



COMMUNITY DEVELOPMENT DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: March 16, 2021

Subject

2020 General Plan Annual Report, including the General Plan Annual Housing Element Progress Report.

Recommended Action

That the City Council receive the General Plan Annual Review Report, including the General Plan Annual Housing Element Progress Report (Attachments A and B) and provide any input to staff.

Discussion

Background:

State law requires that an annual report, on or before April 1 of each year, be provided to the City Council 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 law also requires that the report 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). The housing element portion of the annual report must be made using standards, forms, and definitions adopted by HCD and is therefore included as a separate Attachment B. See Government Code § 65400(a)(2)(B).

In addition to the required annual reporting, it should be noted that another purpose of the Annual Report is to help the City Council identify Work Plan items to facilitate implementation of the General Plan and that appropriate funding is available for implementation.

Analysis:

General Plan Annual Report (Attachment A)

The Planning Commission reviewed the General Plan to prepare this Annual Report in October 2020, November 2020 and January 2021. The Commission reviewed the General

Plan Annual report for the status of the General Plan and its implementation and provided suggestions on formatting and updating the content of the report. Attachment A incorporates the Planning Commission's suggestions and comments. The list of policies and strategies in Attachment A are color coded to identify action items and indicate progress are as follows:

- Items highlighted in green are action items that the City has acted on.
- Items in yellow are items that are currently in progress.
- Items highlighted in orange are identified as action items, but on which no action has been initiated.
- Items highlighted in grey are ongoing implementation of policies/strategies through the City's Municipal Code, daily activities of staff or City programs.

A high-level time frame ("Immediate" (2019-2022) or "Long Range" (2022-2040)) has been identified for the action items while the ongoing policies and strategies have been identified as being "Continual."

Items with updates for the year 2020 have been identified in bold in the "Comments" column and have been reviewed by the Planning Commission. These also include comments/suggestions from the Commission.

City-wide Development: The City controls development via allocations for commercial, office, hotel and residential development. The available allocations as of 12/31/2020 are:

	Development Type			
	Commercial	Office	Hotel	Residential
Special Areas				
<i>Heart of the City</i>	862,487 s.f.	17,113 s.f.		79
<i>Vallco Shopping District</i>	1,122,774 s.f.		191	0
<i>Homestead</i>	1,093 s.f.			150
<i>N. De Anza</i>				97
<i>N. Vallco</i>				
<i>S. De Anza</i>				
<i>Bubb</i>				
<i>Monta Vista</i>	4,657 s.f.	13,595 s.f.		47
All Other Areas				
<i>Other</i>				96
Major Employer		523,118 s.f.		
Total citywide Available	1,991,011 s.f.	553,826 s.f.	191 rooms	469 units

There is an adequate amount of commercial allocation in the City. There is primarily office allocation available for major employers to expand buildings in the city. There was an increase in hotel allocation for the De Anza Hotel, and a simultaneous grant of that allocation to the site in early 2020.

Housing allocation changed due to the approval of the Westport (Oaks) project in August 2020. With approval of the Westport project, the City has approved residential projects at all of the Priority Housing Sites identified in the 5th Cycle Housing Element. The City approved projects with density bonuses, incentives and/or waivers at 4 of the 5 sites (The Verandas, Hamptons, Vallco and The Oaks). The 6th Cycle RHNA process has commenced at the State and regional levels. The Draft local RHNA adopted by the Association of Bay Area Governments (ABAG) for Cupertino is 4,588 units. The Housing Element (6th Cycle) must be completed by January 31, 2023. The City will update other General Plan elements in conjunction with the Housing Element update (e.g. sustainability policies).

General Plan Annual Housing Element Progress Report (APR) (Attachment B)

The APR is a required annual general plan report on the status of the City's housing programs. See Government Code Section 65400. The City submitted the 2020 APR to the Office of Planning and Research and HCD on March 10, in advance of the April 1, 2021 deadline.

In past years, the APR focused on building permits issued for new housing units broken down by affordability level, the City's progress towards meeting its Regional Housing Needs Allocation (RHNA), and the City's progress towards implementing its Housing Element programs. However, the reporting requirements significantly increased in 2019 pursuant to Chapter 374 Statutes of 2017 (Assembly Bill 879) and Chapter 366, Statutes of 2017 (Senate Bill 35) and this APR includes additional information to meet those requirements. Staff will provide a presentation at the City Council's March 16 meeting with a summary of the City's RHNA progress and the updated reporting requirements. The 2020 APR will be presented to Planning Commission on March 23, 2021.

The following provides an overview of the information required in the APR.

Table A- Housing Development Applications Submitted

Includes data on housing units and developments for applications submitted and deemed complete. An "application" is a formal submittal of a project for approval, either for a discretionary entitlement, or where only a ministerial process is required (e.g., zoned by right), the application for a building permit. The City reported one development application in 2020. The Bateh Brothers Property development application was submitted in 2020 and is under review.

Table A2- Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

This table requires information for very-low, low, moderate and above-moderate income housing and for mixed-income projects. This includes data on net new housing units and developments that have received an entitlement, a building permit or a certificate of occupancy, or other form of readiness.

Table B- RHNA Progress – Permitted Units by Affordability

This is an auto-populated summary of prior permitting activity in the current planning cycle, including permitting activity for 2020.

Table C- Sites Identified or Rezoned to Accommodate Shortfall Housing Need

Reporting is required when a city or county identified an unaccommodated need of sites from the previous planning period. Cupertino has more than sufficient sites zoned to accommodate RHNA numbers.

Table D- Program Implementation Status

This is detailed information on the status and progress of Housing Element program and policy implementation for all programs described in the Housing Element. Cupertino is currently implementing all 26 programs and policies in the Housing Element.

Table E- Commercial Development Bonus Approved

Reporting is required if jurisdiction has approved any commercial development bonuses during the reporting year. The City did not approve any commercial development bonuses in 2020.

Table F- Units Rehabilitated, Preserved and Acquired for Alternate Adequate Sites

This section reports units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved. Projects must be mentioned in Housing Element as a program specific site to be listed. This is not applicable to Cupertino; however, the City has gone beyond the Housing Element and provided \$1,400,000 in loans/grants for rehabilitation projects from 2014 – 2020. In 2020, the City provided \$174,850.40 in Community Development Block Grant (CDBG) funding to West Valley Community Services for the Vista Village Rehabilitation Project.

Table G- Locally Owned Lands included in Housing Element Sites Inventory

This is a report of sites that are owned by the reporting jurisdiction and have been sold, leased, or otherwise disposed of during the reporting year. Sites must be included in the Housing Element Sites Inventory. This is not applicable to Cupertino.

Table H- Locally Owned Surplus Sites Inventory (NEW)

This is an inventory of surplus lands, and all lands in excess of its foreseeable needs, if any, located in all urbanized areas and urban clusters. This is not applicable to Cupertino.

Fiscal Impacts

None.

Next Steps

The General Plan Annual Report for the calendar 2020 will be complete upon Council's acceptance of this report.

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Kerri Heusler, Housing Manager

Reviewed by: Albert Salvador, Acting Director of Community Development

Approved for Submission by: Dianne Thompson, Assistant City Manager

Attachments:

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