends who worked at the nearby cannery who were having difficulty finding a place to live. My grandparents did not know the apartment house business, but nonetheless converted a part of their ranch to help provide much-needed housing. Those buildings stand on our property today.

As updated RHNA studies and other data show, there is clearly an affordable housing crisis now in Santa Clara. I have advocated for years to try and get our property considered during past general plan and housing element updates or for inclusion in a Specific Plan, but our area has routinely been overlooked and dismissed by staff.

Over the years my family and I have been approached by several respected market-rate and affordable housing developers with an interest in redeveloping our site with higher-density, more efficient and much-needed housing that could have served multiple income levels. Those groups experienced the same lack of support from the city.

Recently, my family and I have been approached by groups looking to redevelop our properties with a large data center. Although a data center use would be conforming with our underlying zoning and has been openly encouraged by some in the Planning Department, it still strikes me as a missed opportunity to do the right thing and preserve and intensify much-needed housing; particularly housing that has existed on our property and the surrounding parcels for decades.

After the ranch, housing is the original use of these properties. We are not trying to force a residential use into an existing industrial area. To the contrary, we are trying to preserve, intensify and protect long-time housing from extinction from industrial redevelopment.

As you begin the process of updating the housing element of the general plan, I believe that it is time to take steps to change what appears to be a serious oversight in excluding our properties, neighborhood, and other properties like ours for consideration in this housing element update.

With that background and perspective, I have questions that I wish to have considered as part of the housing element update discussion this evening (and hopefully beyond):

- Housing of all levels is clearly critically needed in Santa Clara and this was shown in the most recent RHNA findings. Why isn't staff looking into long-time residential-use (conforming and legal non-conforming) parcels in low-impact locations in the city to preserve/intensify much-needed housing?
- Wouldn't taking a closer look at preserving existing legal non-conforming use housing help address the challenges staff believes are presented by recent changes to State Housing Element Law via measures such as SB 166, AB 1397, AB 686, AB 725, and SB 330?
- How difficult would it be for the city to look into at least considering additional specific plans for existing clusters of long-time legal non-conforming use residential properties to preserve, improve and potentially intensify much-needed housing?
- What was the criteria used to select the participants in the March 16, 2021 "Citywide Affordable Housing Ordinance Stakeholder Outreach" meeting? Was the public invited to be a part of this outreach? As a provider of 40 long-time unsubsidized low-income housing units for the City of Santa Clara, and an experienced commercial real estate professional, I would have appreciated at least a notification of this meeting and been given an opportunity to provide feedback.
- The housing element update report claims that long-range planning efforts like the El Camino Real Specific Plan and others will "collectively address the City's RHNA obligation." How can the El Camino Specific Plan be realistically counted on to provide impactful future housing when even this report and the Memorandum dated March 16, 2021 from EPS, Inc. indicates that there are numerous challenges such as the height of new construction along El Camino, questionable density that will be needed to make the projects economically feasible because of the physical limitations of sites along El Camino Real, costly structured parking and political pushback from contiguous single-family residences objecting

to the massing of the housing proposed along El Camino Real and the impact that it will have on those neighborhoods?

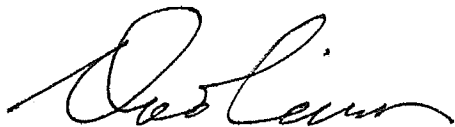
- This report appears to utilize the same methodology used in general plan and housing element updates for years with seemingly no interest in considering alternative options or “thinking outside the box” in looking for solutions to the city’s clear need to provide all levels of housing.
- The report claims to have a target date of Fall 2022 for adoption of this housing element update. Is it still possible for this report and the update to be modified to reconsider other alternatives and include properties that could preserve and create much-needed housing (particularly affordable) for the city?
- Does the city really want long-time existing housing to be scraped and residents displaced for another data center, industrial building, or other non-residential use considering our current housing crisis? Why not look to preserve and improve housing that has peacefully existed and served an important function for the city over decades?

My family and I greatly appreciate and respect the challenging job that you all have in planning for the current and future needs of the City of Santa Clara.

Thank you for your time and consideration.

Please do not hesitate to contact me with any questions or if I can be of any assistance.

Regards,

A handwritten signature in black ink, appearing to read "David A. Vierra". The signature is fluid and cursive, with a large initial "D" and "V".

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