



## CITY MANAGER'S OFFICE

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### CITY COUNCIL STAFF REPORT SUPPLEMENTAL 1

Meeting: May 6, 2025

#### Agenda Item #9

##### Subject

Approval of an Interim Urgency Ordinance Imposing a Moratorium on the Transition of Multiple-Family Use Housing to Student Housing within a One-Half Mile Radius of Foothill-De Anza Community College in the City of Cupertino; or approval of a Resolution of the City Council Encouraging the Building of Newly Constructed Student Housing and Preventing the Conversion of Multiple-Family Use Housing to Student Housing within the City of Cupertino.

##### Recommended Action

Staff recommends that the City Council take the following actions:

1. Open and conduct a public hearing to consider the attached interim urgency ordinance; and
- 2a. Waive further reading and adopt, by a four-fifths (4/5ths) vote of the City Council, the attached interim urgency ordinance by title only (the same to take effect immediately upon adoption), entitled, "An Interim Urgency Ordinance of the City of Cupertino, California, Enacted Pursuant to California Government Code section 65858 Establishing a 45-Day Temporary Moratorium on the Transition of Multiple-Family Use Housing to Student Housing Within One Half Mile Radius of Foothill-De Anza Community College in the City of Cupertino During the Pendency of the City's Review and Adoption of Permanent Zoning Regulations for Such Uses;" or
- 2b. Approve the attached resolution entitled, "Resolution of the City Council Encouraging the Building of Newly Constructed Student Housing and Preventing the Conversion of Multiple-Family Use Housing to Student Housing within the City of Cupertino."

##### Background:

##### *Staff's responses to questions received from Councilmembers*

On May 5, staff received the following questions via email from Mayor Chao regarding Item #9:

Q1: Has the City received any information from Foothill-De Anza Community College directly about the conversion of the McClellan Terrance? Before their decision on March 10, 2025 or after?

*Staff Response: The City has received an email from the Foothill-De Anza Community College attorneys regarding their arguments against the moratorium.*

Q2: The Council voted unanimously to agendize the study session on the conversion of multifamily housing during the Future Agenda item, I think. What was the language for the proposed future agenda item?

*Staff Response: Chao moved and Moore seconded to add the following item to a future agenda: A study session on the multifamily apartment conversion to student housing issue, and whether the City can do it; include existing proposed bills on student housing and comparisons to municipal codes on student housing in other jurisdictions, such as San Francisco and Berkeley; and consider a potential ordinance for student housing, so the City has control of its use and impact. The motion passed with the following vote: Ayes: Chao, Moore, Fruen, Mohan, and Wang. Noes: None. Abstain: None. Absent: None.*

Q3: Has the City communicated with the Foothill-De Anza Community College or vice versa since the Council voted to agendize the study session on the conversion of multifamily housing?

*Staff Response: Yes. The City Attorney met with the District's attorneys and the seller's attorneys last week and today.*

Q4: Are there general plan policies on protecting affordable housing stock, such as middle-income housing or naturally affordable housing? Any policy on preventing displacement of residents leaving in them?

*Staff Response: Yes. There is a Housing Element (HE) Policy related to the preservation of multifamily housing units and prevention of displacement of residents. HE-3.3.4 (Multifamily Housing Preservation Program) requires the city to only approve development/redevelopment of a site that would result in a loss of multifamily housing if they provide replacement housing units at similar levels of unit mix and affordability levels and that adverse impacts caused to displaced tenants are mitigated by being offered first right of refusal. HE-3.3.6 (Tenant Protections) is also related because it requires the city to study rent stabilization and tenant protection ordinances to prevent displacement.*

Q5: A public comment at the April 2 meeting pointed out that the units available at the price range of McClellan Terrance are limited in Cupertino. Another written public comment received on May 4 claims that there is a lot of apartment vacancies. Is there any data from the study for the Housing Element or other study about Cupertino's rental housing stock at different price range and their vacancy rates?

*Staff Response: Yes. The HE identified that Rent prices in Cupertino have increased. Between February 2015 and 2023, the average rent for a two-bedroom unit increased from \$3,414 to \$3,899*

*according to a survey of online rent tracking platforms, resulting in an annual average increase of 1.8 percent. This greatly outpaces both the County and Regional average. The overall vacancy rate of housing units in Cupertino is 5.8% while the rental vacancy in the County is currently at 6.7%*

Q6: Are families with children a protected class under the state law? Under the federal law?

*Staff Response: The City Attorney does not believe that families with children are considered to be a "protected class."*

Q7: Are there any general plan rubric or policies from the city or other law regarding exclusion of families with children within close proximity of K-12 schools? Or policies encouraging affordable housing, including middle-income or naturally affordable ones, within close proximity of K-12 schools? (based on an inquiry from a resident)

*Staff Response: There aren't any Housing Element policies about excluding families within school districts nor a Housing Element policy encouraging middle income or naturally affordable housing in school districts. However, there is a policy HE-7.3.2 (Coordination with Local School Districts) that encourages staff to work with school districts to identify housing needs for school district employees and college students.*