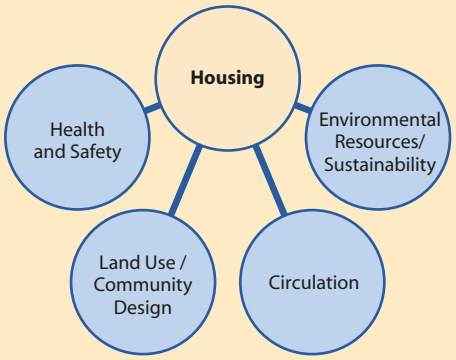
Section 3
Housing



CONTENTS

3-1 Introduction
3-2 Housing Needs Assessment
3-8 Regional Housing Needs Determinations 2007-2014
3-8 Housing Resources
3-10 Housing Plan

1. INTRODUCTION

Cupertino is a unique community with a high-quality of life, a renowned school system and a robust high-tech economy. The long-term vitality of the Cupertino community and local economy depend on a full range of housing to meet the needs of all segments of the City's population. As Cupertino looks towards the future, the increasing range and diversity of housing options will be an integral aspect of the City's development. Consistent with Cupertino's goal of becoming a balanced community with a full range of land uses, this plan sets forth a vision for guiding future residential development, as well as for preserving and enhancing existing residential areas.

Role and Content of Housing Element

The purpose of this Housing Element is to adopt a comprehensive, long-term plan to address the housing needs of the City of Cupertino. Along with seven other mandated elements, the State requires that a Housing Element be a part of the General Plan. Updated every five to seven years, the Housing Element is Cupertino's primary policy document regarding the development, rehabilitation, and preservation of housing for all economic segments of the population.

Per State Housing Element law, the document must

- Outline a community's housing production objectives;
- List policies and implementation programs to achieve local housing goals;
- Examine the need for housing resources in a community, focusing in particular on special needs populations;
- Identify adequate sites for the production of housing serving various income levels;
- Analyze the potential constraints to production; and
- Evaluate the Housing Element for consistency with other components of the General Plan.

2. HOUSING NEEDS ASSESSMENT

The purpose of the Housing Needs Assessment is to describe housing, economic, and demographic conditions in Cupertino, assess the demand for housing for households at all income-levels, and document the demand for housing to serve various special needs populations. The Housing Needs Assessment is intended to assist Cupertino in developing housing goals and formulating policies and programs that address local housing needs.

Regional Context

Cupertino is a suburban city of 10.9 square miles located in Santa Clara County. The city was incorporated in 1955 and grew from a small agricultural community into a suburban community during the expansion of Silicon Valley. The cities of Los Altos and Sunnyvale limit the northern frontiers of Cupertino while the cities of Santa Clara and San Jose lie to the east and Saratoga lies to the south of Cupertino. Unincorporated areas of Santa Clara County form the southern and western boundaries of the city. Cupertino is dominated by single-family subdivisions with distinctive commercial and employment centers separated from the surrounding residential areas. Because of the suburban pattern, the city has a largely automobile-based land use and transportation system. Highway 85 functions as the main north/south traffic route through the city and Interstate 280 is a major east/west route through Cupertino.

Population & Household Trends

Population

As presented in Table 2.1 below, Cupertino's population grew at a slightly slower rate than Santa Clara County and the San Francisco Bay area as a whole between 2000 and 2008. During this period, Cupertino grew from 50,600 to 55,600 persons, which translates to an increase of 10 percent. However, a portion of this population growth can be attributed to the City's annexation of 168 acres of land between 2000 and 2008. Cupertino's annexation of Garden Gate, Monta Vista,

and scattered islands, resulted in an increase of 1,600 new residents. After removing population increases from annexation, the City of Cupertino experienced seven percent increase in its population. By comparison, Santa Clara County's population grew by nine percent while the nine- county Bay Area's population grew by eight percent. Overall, the state of California's population grew more rapidly between 2000 and 2008, increasing by 12 percent.

Households

A household is defined as a person or group of persons living in a housing unit, as opposed to persons living in group quarters, such as dormitories, convalescent homes, or prisons. According to the California Department of Finance, there were 19,700 households in Cupertino in 2008 (see Table 2.1). The City added approximately 600 new households between 2000 and 2008 through annexation. After adjusting for household increases due to annexation, the number of households in Cupertino grew by five percent between 2000 and 2008. During the same time period, the number of households in Santa Clara County increased by eight percent.

Household Type

Households are divided into two different types, depending on their composition. Family households are those consisting of two or more related persons living together. Non-family households include persons who live alone or in groups of unrelated individuals. As shown in Table 2.1, Cupertino has a very large proportion of family households. In 2008, family households comprise 75 percent of all households in Cupertino, compared with 70 percent of Santa Clara County households.

Household Tenure

Households in Cupertino are more likely to own than rent their homes. Approximately 64 percent of households living in Cupertino owned their own homes in 2008, a figure essentially unchanged from 2000. By comparison, only 59 percent of households in Santa Clara County owned their own residences in 2008.

Long Term Projections

Table 2.2 presents population, household, and job growth projections for Cupertino, Santa Clara County, and the nine county Bay Area between 2005 and 2035. The figures represent the analysis conducted by the Association of Bay Area Governments (ABAG) using 2000 Census data and a variety of local sources.

Cupertino's population is expected to grow by 7,100 residents from 53,500 in 2005 to 60,600 in 2035. This translates into an increase of 13 percent. ABAG projects Santa Clara County and the Bay Area as a whole will experience much larger population increases of 35 percent and 27 percent, respectively.

Table 2.1: Population and Household Trends, 2000-2008

CITY OF CUPERTINO	2000	2008 (est.)	Annexation 2000-2008 (a)	Total Change less annexations 2000-2008	Percent Change 2000-2008
Population (b)	50,602	55,551	1,563	3,386	6.7%
Households (b)	18,223	19,660	578	859	4.7%
Average Household Size (b)	2.75	2.800			
Household Type					
Families	74.8%	75.0%			
Non-Families	25.2%	25.0%			
Tenure					
Owner	63.6%	64.0%			
Renter	36.4%	36.0%			
SANTA CLARA COUNTY					
Population (b)	1,682,585	1,837,075		154,490	9.2%
Households (b)	565,863	608,652		42,789	7.6%
Average Household Size (b)	2.92	2.97			
Household Type					
Families	69.9%	69.9%			
Non-Families	30.1%	30.1%			
Tenure					
Owner	59.8%	59.3%			
Renter	40.2%	40.7%			
BAY AREA (C)					
Population (b)	6,784,348	7,301,080		516,732	7.6%
Households (b)	2,466,020	2,643,390		177,370	7.2%
Average Household Size (b)	2.69	2.71			
Household Type					
Families	64.7%	64.8%			
Non-Families	35.3%	35.2%			
Tenure					
Owner	57.7%	57.8%			
Renter	42.3%	42.2%			
CALIFORNIA					
Population (b)	33,873,086	38,049,462		4,176,376	12.3%
Households (b)	11,502,871	12,653,045		1,150,174	10.0%
Average Household Size (b)	2.87	2.94			
Household Type					
Families	68.9%	69.1%			
Non-Families	31.1%	31.0%			
Tenure					
Owner	56.9%	57.6%			
Renter	43.1%	42.4%			

Notes: (a) Between 2000 and 2008, the City of Cupertino annexed 168 acres of land. The population and household increases resulting from annexation are not included in population and household growth calculations for the City. (b) Population, households, and household size figures from California Department of Finance, Table E-5, 2000 and 2008. (c) Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties.

Sources: California, Department of Finance, 2008; Claritas, 2008; BAE 2008.

For 1990 figures, population, households, and household size based on 1990 U.S. Census which counts Cupertino as a Census Designated Place.

Table 2.2: Population, Household, and Job Projections, 2005 to 2035

CITY OF CUPERTINO	2005	2010	2015	2020	2025	2030	2035	Total Change 2005 - 2035	% Change 2005 - 2035
Population	53,500	55,400	56,600	57,900	58,500	59,200	60,600	7,100	13.3%
Households	19,250	19,910	20,380	20,780	21,040	21,430	22,000	2,750	14.3%
Jobs	31,060	32,350	33,730	35,140	36,600	38,100	39,660	8,600	27.7%
SANTA CLARA COUNTY									
Population	1,763,000	1,867,500	1,971,100	2,085,300	2,177,800	2,279,100	2,380,400	617,400	35.0%
Households	595,700	628,870	665,000	701,470	732,830	769,750	806,210	210,510	35.3%
Jobs	872,860	938,330	1,017,060	1,098,290	1,183,840	1,272,950	1,365,810	492,950	56.5%
BAY AREA (a)									
Population	7,096,100	7,412,500	7,730,000	8,069,700	8,389,600	8,712,800	9,031,500	1,935,400	27.3%
Households	2,583,080	2,696,580	2,819,030	2,941,760	3,059,130	3,177,440	3,292,530	709,450	27.5%
Jobs	3,449,640	3,693,920	3,979,200	4,280,700	4,595,170	4,921,680	5,247,780	1,798,140	52.1%

Notes: (a) Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties.

Sources: Association of Bay Area Governments, 2008; Bay Area Economics, 2008.

Job growth is expected to continue to outpace population and household growth in Cupertino, increasing the "jobs rich" nature of the city.

Housing Stock Characteristics

Distribution of Units by Structure Type

A majority of housing units in Cupertino are single-family detached homes; 61 percent of homes were single-family detached dwelling units in 2008. This is a slightly smaller share than the 61 percent proportion that single-family detached homes represented in 2000, but a much larger share than Santa Clara County's 54 percent in 2008.

Large multi-family housing units (defined as units in structures containing five or more dwellings) represent the second largest housing category in Cupertino and have experienced the most rapid growth between 2000 and 2008. The number of large multi-family housing units grew by 14 percent while single-family detached dwellings grew by seven percent between 2000 and 2008. But at 20 percent in 2008, Cupertino still has a smaller proportion of multi-family housing units compared to Santa Clara County, where over a quarter (26 percent) of all housing was in large multi-family structures.

Market Conditions & Income Related to Housing Costs

Rental Market Characteristics and Trends

A review of rental market conditions in Cupertino was conducted for this Housing Element by reviewing advertised apartment listings, and by obtaining Real Facts apartment data. Real Facts is a commercial database service that tracks rental apartment occupancy statistics and rents within Cupertino and other California cities. Real

Facts reports rents for studios averaging $1,260 a month, a $1,685 average monthly rent for one-bedroom units, and a monthly rent of $1,915 and $2,849 for two and three bedroom units, respectively.

Cupertino rents were higher than current levels in 2000 at the peak of the dot com boom. Average monthly rents subsequently declined to $1,519 in 2004 before rising again to $2,030 in 2008. Between 2004 and 2008, apartment rents within Cupertino have outpaced inflation, increasing by 34 percent.

Home Sale Trends

Home values in Cupertino have increased significantly since 2000. According to DataQuick Information Systems, the median sales price for a single-family home increased by 40 percent from $825,000 in 2000 to $1,153,000 in 2008. Condominium sale prices experienced a parallel increase, growing by 42 percent from $480,000 to $680,000 between 2000 and 2008. While other areas of the state and nation have experienced downturns in the housing market recently, Cupertino home values have continued to grow.

Special Housing Needs

Large Households

Cupertino has a smaller proportion of large households (defined as five or more persons) than Santa Clara County. Approximately 10 percent of all households in Cupertino has five or more persons in 2000 versus 16 percent in Santa Clara County overall. Large households were more common among homeowners than renters; 11 percent of homeowner households had five or more persons compared to eight percent of renter households.

Female-Headed Households

Single female-headed households with children tend to have a higher need for affordable housing than family households in general. In addition, such households are more likely to need childcare since the mother is often the sole source of income and the sole caregiver for children within the household.

According to Claritas estimates, the number of single female householders with children rose to 700 or four percent of all households in 2008. Cupertino's proportion of single female headed households with children is lower than Santa Clara County's proportion of five percent. In addition, Cupertino has an estimated 200 single male headed households with children in 2008.

Extremely Low-Income Households

Extremely low-income households are defined as households earning less than 30 percent of area median income. These households may require specific housing solutions such as deeper income targeting for subsidies, housing with supportive services, single-room occupancy units, or rent subsidies or vouchers.

In 2000, 1,300 Cupertino households earned less than 30 percent of Area Median Income (AMI). Extremely low-income households represented 10 percent of all renter households and five percent of all owner households in the city. A majority of extremely low-income households were severely overpaying for housing; 61 percent of renters and 55 percent of homeowners paid more than 50 percent of their gross income on housing.

Seniors

Many elderly residents face a unique set of housing needs, largely due to physical limitations, fixed incomes, and health care costs. Unit sizes and accessibility to transit, health care, and other services are important housing concerns for the elderly. Housing affordability also represents a key issue for seniors, many of whom are living on fixed incomes.

In 2000, 18 percent of Cupertino householders were 65 years old or older, slightly higher than the 16 percent of Santa Clara County's population. A large majority of elderly households owned their homes; 86 percent of elderly households were homeowners, compared to 59 percent of householders aged 15 to 64 years.

Cupertino's elderly renter households were more likely to be lower-income than elderly owner households. Approximately 65 percent of elderly renter households earned less than 80 percent of median family income compared to 36 percent of elderly owner households. Elderly households also tend to pay a larger portion of their income to housing costs than other households.

Persons with Disability

A disability is a physical or mental impairment that limits one or more major life activities. Persons with a disability generally have lower incomes and often face barriers to finding employment or adequate housing due to physical or structural obstacles. This segment of the population often needs affordable housing that is located near public transportation, services, and shopping. Persons with disabilities may require units equipped with wheelchair accessibility or other special features that accommodate physical or sensory limitations. Depending on the severity of the disability, people may live independently with some assistance in their own homes, or may require assisted living and supportive services in special care facilities.

Within the population of civilian, non-institutionalized residents over the age of five, 11 percent and 16 percent had a disability in Cupertino and Santa Clara County, respectively.

Families and Individuals in Need of Emergency or Transitional Shelter.

Demand for emergency and transitional shelter in Cupertino is difficult to determine, given the episodic nature of homelessness. Generally, episodes of homelessness among families or individuals can occur as a single event or periodically. The *2007 Santa Clara County Homeless Survey* reported a point-in-time count of 7,202 homeless people on the streets and in emergency shelters, transitional housing, and domestic violence shelters. This included 53 homeless individuals in the City of Cupertino. This count, however, should be considered conservative because many homeless individuals cannot be found, even with the most thorough methodology.

3. REGIONAL HOUSING NEEDS DETERMINATIONS 2007-2014

Regional Housing Needs Allocation (RHNA)

Pursuant to California Government Code Section 65584, the State, regional councils of government (in this case, ABAG) and local governments must collectively determine each locality's share of regional housing need. In conjunction with the State-mandated Housing Element update cycle that requires Bay Area jurisdictions to update their Housing Elements by June 30, 2009, ABAG has allocated housing unit production needs for each jurisdiction within the Bay Area. These allocations set housing production goals for the planning period that runs from January 1, 2007 through June 30, 2014. The following is a summary of ABAG's housing need allocation for Cupertino, along with housing production data for the 2007-2014 time period.

Table 3.1 presents a summary of ABAG's housing needs allocation for Cupertino for 2007 to 2014.

The City of Cupertino may count housing units constructed, approved, or proposed since January 1, 2007 toward satisfying its RHNA goals for this planning period. Since January 1, 2007, 547 units have been constructed or approved within this planning period. The City has already met its RHNA for above moderate-income units, but has a remaining allocation of 717 very low-, low-, and moderate-income units.

Table 3.1: RHNA, Cupertino, 2007-2014

Income Category	Projected Need	Percent of Total
Very Low (0-50% of AMI)	341	29.1%
Low (51-80% AMI)	229	19.6%
Moderate (81-120% of AMI)	243	20.8%
Above Moderate (over 120% of AMI)	357	30.5%
Total Units	1,170	100.0%

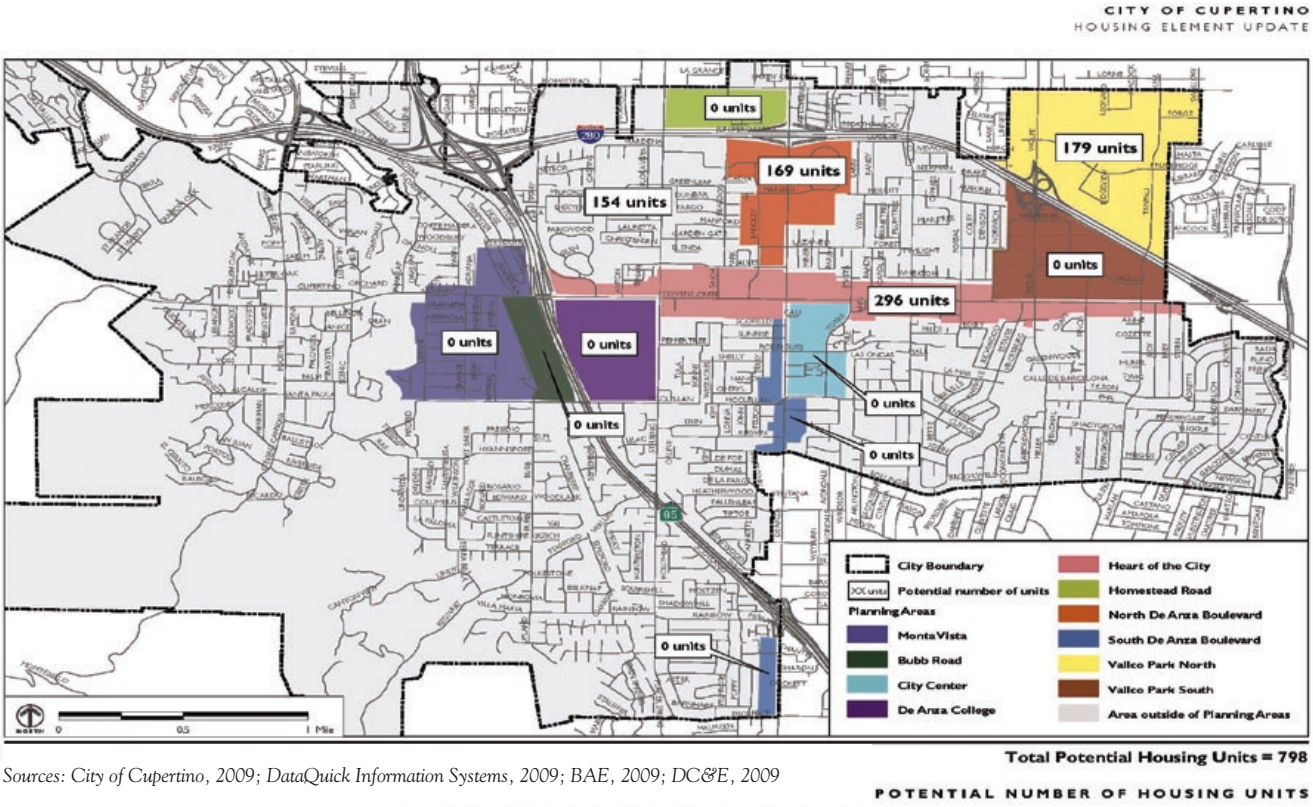
Sources: ABAG, 2007; BAE, 2008.

4. HOUSING RESOURCES

Overview of Available Sites for Housing

The purpose of the adequate sites analysis is to demonstrate that the City of Cupertino has a sufficient supply of land to accommodate its fair share of the region's housing needs during the planning period (January 1, 2007 – June 30, 2014). The State Government Code requires that the Housing Element include an ìinventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopmentî (Section 65583(a)(3)). It further requires that the Element analyze zoning and infrastructure on these sites to ensure housing development is feasible during the planning period.

Figure 4.1: Potential Units by Planning Area



Sources: City of Cupertino, 2009; DataQuick Information Systems, 2009; BAE, 2009; DC&E, 2009

Table 4.1: Potential Units by Planning Area

Planning District	Number of Sites	Units on Sites with Existing Res. Zoning	Units on Sites to be Rezoned	Number of Units	Percent of Total
Heart of the City	9	296	-	296	37.1%
Vallco Park North	1	179	-	179	22.4%
North De Anza	1	-	169	169	21.2%
Non-Designated Areas	2	154	-	154	19.3%
Total	**13**	**629**	**169**	**798**	

Sources: City of Cupertino, 2009; BAE, 2009.

Residential Capacity Analysis

Based on current General Plan Land Use designations and zoning, an analysis of the City's land inventory indicates sufficient land zoned at residential densities to accommodate 629 total units, all of which are zoned at a minimum density of 20/DUA. In order to meet the remaining need of 717 units during the remaining five years of the current planning period, the City proposes to adopt policies and programs to allow for residential development at appropriate densities on sites with no infrastructure constraints (see Policies 1 and 2 in the Housing Plan Section of this Housing Element).

Table 4.1 and Figure 4.1 displays the total potential residential capacity in Cupertino on sites that can accommodate residential development of 20 dwelling units to the acre or more. These 13 sites can accommodate up to a total of 798 residential units. As shown, a large proportion of the City's near-term development falls in the Heart of the City, Vallco Park North, and North De Anza areas. The remainder of the units are scattered throughout other areas of the City. For the most part, the sites identified below are underutilized sites in mixed-use areas rather than vacant greenfield sites with exclusively residential zoning.

5. HOUSING PLAN

This section outlines the City of Cupertino's quantified objectives for new unit construction, conservation, and rehabilitation during the 2007-2014 planning period. It then presents policies and programs to meet these objectives and address local housing needs. The policies and programs are grouped under the following major goals:

- Goal A: An Adequate Supply of Residential Units for all Economic Segments
- Goal B: Housing that is Affordable for a Diversity of Cupertino Households
- Goal C: Enhanced Residential Neighborhoods
- Goal D: Services for Special Needs Neighborhoods
- Goal E: Equal Access to Housing Opportunities
- Goal F: Coordination with Local School Districts

This section also identifies the responsible party and provides a timeline for each implementation program.

Quantified Objectives

The following table outlines the City's proposed housing production, rehabilitation, and conservation objectives for the current Housing Element planning period. These objectives correspond with the City's remaining 2007-2014 Regional Housing Needs Allocation (RHNA) from ABAG.

Table 5.1: Quantified Objectives

Income Category	Already Approved	New Construction	Rehabilitation	Preservation	Total
Extremely Low	0	171	0	0	171
Very Low	22	148	0	0	170
Low	16	213	0	0	229
Moderate	58	185	0	0	243
Above Moderate	437	0	0	0	357
Total	**533**	**717**	**0**	**0**	**1,170**

Notes: The City has approved CDBG funds for a rehabilitation project that will provide transitional housing for 16 very low- and low-income victims of domestic violence.

Sources: City of Cupertino, 2009; BAE, 2009.

An Adequate Supply of Residential Units for All Economic Segments

Policy 1: Sufficiently Residentially Zoned Land for New Construction Need

Designate sufficient residentially-zoned land at appropriate densities to provide adequate sites that will meet ABAG's estimate of Cupertino's Regional Housing Needs Allocation (RHNA) of 1,170 units for 2007-2014.

Program 1: Zoning and Land Use Designations. In order to accommodate the City's remaining RHNA, one parcel of land will need a change in zoning. The City will change zoning to permit residential development at a higher density than what is currently allowed.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: 2010
Funding Source: N/A
Quantified Objective: 7.98 acres

SITE TO BE REZONED:
APN: 326-10-046
(Site 13 in Appendix G)
Size: 7.98 acres
Current Density: 10 DUA
Density under Rezoning: 25 DUA
Residential Capacity following Rezoning: Up to 199 units

Program 2: Second Dwelling Unit Ordinance. The City shall continue to implement the Second Dwelling Unit Ordinance and encourage the production of more second units on residential parcels.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: Ongoing
Funding Source: N/A
Quantified Objective:
25 second units, 2009-2014

Program 3: Encourage Lot Consolidation. The City will continue to encourage lot consolidation when smaller, underutilized parcels adjacent to each other are redeveloped. The City encourages master plans for such sites with coordinated access and circulation and City staff will provide technical assistance to property owners of adjacent parcels to facilitate coordinated redevelopment where appropriate. Staff from all City Departments and related agencies work with applicants on a preliminary basis for no cost prior to application submittal.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: Ongoing
Funding Source: N/A
Quantified Objective: N/A

Housing is Affordable for a Diversity of Cupertino Households

Policy 2: Housing Mitigation Program

The Housing Mitigation program is based on a nexus study prepared by the City that demonstrated that all new developments, including market-rate residential developments, create a need for affordable housing.

Program 4: Housing Mitigation Program – Office and Industrial Mitigation. The City will continue to implement the "Office and Industrial Mitigation" fee program. This program requires that developers of office, commercial, and industrial space pay a fee, which will then be used to support affordable housing for families who work in Cupertino but live elsewhere. These fees are collected and deposited in the City's Affordable Housing Fund.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: Ongoing
Funding Source: N/A
Quantified Objective: N/A

Program 5: Housing Mitigation Program – Residential Mitigation. The City will continue to implement the "Housing Mitigation" program to mitigate the need for affordable housing created by new market-rate residential development. This program applies to all new residential development of one unit or greater. Mitigation includes either the payment of the "Housing Mitigation" fee or the provision of a Below Market Rate (BMR) unit or units. Projects of seven or more for-sale units must provide on-site BMR units. Projects of six units or fewer for-sale units can either build one BMR unit or pay the Housing Mitigation fee. Developers of market-rate rental units, where the units cannot be sold individually, must pay the Housing Mitigation fee to the Affordable Housing Trust Fund to be consistent with recent court decisions and the State Costa-Hawkins Act regarding rent control. The City provides incentives for BMR units as described in Program 12. Implementation of the program shall include:

a. **Priority.** Priority for occupancy to households who reside, work, attend school or have family in Cupertino for BMR units produced through the program or affordable housing units built with mitigation fees;

b. **Public Service.** Additional priority for households with wage earners who provide a public service; specifically, employees of the City, local school district and public safety agencies;

c. For-Sale Residential Developments. Require 15% for-sale BMR units in all residential developments where the units can be sold individually (including single-family homes, common interest developments, and condominium conversions).

d. Market-Rate Rental Developments. Require payment of the Housing Mitigation fee in all market-rate rental development where the units cannot be sold individually.

e. Rental Alternative. Allow rental BMR units in for-sale residential developments, and allow developers of market-rate rental developments to provide on-site rental BMR units, if the developer: 1) enters into an agreement limiting rents in exchange for regulatory or financial incentives; and 2) provides very low income and low income BMR rental units

f. Affordable Prices and Rents. Establish guidelines for affordable sales prices and affordable rents for new affordable housing and update the guidelines each year as new income guidelines are received;

g. Land for Affordable Housing. Allow developers to meet all or a portion of their BMR or mitigation fee requirement by making land available for the City or a nonprofit housing developer to construct affordable housing;

h. BMR Term. Require BMR units to remain affordable for a minimum of 99 years; and enforce the City's first right of refusal for BMR units and other means to ensure that BMR units remain affordable.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: Ongoing
Funding Source: N/A
Quantified Objective: N/A

Program 6: Affordable Housing Fund. The City's Affordable Housing Fund provides financial assistance to affordable housing developments. "Requests for Proposals" (RFPs) will be solicited from interested parties to develop affordable units with housing funds. Affordable housing funds will be expended in the following manner (ranked in order of priority):

a. Finance affordable housing projects in Cupertino.

b. Establish a down payment assistance program that may be used in conjunction with the BMR program or to make market rate units more affordable. The assistance should be in the form of low interest loans and not grants.

c. Establish a rental subsidy program to make market rate units more affordable.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: Ongoing
Funding Source:
Housing Mitigation Fees
Quantified Objective: N/A

Policy 3: Range of Housing Types

Encourage the development of diverse housing stock that provides a range of housing types (including smaller, moderate cost housing) and affordable levels. Emphasize the provision of housing for lower and moderate income households and, also, households with wage earners who provide services (e.g., school district employees, municipal and public safety employees, etc.)

Program 7: Mortgage Credit Certificate Program. Participate in the countywide Mortgage Credit Certificate (MCC) Program. This program allocates mortgage credit certificates to first-time homebuyers to purchase housing. Due to the high cost of housing units in Cupertino, it is estimated that most of the County's MCC' will be used in the City of San Jose, where there are more low cost housing units available for sale.

Responsible Party:
Santa Clara County Mortgage Credit Certificate Program

Time Frame: 2009-2014

Funding Source:
Santa Clara County Mortgage Credit Certificate Program

Quantified Objective:
1-2 households assisted annually

Program 8: Move-In for Less Program. The Tri-County Apartment Association is managing this program, which recognizes the high cost of securing rental housing. The program is geared to classroom teachers in public or private schools who meet income criteria. Apartment owners/managers who agree to participate in the program require no more than 20% of the monthly rent as a security deposit from qualified teachers.

Responsible Party:
Tri-County Apartment Association and City of Cupertino

Time Frame: 2009-2014

Program 9: Surplus Property for Housing. In conjunction with local public agencies, school districts and churches, the City will develop a list of surplus property or underutilized property that have the potential for residential development, compatible with surrounding densities. Additionally, long-term land leases of property from churches, school districts corporations for construction of affordable units shall be encouraged. Further, the feasibility of developing special housing for teachers or other employee groups on the surplus properties will be evaluated. Teacher-assisted housing programs in neighboring districts, such as Santa Clara United School district, will be reviewed for applicability in Cupertino.

Responsible Party:
City of Cupertino, Community Development Department

Time Frame: 2009-2014

Program 10: Jobs/Housing Balance Program. Require major new office/industrial development to build housing as part of new development projects. As part of the development review process, the City will evaluate the impact of any application that will produce additional jobs in the community. The purpose of the evaluation is to describe the impacts of the new jobs on the City's housing stock, especially in relation to the jobs/housing ratio in the City.

Responsible Party:
City of Cupertino, Community Development Department

Time Frame: 2009-2014

Policy 4: Housing Rehabilitation

Pursue and/or provide funding for the construction or rehabilitation of housing that is affordable to very low, low- and moderate-income households. Actively support and assist non-profit and for profit developers in producing affordable units.

Program 11: Affordable Housing Information and Support. The City will provide information, resources and support to developers who can produce affordable housing. Information will be updated on a regular basis in regard to available funding sources and be distributed to all interested developers. In addition, information regarding additional City incentives such as the Density Bonus Program (see Program 12) will also be provided and updated on a regular basis. Further, the City will involve the public from the beginning of an affordable housing application so that there are fewer objections to the project as it goes though the City approval process

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: 2009-2014

Policy 5: Development of Affordable Housing

Maintain and/or adopt appropriate land use regulations and other development tools to encourage the development of affordable housing. Make every reasonable effort to disperse units throughout the community but not at the expense of undermining the fundamental goal of providing affordable units.

Program 12: Density Bonus Program. The City's Density Bonus Program allows for a density bonus and additional concessions for development of 6 or more units that provide affordable housing for families and seniors. Possible concessions include reduced parking standards, reduced open space requirements, reduced setback requirements, and approval of mixed use zoning. The City will change the Ordinance definition of affordable unit to housing costs affordable at 30% of household income for very low and low-income households.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: Ongoing

Program 13: Regulatory Incentives for Affordable Housing. The City may choose to waive park dedication and construction tax fees for affordable units. For affordable, mixed-use and higher density residential developments, the Planning Commission or City Council may approve deviations from the Parking Regulation Ordinance of the Cupertino Municipal Code, if the applicant can provide a study supporting the deviation. Further, the City will continue to efficiently process all development applications.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: 2009-2014

Program 14: Extremely Low-Income Housing. The City will encourage the development of adequate housing to meet the needs of extremely low-income households by providing assistance and funding for affordable housing developments. Assistance can include gap financing for single-room occupancy projects, affordable rental housing, senior housing, and other housing developments and programs targeting extremely low-income households.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: Ongoing
Funding Source:
CDBG and RDA funds
Quantified Objective: N/A

Program 15: Residential and Mixed Use Opportunities in or Near Employment Centers. The City will encourage mixed use development and the use of shared parking facilities in or near employment centers. In addition to the development opportunities available through the "Heart of the City" Specific Plan, the City will evaluate the possibility of allowing residential development above existing parking areas except where mixed use is herein excluded. In specific, these areas would be near or adjacent to employment centers and could provide additional opportunities for housing.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: *2009-2014*

Program 16: Expedited Permit Procedures. The City will expedite permit processing for housing developments that contain at least 20 percent of units for lower-income households, or 10 percent of units for very low-income households, or 50 percent of units for senior citizens.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: *Ongoing*

Policy 6: Tax-Increment Funds

Continue to use a minimum of 25% of tax increment funds generated from the Redevelopment Project Area for housing activities that create affordable housing for low- and moderate-income households. Set aside 5% of the 25% for extremely low-income housing.

Program 17: Redevelopment Housing Set Aside Fund. The City has established a Redevelopment Project Area, from which tax increment funds are collected. A minimum of 25% of tax increment funds will be directed to low- and moderate-income households, 5% of which are directed to extremely low-income households.

The Redevelopment Agency will develop policies and objectives for the use of those funds. All policies and objectives shall be developed to reflect the goals and objectives of the Housing Element. The Low- and Moderate-Income Housing Fund will be utilized for site acquisition, rehabilitation, and development gap financing for affordable housing projects. Currently the City has a limited amount of funds in the Low- and Moderate-Income Housing Fund. However, when substantial redevelopment in the RDA commences, availability of funds will increase.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: *Ongoing*
Funding Source:
Redevelopment tax Increment Funds
Quantified Objective:
$518,000 over the planning period

Policy 7: Housing Densities

Provide a full range of ownership and rental housing unit densities, including apartments and other high-density housing.

Program 18: Flexible Residential Standards. Allow flexible residential development standards in planned residential zoning districts, such as smaller lot sizes, lot widths, floor area ratios and setbacks, particularly for higher density and attached housing developments.

Responsible Party:
City of Cupertino, Community Development Department

Time Frame: *Ongoing*

Program 19: Residential Development Exceeding Maximums. Allow residential developments to exceed planned density maximums if they provide special needs housing and the increase in density will not overburden neighborhood streets or hurt neighborhood character.

Responsible Party:
City of Cupertino, Community Development Department

Time Frame: *Ongoing*

Program 20: Monitor R-3 Development Standards. The City will monitor the R-3 development standards on a regular basis to ensure that the requirements do not constrain new housing production. As part of this Program, the City will review recent development applications in the R-3 District and assess the achieved project density relative to the maximum density allowed. If R-3 District development standards are found to unreasonably constrain development, the City will consider amendments to the standards.

Responsible Party:
City of Cupertino, Community Development Department

Time Frame: *Every two years*

Program 21: Clarify Language of Planned Development (P) District. The City will amend the zoning ordinance to clarify that residential development in P (Res/R3) zones will require a planned development permit and not a conditional use permit as residential developments are permitted uses.

Responsible Party:
City of Cupertino, Community Development Department

Time Frame: *2010*

Enhanced Residential Neighborhoods

Policy 8: Maintenance and Repair

Assist very low and low-income homeowners and rental property owners in maintaining and repairing their housing units.

Program 22: Apartment Acquisition and Rehabilitation. This program provides financial assistance to eligible very low and low-income homeowners to rehabilitate their housing units.

Responsible Party: City of Cupertino

Time Frame: *Ongoing*

Funding Source: Affordable Housing Fund and CDBG funds

Quantified Objective:
3-5 Units Annually

Policy 9: Conservation of Housing Stock

Conserve the existing stock of owner and rental housing units, which provide affordable housing opportunities for low- and moderate-income households.

Program 23: Preservation of "At Risk Units." The lone project with affordability restrictions which will expire within the 10 year period following adoption of this element is the Le Beaulieu project with affordability restrictions expiring in September 2015. Cupertino Community Housing originally developed Le Beaulieu in 1984 and utilized project based Section 8 vouchers. Although not within the current Housing Element planning period, the City will monitor owners of at-risk projects on an ongoing basis to determine their interest in selling, prepaying, terminating or continuing participation in a subsidy program. The City will also work with owners, tenants, and nonprofit organizations to assist in the nonprofit acquisition of at-risk projects to ensure long-term affordability of developments where appropriate. Assistance may include support in funding applications or the provision of rehabilitation grants.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: 2009-2014

Program 24: Condominium Conversions. The City's existing Condominium Conversion Ordinance regulates the conversion of rental units in multi-family housing development in order to preserve the rental housing stock. Condominium conversions are not allowed if the rental vacancy rate in Cupertino is less than 5% at the time of the application for conversion and has averaged 5% over the past six months.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: Ongoing

Program 25: Rental Housing Preservation Program. The City's existing multi-family rental units provide housing opportunities for households of varied income levels. The City will develop and adopt a program that includes the following guidelines:

When a proposed development or redevelopment of a site would cause a loss of multi-family rental housing, the City will grant approval only if at least two of the following three circumstances exist:

- The project will comply with the City's BMR Program based on the actual number of new units constructed, not the net number of units, and/or
- The number of rental units to be provided on the site is at least equal to the number of existing rental units, and/or
- No less than 20% of the units will comply with the City's BMR Program. Further, the preservation program will include a requirement for a tenant relocation plan with provisions for relocation of tenants on site as much as possible.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: Ongoing

Program 26: Conservation and Maintenance of Affordable Housing. Develop a program to encourage the maintenance and rehabilitation of residential structures to preserve the older, more affordable housing stock.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: 2009-2014

Program 27: Neighborhood and Community Clean Up Campaigns. Continue to encourage and sponsor neighborhood and community clean up campaigns for both public and private properties.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: Ongoing

Policy 10: Energy Conservation

Encourage energy conservation in all existing and new residential development.

Program 28: Energy Conservation Opportunities. The City will continue to enforce Title 24 requirements for energy conservation and will evaluate utilizing some of the other suggestions as identified in the Environmental Resources/Sustainability element.

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: 2009-2014

Program 29: Fee Waivers or Reduction for Energy Conservation. The City will evaluate and implement the potential to provide incentives, such as waiving or reducing fees, for energy conservation improvements to residential units (existing or new).

Responsible Party:
City of Cupertino, Community Development Department
Time Frame: Ongoing

Program 30: Energy Efficiency Audits. The City will offer free energy efficiency audits for residential units under a contract with Acterra. During the house call, trained volunteers will visit the residence, performing simple energy-saving upgrades and showing residents how to reduce their energy usage. Residents receive three free compact fluorescent light bulbs, an installed retractable clothesline (if desired), adjustments to the water heater and refrigerator temperatures, installed low-flow showerhead and faucet aerators, a folder of local green resources a customized energy-saving plan for their home.

Responsible Party:
City of Cupertino,
Public Information Office
Time Frame: Ongoing
Funding Source: Department of Energy ARRA Grant
Quantified Objective: N/A

Program 31: Energy Conservation in Residential Development. The City will continue to encourage energy efficient residential development and provide technical assistance to developers who are interested in incorporating energy efficient design elements into their program. The City has a Sustainability Coordinator who encourages energy conservation and assists developers.

Responsible Party:
City of Cupertino,
Public Information Office
Time Frame: Ongoing
Funding Source: Department of Energy ARRA Grant
Quantified Objective: N/A

Services for Special Needs Households

Policy 11: Special Needs Households

Support organizations that provide services to special need households in the City, such as the homeless, elderly, disabled and single parent households.

Program 32: Emergency Shelters. The City will continue to support the rotating emergency shelter operated by West Valley Community Services. In order to comply with SB 2 and to facilitate any future emergency shelter needs, the City will revise the Zoning Ordinance to allow permanent emergency shelter facilities in "BQ" Quasi-Public zoning districts as a permitted use. The zoning ordinance will include development and management standards that will subject permanent emergency shelters to the same standards that apply to other permitted uses in the BQ zone. No discretionary permits will be required for approval of a permanent emergency shelter.

Responsible Party:
Cupertino City Council

Time Frame: 2009-2010.
Revise Zoning Ordinance to allow permanent emergency shelters in BQ zoning districts.

Funding Source: N/A

Quantified Objective: N/A

Program 33: Rotating Homeless Shelter.

Responsible Party:
West Valley Community Services

Time Frame: Ongoing

Funding Source:
CDBG and McKinney Act Funding

Quantified Objective: N/A

Program 34: Transitional and Supportive Housing. The City will amend its zoning ordinance to comply with the requirements of SB2. Transitional and supportive housing will be treated as residential uses and be subject to the same development standards and restrictions that apply to similar housing types in the same zone. Per the Health and Safety Code 50801(e), transitional housing will be defined as rental housing operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Supportive housing will be defined as housing with no limit on length of stay that is occupied by the target population and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live, and where possible, work in the community.

Responsible Party:
City of Cupertino, Community Development Department

Time Frame: 2009-2010
Revise Zoning Ordinance to define transitional and supportive housing and list them as permitted uses in residential zones.

Funding Source: N/A

Quantified Objective: N/A

Program 35: Catholic Charities. Catholic Charities provides help to place single parents in shared housing situations.

The program is funded with Santa Clara County Urban County funds.

Responsible Party: Catholic Charities

Time Frame: Ongoing

Funding Source: County of Santa Clara Urban County Funds

Program 36: Flexible Parking Standards. The City may grant reductions in off-street parking on a case-by-case basis for senior housing, group homes, affordable housing, transit-oriented developments, and other appropriate projects. Applicants must demonstrate that project characteristics justify a reduction and that the reduction would not generate a parking deficiency or adversely impact neighboring properties. City staff will work with applicants to provide justification for parking reductions. Appropriate justification for parking reductions may include examples of parking ratios used at other similar projects, parking studies prepared for the project, parking studies prepared for other similar project in Cupertino, shared parking arrangements, or the implementation of transportation management measures.

Responsible Party: City of Cupertino, Director of Community Development, Design Review Committee, and Planning Commission

Time Frame: *Ongoing*

Equal Access to Housing Opportunities

Policy 12: Housing Discrimination

The City will work to eliminate on a citywide basis all unlawful discrimination in housing with respect to age, race, sex, sexual orientation, marital or familial status, ethnic background, medical condition, or other arbitrary factors, so that all persons can obtain decent housing.

Program 37: Santa Clara County Fair Housing Consortium. The Santa Clara County Fair Housing Consortium includes the Asian Law Alliance, ECHO Housing, Project Sentinel and the Mental Health Advocacy Program. These organizations provide resources for Cupertino residents with tenant/landlord rental mediation, housing discrimination and fair housing concerns. The Santa Clara County Fair Housing Consortium will continue to provide resources for Santa Clara County residents with tenant/landlord, housing discrimination, and fair housing concerns. According to an agreement between members of the consortium, each agency serves a "territory" in the county.

Cupertino falls in ECHO Housing's territory and is served under an agreement between the City and the agency. They provide fair housing counseling services, answer questions and investigate cases of fair housing abuse. ECHO provides pamphlets in all public facilities throughout the City and also has a booth at public events to distribute materials. Furthermore, the agency runs public service announcements on local radio stations throughout the year.

Responsible Party:
Santa Clara County Fair Housing Consortium

Time Frame: Ongoing

Funding Source: County of Santa Clara Urban County Funds

Program 38: Fair Housing Outreach. The City will continue to contract with ECHO Housing to provide fair housing outreach services. ECHO distributes pamphlets at community events and pays for public service announcements. In addition, the ECHO Housing will continue to distribute fair housing materials at public venues throughout Cupertino, including the library, City Hall, and Senior Center.

Responsible Party:
City of Cupertino, Community Development Department, ECHO Fair Housing

Time Frame: Ongoing

Funding Source: CDBG

Program 39: Reasonable Accommodation Ordinance. The City will adopt a written reasonable accommodation ordinance to provide persons with disabilities exceptions in zoning and land-use for housing. The procedure will be an administrative process, with minimal or no processing fee and subject to approval by the Community Development Director. Applications for reasonable accommodation may be submitted by individuals with a disability protected under fair housing laws. The requested accommodation must be necessary to make housing available to a person with a disability and must not impose undue financial or administrative burden on the City.

Responsible Party:
City of Cupertino, Community Development Department

Time Frame:
Adopt Ordinance by December 2010

Coordination with Local School Districts

Policy 13: Coordination with Local School Districts

The Cupertino community places a high value on the excellent quality of education provided by the two public school districts which serve the city. In order to ensure the long-term sustainability of the schools in tandem with the preservation and development of vibrant residential areas, the City will institute a new policy of coordinating closely with the Cupertino Union School District (CUSD) and Fremont Union High School District (FUHSD)

Program 40: Coordination with Local School Districts. Form a new committee of key staff from the City and the school districts to meet on a bi-monthly basis or as needed to review City planning initiatives, development proposals and School capital facilities and operating plans. Prepare annual reports with key recommendations from this committee to the School District Boards and the City Planning Commission and City Council.

Responsible Party:
City of Cupertino, Community Development Department Staff and Staff from CUSD and FUHSD

Time Frame: 2009-2014