



Leadership Board

Ron Gonzales, Chair
*Hispanic Foundation
of Silicon Valley*

Janice Jensen, Vice Chair
*Habitat for Humanity
East Bay/Silicon Valley*

Kevin Zwick, Treasurer
Housing Trust Silicon Valley

Kathy Thibodeaux, Secretary
KM Thibodeaux Consulting LLC

Shiloh Ballard
Silicon Valley Bicycle Coalition

Bob Brownstein
Working Partnerships USA

Christine Carr
Silicon Valley Bank

Rahul Chandhok
San Francisco 49ers

Katie Ferrick
LinkedIn

Amie Fishman
*Non-Profit Housing Association
of Northern California*

Javier Gonzalez
Google

Poncho Guevara
Sacred Heart Community Service

Jan Lindenthal
MidPen Housing

Jennifer Loving
Destination: Home

Mary Murtagh
EAH Housing

Chris Neale
The Core Companies

Andrea Osgood
Eden Housing

Kelly Snider
Kelly Snider Consulting

Jennifer Van Every
The Van Every Group

Staff

Leslye Corsiglia
Executive Director

TRANSMITTED VIA EMAIL

January 26, 2017

Honorable Mayor Gillmor and Members of the City Council
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA

Re: January 26, 2017 City Council Goal Setting Retreat

Dear Mayor Gillmor, Vice Mayor O'Neill, and Councilmembers Caserta, Davis, Kolstad, Mahan and Watanabe:

Silicon Valley at Home (SV@Home) is the voice of affordable housing in Silicon Valley, representing a broad range of interests, from leading employers who are driving the Bay Area economy to labor and service organizations, to nonprofit and for-profit developers who provide housing and services to those most in need.

On behalf of our members, we thank you for the opportunity to provide comments on the Council's goals. In light of our region's acute affordable housing crisis, **SV@Home strongly recommends that the Council take actions to increase the City's stock of affordable and moderate-income homes and achieve a better jobs-housing balance in 2017.** We urge the Council to:

- Advance existing residential developments in the City's pipeline,
- Establish affordable housing goals for Santa Clara's focus areas and specific plan areas,
- Adopt meaningful affordable housing impact fees, and
- Identify land for affordable housing projects that can leverage Measure A funds.

The City of Santa Clara has the second highest jobs-housing imbalance in Santa Clara County with close to 3 jobs available for each worker. It is also important to note that while 13 percent of the jobs in the City pay very low wages, less than 5 percent of the City's housing stock is affordable to these workers (Attachment 1).

When fully built out in four to five years, the recently approved City Place Project will add as many as 30,000 new jobs to Santa Clara. And while the development

will also include up to 1,680 new homes, these units are far fewer than what is required for the City to adequately house its current and future workers.

To address this, SV@Home recommends the following near-term actions to increase the City's stock of both affordable and market rate housing:

Advance existing residential developments in the City's pipeline. During the community engagement process for the City Place Project, the City stated that a number of new residential developments, with the potential to add as many as 20,000 new homes, are being considered by the City. We strongly urge the Council to ensure that these new homes are built as soon as possible. How many residential projects are currently in the development pipeline? When does the City anticipate these new developments to be completed? How will the new residential developments affect the City's jobs and housing balance (J/ER) and fit (JHfit)?

Establish affordable housing goals. During the last RHNA cycle, the City only created 21 percent of the affordable housing required, but it exceeded its market rate allocation by providing more than double what was required. To ensure that enough affordable housing is built, the City of Mountain View is considering a 20 percent affordability goal for the North Bayshore Precise Plan; Sunnyvale is considering a 25 percent goal for the El Camino Precise Plan; and San Jose recently adopted a 25 percent goal for all its Urban Villages. Following the example of neighboring jurisdictions, **we strongly urge the City to establish affordable housing goals as part of specific plans and focus areas.**

Adopt Meaningful Affordable Housing Impact Fees. We commend the City for undertaking proactive community outreach on proposed residential and commercial linkage fees. Neighboring jurisdictions have an established history of utilizing both these fees without dampening demand for new development. **We urge the Council to continue to prioritize adopting and implementing these fees in 2017.**

Identify Land for Measure A Implementation. The Office of Housing and Supportive Services has embarked on the process of implementing Measure A. We strongly urge the Council to identify land, including any publicly-owned opportunity sites, for developments that can leverage Measure A bond funding.

Again, thank you for the opportunity to provide feedback. We welcome any questions you may have regarding the above recommendations. Furthermore, we thank you for your leadership and service to improve the City of Santa Clara for all its residents. We look forward to working with you in 2017 and beyond to create a more vibrant and equitable city.

Sincerely,



Pilar Lorenzana
Deputy Director



2007-2014 Regional Housing Needs Allocation (RHNA) Progress

Jurisdiction	Very Low Income up to 50% ami			Low Income 51% to 80% ami			Moderate Income 81% to 120% ami			Above Moderate Income more than 120% ami			Total		
	RHNA	Permits Issued	% Met	RHNA	Permits Issued	% Met	RHNA	Permits Issued	% Met	RHNA	Permits Issued	% Met	RHNA	Permits Issued	% Met
Campbell	199	32	16%	122	300	246%	158	67	42%	413	217	53%	892	616	69%
Cupertino	341	38	11%	229	31	14%	243	58	24%	357	657	184%	1,170	784	67%
Gilroy	319	29	9%	217	70	32%	271	65	24%	808	1,262	156%	1,615	1,426	88%
Los Altos	98	23	23%	66	22	33%	79	12	15%	74	784	1059%	317	841	265%
Los Altos Hills	27	25	93%	19	10	53%	22	5	23%	13	76	585%	81	116	143%
Los Gatos	154	2	1%	100	41	41%	122	5	4%	186	180	97%	562	228	41%
Milpitas	689	336	49%	421	109	26%	441	264	60%	936	6,442	688%	2,487	7,151	288%
Monte Sereno	13	6	46%	9	12	133%	11	3	27%	8	14	175%	41	35	85%
Morgan Hill	317	98	31%	249	100	40%	246	43	17%	500	1,286	257%	1,312	1,527	116%
Mountain View	571	237	42%	388	28	7%	488	4	1%	1,152	2,387	207%	2,599	2,656	102%
Palo Alto (C)	690	156	23%	543	9	2%	641	128	20%	986	787	80%	2,860	1,080	38%
San Jose (C)	7,751	1,774	23%	5,322	1,038	20%	6,198	144	2%	15,450	13,073	85%	34,721	16,029	46%
Santa Clara (C)	1,293	412	32%	914	111	12%	1,002	198	20%	2,664	5,952	223%	5,873	6,673	114%
Saratoga	90	-	0%	68	13	19%	77	5	6%	57	20	35%	292	38	13%
Sunnyvale (C)	1,073	572	53%	708	402	57%	776	1,204	155%	1,869	2,403	129%	4,426	4,581	104%
SCC Unincorp.	253	58	23%	192	396	206%	232	166	72%	413	422	102%	1,090	1,042	96%
County Totals	13,878	3,798	27%	9,567	2,692	28%	11,007	2,371	22%	25,886	35,962	139%	60,338	44,823	74%

Source: Association of Bay Area Governments, September 2015

Jobs and Housing Fit (JHFit)

LW JHFit Ratio (2011)	LW JHFit Ratio (2013)	LW JHFit Ratio (2014)	J/H Balance	% low wage jobs	% afford- able homes
6.67	8.31	8.06	1.60	22.7%	6.2%
11.89	14.20	14.05	1.71	15.5%	3.5%
3.41	4.32	4.45	1.09	31.9%	10.6%
12.21	14.60	19.13	0.95	20.1%	2.8%
4.97	7.39	6.33	0.67	14.2%	4.6%
10.62	11.05	11.22	1.34	23.2%	4.3%
9.85	9.82	8.98	2.18	19.3%	7.9%
6.93	7.62	5.95	0.32	30.5%	3.4%
13.08	11.32	7.45	1.04	23.4%	8.0%
4.03	5.26	6.04	2.66	9.6%	7.7%
6.32	6.82	6.71	3.83	10.4%	7.3%
3.98	4.37	4.45	1.25	20.0%	9.6%
6.72	8.39	9.33	2.38	12.8%	4.5%
3.50	3.59	5.14	0.72	26.1%	4.8%
3.65	4.69	5.44	1.58	10.9%	8.7%

Source: UC Davis Center for Regional Change, October 2016.

See notes below

Notes on Jobs and Housing Fit Data:

Data Sources:

Jobs data comes from the Longitudinal Employer Household Dynamics (LEHD) Origin-Destination Employment Statistics Dataset (LODES), Workplace Area Characteristics file, published by the U.S. Census and available for download here: <http://lehd.ces.census.gov/data/>. It includes all employment covered by the Unemployment Insurance system, along with Federal Government employment. It excludes self-employed workers. Since its reference point is essentially jobs held on April 1st each year, it undercounts seasonal employment in other times of the year. Housing data is calculated from the American Community Survey, 5-year files, also published by the U.S. Census. The data was downloaded from DataFerrett: <http://dataferrett.census.gov/>

Definitions:

For the purposes of this analysis: *Low-wage jobs* are defined as those jobs with earnings of \$1250/month or less; *Affordable rental units* are defined as rental units with less than \$750/month rent; *Affordable Owned Units* are defined as those owner-occupied or vacant for sale housing units valued at less than \$150,000.

Methodology:

The definition for low-wage jobs of \$1250/month or less of earnings is pre-determined by the LODES dataset, which only reports on job earnings in three categories: earnings \$1250/month or less; earnings \$1251/month to \$3333/month; and earnings greater than \$3333/month. In determining housing affordability, it was important for us to develop a threshold that was based on a multiple of this \$1250 income threshold, rather than a measure of area median income (which is often used in affordable housing programs). This was because we want to be able to easily update the analysis on an annual basis and compare trends over time, and thus need a consistent measure of housing affordability that corresponds with the (unchanging) measure of low-wage jobs. \$750/month corresponds to the equivalent of 30% of household income if 2 income earners in a household were both earning \$1250/month. ($\$750 \times 2 \times 30\% = \750). This is probably a generous estimate of affordability, since the average household in California has approximately 1.4 income earners. The threshold of \$150,000 for an affordable owned home is based on a calculation of monthly principal and interest payments on a 30-year 4% fixed-rate mortgage of \$120,000 (80% of home-value) plus an estimated 1.2% general property tax and municipal assessments rate, which comes to \$723/month. This assumption doesn't take into account additional insurance costs or potential tax savings, and doesn't address where a 20% down-payment for the home might come from. Given these limitations in an assumption of owned-home affordability, our focus is on affordable rental units. *It is important to note that 'affordable housing' in this context does not refer to subsidized or deed-restricted units, which is frequently the definition used in the affordable housing field. Rather it is a measure of actual rent based on all units, regardless of deed restrictions or eligibility for subsidy.*