



**COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION**

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CITY COUNCIL STAFF REPORT

Meeting: March 18, 2025

Subject

2024 General Plan and Housing Annual Progress Report (APR)

Recommended Action

Receive the General Plan and Housing APRs

Discussion

Background:

State law (Government Code Section 65400) requires that the City provide an annual report, on or before April 1 of each year, to the legislative body (the City Council in the case of Cupertino) regarding the status of the General Plan and progress in its implementation, including meeting its share of regional housing needs, and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing. The report must also be sent to the Office of Planning and Research and Department of Housing and Community Development (HCD). See Government Code § 65400(a)(2)(A)-(J).

On February 25, 2025, the Planning Commission received the draft General Plan APR, where they had an opportunity to ask questions and discuss the report. The Commissioners had a few questions: one Commissioner wished to find out details of the breakdown on ADUs proposed with new homes vs. those proposed on properties with existing homes, another Commissioner discussed the timing of a TDM ordinance that Public Works staff is contemplating preparing in 2025.

Analysis:

General Plan Annual Report

The current format for the General Plan Annual Report has been used for the past several years and was developed with considerable input from the Planning Commission in 2019 (See Attachment 1). The Policies and Strategies that support the General Plan Goals in each Element are arranged in tabular form as the APR. Most Strategies and Policies are implemented on an ongoing process through the

Municipal Code and through development project review and are identified in the report. The purpose of this meeting is to allow the City Council to receive the General Plan Annual Report. Each policy has a color to identify whether it involves an actionable item and has been completed (green), whether it involves an actionable item and staff has had no direction on implementing that policy (orange), whether it involves an actionable item which staff is currently in the process of implementing (yellow) or whether it is an item which does not involve the production of any work product but is simply implemented through the implementation of the Municipal Code or other policies (grey). Edits have been made to all sections of the report to reflect the work done by City staff in implementing General Plan policies and strategies. These edits are reflected in the attached document in bold and underlined text.

In addition to the review of Planning Permits and building permits, which in turn generate meetings, outreach and phone inquiries from members of the public, Planning staff has responded to over 1,470 in-person public counter inquiries, 124 virtual appointments inquiries, and over 1,320 email inquiries from members of the public. Additionally, the City's Planning staff also worked on several Municipal Code amendments which were adopted by Council in 2024. These Code amendments related to the General Commercial (CG) zoning district, fences and streamlining the review of two-story residences. Staff also prepared materials for the adoption of the 6th Cycle Housing Element and associated amendments to its implementing documents, which were successfully adopted by the Council and certified by the State Housing and Community Development Department (HCD). In conjunction with the preparation of the 6th Cycle Housing Element, and as required by State law, the City embarked on an update of the Safety Element of the General Plan in 2024. This review must be conducted in a manner outlined by State law, with review by CalFire (the State agency which reviews a draft of the Safety Element prior to City adoption of the document). It is anticipated that a draft Safety Element will be available for public comment by Spring 2025.

6th Cycle Housing Element Annual Progress Report

The Housing Element APR must be completed on forms provided by HCD. Pursuant to Government Code Section 65400, local governments must provide, each year, an annual report for the previous calendar year to the legislative body (City Council), OPR, and HCD. HCD prepares the form template that cities must submit to comply with these statutory requirements, there is no flexibility for cities to modify HCD's forms.

In past years, the report focused solely on building permits issued by cities for new housing units, by affordability categories, and a text narrative on how housing

policies in the Housing Element had been implemented. Beginning in 2018, and increasing in each successive year since, numerous State laws have expanded the reporting requirements. In addition to data that was historically requested, additional data is now requested, including, but not limited to: Addresses and APNs of projects, Date(s) including, Application deemed complete, Entitlement approval, Issuance of permits, and Occupancy, Tenure of units (ownership or rental), Type of units (ADUs, single family attached/detached, 5+units), Number of affordable units, Level of affordability, Length of affordability, Financing utilized for unit/project, Use of density bonus law, including which portions of the density bonus law that are being utilized, descriptions of waivers requested, incentives requested, parking reductions, and use of other state law provisions (such as SB35, AB2011, SB423, SB9 etc.), Justification of affordability of unit (inclusionary units or density bonus affordable units etc.).

All required data and progress in implementing existing Housing Element policies and strategies has been reported on the requisite forms and will be submitted to HCD prior to April 1 as required by state law (See Attachment B). The City’s progress on meeting its Regional Housing Needs Analysis (RHNA) goals for its’ 6th Cycle Housing Element (certified by HCD in September 2024) is identified in Table B of Attachment B. In the 2024 reporting period, the City issued 46 ADU permits and 34 non-ADU permits for a total of 80 building permits for new housing units.

The following tables summarize the RHNA Generation by Developers (i.e. Building Permits issued in the 2024 reporting period) (see Table 1) and the Pipeline Entitlements in the City (see Table 2).

TABLE 1: BUILDING PERMITS ISSUED BY INCOME CATEGORY DURING THE 2024 PERIOD

		Extremely Low/ Very Low <i>(0-50% of AMI)</i>	Low <i>(51-80% of AMI)</i>	Moderate <i>(81-120% of AMI)</i>	Above Moderate <i>(> 120% AMI)</i>	Total Units
Projected Need (RHNA)		1,193	687	755	1,953	4,588
<i>Net New Units Entitled by City (Not Produced) (through 2024)</i>		271	624	46	2,127	3,069
Building Permits Applied for By Developers and Issued by City	2024	14	13	13	40	80
Building Permits Applied for By Developers and Issued by City	2023 and before	10	10	29	128	177
Total RHNA Production		24	23	42	168	257
Balance		1,169	664	713	1,785	4,331

TABLE 2: PIPELINE ENTITLEMENTS APPROVED BY INCOME CATEGORY

		Extremely Low/ Very Low <i>(0-50% of AMI)</i>	Low <i>(51-80% of AMI)</i>	Moderate <i>(81-120% of AMI)</i>	Above Moderate <i>(> 120% AMI)</i>	Total Net New Units
Projected Need (RHNA)		1,193	687	755	1,953	4,588
Total Building Permits Issued		24	23	42	168	257
RHNA balance		1,169	664	713	1,785	4,331
Projects Entitled by City * (Not Yet Produced)	Westport (<i>The Oaks</i>) – <i>BP under review**</i>	-	-	-	136	136
	The Rise (Vallco)	267	623	-	1,779	2,669
	Canyon Crossing (expired)***	1	-	2	15	18
	McClellan subdivision – <i>BP under review</i>	-	-	-	6	6
	Marina Plaza 2.0 (expired)***	-	-	36	170	206
	Coach House (S. De Anza)	3	1	1	29	34
	Bianchi Townhomes	-	-	1	6	7
Total Projects Entitled by City		271	624	40	2,141	3,076
RHNA Balance**** (if BPs were applied for and issued for all entitled projects)		898	40	673	0	1,255
* <i>The Hamptons project was approved with 7 LI, 30 Mod, and 563 Above-Mod units for a total of 600 units. Not included in pipeline.</i>						
** <i>Westport (The Oaks) has been resubmitted for a slightly higher unit count.</i>						
*** <i>The entitlement for expired projects may be resubmitted at different unit counts.</i>						
**** <i>Balance cannot be less than zero and cannot be applied to other income levels, if there is excess production in any one income level.</i>						

In addition to the data collected by HCD, HCD requires an update on the activity conducted in the implementation of the Housing Policies and Strategies in the General Plan. This is reflected in both Attachment 1 and Attachment 2 (Table D). The City continues to support the production of housing, particularly affordable housing, by providing technical support and guidance. It also continues to implement its local Below Market Rate (BMR) Housing Program and the Non-residential BMR program. The City also continues to allocate Community Development Block Group (CDBG) funds, Human Service Grant (HSG) funds and BMR Affordable Housing Fund (BMR AHF) funds to eligible and deserving projects and expenses.

As identified in the recently certified Housing Element, the City is committed to: completing several studies on the constraints that affect affordable housing and implementing policies as needed to support affordable housing production, to enable the preservation of affordable housing units, and to bolster affordability protections for low-income residents. Some key actions of the 2024 year included the development of the Below Market Rate Anti-Displacement policy, joining the regional effort of the West Valley Shelter Feasibility study, and planning for the Affordable Housing Developer Forum.

Lookahead for 2025

Consistent with the 6th Cycle Housing Element policies and strategies, in 2025, City staff anticipates: presenting a BMR Anti-Displacement ordinance for Council's consideration, executing a Memorandum of Understanding for the West Valley Shelter Feasibility study, participating in a Affordable Housing Developer Forum to present City funding and parcel opportunities, evaluating impact fees which may be a constraint to housing development, reviewing the Park Land Ordinance, particularly for the highest-density developments anticipated on several Priority Housing Sites, developing objective design standards, exploring the possibility of implementing a low-income home sharing program, and conducting outreach to various community stakeholders on interest for affordable housing redevelopment.

Sustainability Impact

None.

Fiscal Impact

None.

City Work Program (CWP) Item

None.

CWP Item Description

None.

Council Goal

None.

California Environmental Quality Act (CEQA)

Not a project. None.

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Approved for Submission by: Pamela Wu, City Manager

Attachments:

- A. 2024 General Plan Annual Progress Report
- B. 2024 Housing Annual Progress Report