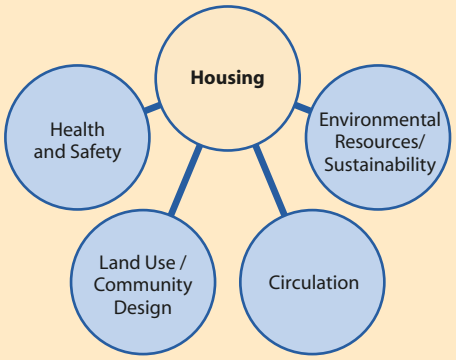
Section 3
Housing



CONTENTS

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%

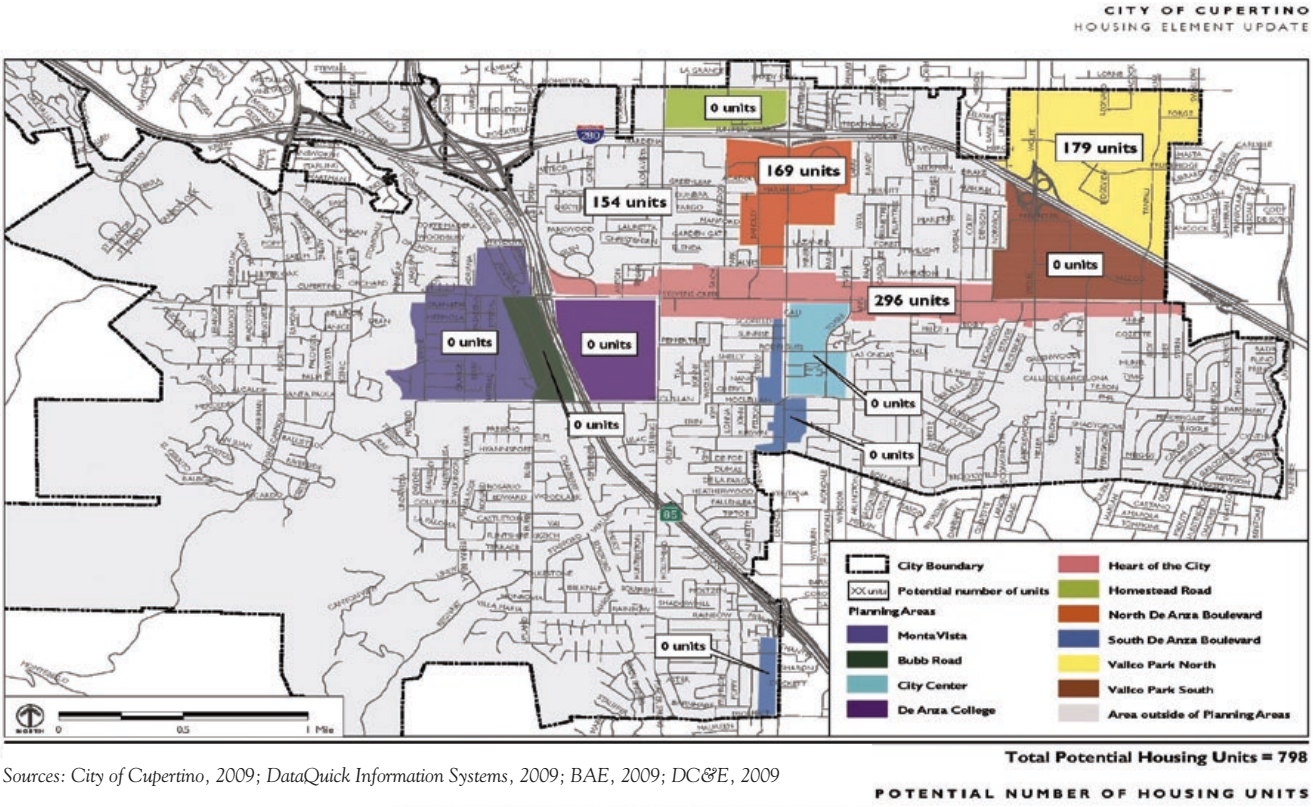
Sources: ABAG, 2007; BAE, 2008.

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

Appendix B

Housing Element Technical Report Update 2007-2014

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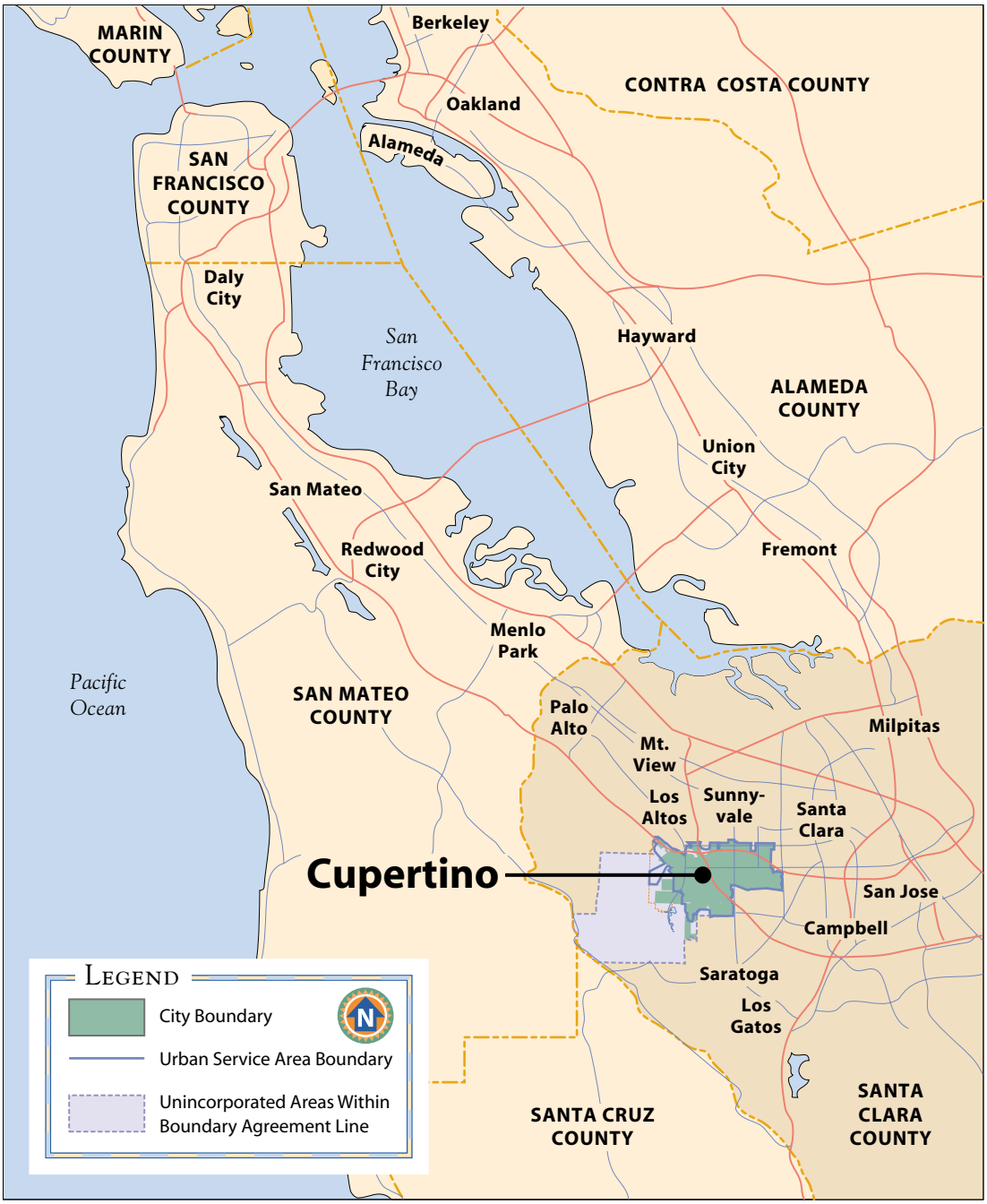
1. INTRODUCTION

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.

Authority

Housing elements are required as a mandatory element of General Plans by Sec. 65580(c) of the Government Code. In 1980, the State Legislature passed a bill (AB2853) which put into statute much of the former advisory guidelines regarding housing element content including: the needs assessment; goals, objectives and policies; and implementation program. Since that time, the Legislature has made a number of modifications to the law, which are reflected in this update.

Status

This document is an update to the Housing Element of the City of Cupertino General Plan. The current Housing Element was adopted by the City Council and certified by the State in 2001 and the General Plan was most recently amended by the City Council on November 15, 2005. This updated Housing Element focuses on housing needs from January 1, 2007 through June 30, 2014, in accordance with the Housing Element planning period for San Francisco Bay Area jurisdictions established by State law.

Relationship with General Plan

State law requires that a General Plan and its constituent elements "comprise an integrated, internally consistent and compatible statement of policies." This implies that all elements have equal legal status and no one element is subordinate to any other element. The Housing Element must be consistent with land use goals and policies set forth in the Land Use Element, and closely coordinated with the Circulation Element of the General Plan. As part of the implementation process for this Housing Element, the City of Cupertino will initiate and complete amendments to the City's General Plan as necessary to achieve internal consistency.

Public Participation

This Housing Element has been developed with extensive participation from members of the Cupertino community. The public participation process described below engaged a diverse set of community stakeholders in a productive dialog on housing issues, including residents, local small and large employers, school districts' administrators and parents, and other interested parties.

Key Stakeholder Interviews. The City's consultant, Bay Area Economics (BAE), interviewed 24 members of the Cupertino community representing various income groups to gain a better understanding of the goals for and concerns about housing in the City.

Focus Group Meetings. The City and BAE convened a key stakeholder Focus Group, which included over 25 leaders in the Cupertino Community. Focus Group participants included members from organized groups interested in housing issues, parents and faculty from the local school districts, and local business leaders.[1] Parties representing various income groups participated in the Focus Group. This Focus Group worked through complex issues associated with housing through a series of four meetings.

- **Focus Group Meeting #1** (August 21, 2008) – This meeting summarized the purpose of the Housing Element Update, the key components of the Housing Element, the City's legal requirements, and the implications of having an uncertified Element. In addition, the meeting focused on the local housing need in Cupertino.
- **Focus Group Meeting #2** (September 25, 2008) – The second meeting focused on the impacts associated with new housing development. Housing impacts discussed at the meeting included fiscal and economic, traffic, open space, and school impacts.
- **Focus Group Meeting #3** (October 23, 2008) – This meeting discussed housing design issues and provided information to participants about different housing product types, densities, and heights.
- **Focus Group Meeting #4** (November 20, 2008) – The final meeting involved a discussion of housing programs and policies. The Focus Group reviewed the accomplishments of the programs and policies from the City's previous Housing Element and discussed potential housing goals, programs, and policies for this Update.

City Commissions. BAE also met with the City's Housing Commission and made a formal presentation to the City's Senior Commission to solicit feedback on senior housing needs.

Online Educational Materials. Presentation materials and web cast archives of Focus Group meetings were made available on the City's website. These materials were meant to introduce the issues and outcomes of each Focus Group meeting to the wider community. The Focus Group meetings were also broadcast live on the City of Cupertino's website.

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[1] *Appendix A provides a complete list of organizations represented at the Focus Group meetings.*

Community Workshop. On January 22, 2009, a community workshop was held to introduce the Housing Element, present a selection of educational materials from the Focus Group meetings, and give participants an opportunity to comment on the Update process.

Community Involvement in Sites Inventory. The City's inventory of residential opportunity sites was developed in consultation with the Housing Commission, Planning Commission, City Council, and members of the public. The Housing Element and sites inventory was presented at one meeting of the Housing Commission, two Planning Commission meetings, and two City Council meetings. At each meeting, commissioners and council members, as well as members of the public, discussed the inventory. During these discussions, several sites were removed and new sites were added based on input from these various stakeholders. Decisions to add or remove sites were based on realistic expectations for sites to be redeveloped within the planning period.

Incorporation of Community Feedback. Community stakeholders and Cupertino residents provided valuable feedback at various points throughout the Update process that were incorporated into the Housing Element. At the focus group meetings, stakeholders emphasized the regional context of housing need in Santa Clara County and encouraged the City to work with neighboring jurisdictions. Community members at the focus group meetings and community workshop also asked questions about particular housing needs in the City which were addressed through data provided in the Needs Assessment. Community concerns regarding the impact of new residential development on local schools were addressed through a new Program in the Housing Element that encourages coordination between the City and local school districts. As discussed above, community members were particularly involved in the site inventory to accommodate the City's RHNA. Several sites suggested by community members during the various public hearings were incorporated into the Housing Element.

Organization of Housing Element

Following this introduction, the Housing Element includes the following major components:

- A review of the prior (2001) Housing Element, including an analysis of housing production over the previous ABAG fair share period;
- An analysis of the City's current and future housing needs;
- An analysis of governmental and non-governmental constraints to housing production;
- An inventory and analysis of housing resources; and
- A housing plan setting forth goals, policies, programs, and quantified objectives to address the City's housing needs.

Table 2.1: Housing Production by Planning District, 2001-2006

Planning Area	General Plan Residential Allocation (a)	Number of Units allowed under Existing Zoning (b)	Units Permitted 2001-2006
Monta Vista	142	62	57
Neighborhood Other Areas	400	400	200
Vallco Park South	711	711	311
Heart of the City	332	332	116
Homestead Road	300	300	0
Commercial Other Areas	300	0	0
City Center	437	437	337
North De Anza	146	146	49
Vallco Park North	300	135	0
Bubb Road	94	0	0
Employment Other Areas	100	0	0
Total	**3,262**	**2,523**	**1,070**

Notes: (a) The City of Cupertino General Plan controls development growth under through an "allocation" system that designates the number of new residential units and commercial and office square footage to be built by Planning Area. (b) The number of residential units allowed under existing zoning exceeded the City's remaining RHNA for 1999-2006.

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

2. REVIEW OF PRIOR HOUSING ELEMENT

A thorough review of the City's housing plan constitutes an important first step in updating the Cupertino Housing Element. This section provides an evaluation of the City's progress towards achieving housing goals and objectives as set forth in the prior Housing Element, and analyzes the efficacy and appropriateness of the City's housing policies and programs. This review forms a key basis for restructuring the City's housing plan to meet the housing needs of the Cupertino community.

Adopted by the City Council and certified by the State HCD in 2001, the prior Housing Element contained five major goals, 12 related policies, and 33 implementation programs. These goals and policies are listed in Appendix B of this document, along with key achievements that relate to one or more of the listed policies. The following discussion provides an overview of City housing accomplishments grouped by major policy area.

An Adequate Supply of Residential Units for All Economic Segments

The City's previous Housing Element identified housing production goals for each of the City's 11 Planning Areas. Specifically, the Element indicated the City would designate sufficiently residentially-zoned land at appropriate densities to provide adequate sites to meet and exceed its Regional Housing Needs Allocation (RHNA) of 2,720 units for the 1999-2006 planning period. Between 1999 and 2001, the City permitted 395 units, leaving a remaining RHNA of 2,325 units. An analysis conducted by the City indicated that there were sufficient residentially zoned sites to accommodate 2,523 units at the time the Housing Element was adopted. This figure exceeded the remaining RHNA of 2,325 units. As such, rezoning was not necessary to meet Cupertino's RHNA for the previous planning period. Table 2.1 shows the number of residential units allocated in the General Plan, the number of units allowed under the zoning at the time, and the number of units permitted by Planning District.

Housing that is Affordable for a Diversity of Cupertino Households

In addition to encouraging overall housing production through land use policies, the City has promoted affordable housing through a variety of policies and programs. Cupertino's Housing Mitigation Program requires developers to pay fees into an Affordable Housing Fund or provide below market-rate (BMR) units as part of their developments. In 2007, the City updated the "Office and Industrial Mitigation" fee after completing an updated nexus study to determine appropriate fee levels. In addition, the City continues to require residential developers to provide BMR units or pay a "Housing Mitigation" fee. Between 1999 and 2006, 25 very low-income and two low-income units were built by developers through the affordable housing mitigation program. Through its Affordable Housing Fund, the City assisted the construction of the 24-unit Vista Village affordable rental development and purchased surplus property from CalTrans on Cleo Avenue for affordable housing.

Beyond the Housing Mitigation Program, the City of Cupertino has continued to implement a number of programs that encourage the development and preservation of affordable housing. The City offers a density bonus to developers who provide housing for very low- and low-income households and provides regulatory incentives such as park fee waivers and parking reductions for affordable projects.

Enhanced Residential Neighborhoods

The City seeks to enhance residential neighborhoods by maintaining and rehabilitating older housing and conserving the existing stock of owner and rental units that provide affordable housing opportunities for low- and moderate-income households. The City has made CDBG funds available on a competitive basis to developers to acquire and rehabilitate rental units for very low- and low-income households. During the 2007-2008 fiscal

year the City of Cupertino received approximately $357,900 in CDBG funds. The City also successfully preserved the Sunnyview West development, the only affordable housing project that had expiring federal subsidies during the Housing Element period.

Cupertino had three programs which assisted with maintenance and home repair for lower-income individuals. The Housing Rehabilitation program provided financial assistance to very low- and low-income homeowners to rehabilitate their homes and the Home Access program provided assistance with minor home repairs and accessibility improvements for lower-income, disabled households. The Weatherization program assisted very low-income homeowners with weatherization improvements to their homes.

The Housing Rehabilitation Program was eliminated in 2002 after a sharp decline in the number of annual loans. The average number of loans dropped from five to approximately one a year. City staff attributed the sharp decline in interest in the program to gentrification. Many seniors who would have applied for the program simply chose to sell their homes for a large profit and move out of the area. Younger more economically stable families purchased their homes. In 2006, Economic and Social Opportunities (ESO) dissolved its Handyworker, Home Access and Weatherization programs. Like many cities in Santa Clara County, Cupertino has struggled to find a replacement. However, in 2007, the City began funding Rebuilding Together Silicon Valley who will provide a volunteer based rehabilitation for qualified Cupertino residents. The agency has also begun a Neighbor to Neighbor program that provides minor repairs and modifications for eligible home owners.

Services for Special Needs Households

Cupertino's previous Housing Element included a number of programs for special needs households, including the homeless and elderly. Currently West Valley Community Services (formerly Cupertino Community Services) operates a rotating shelter program for the homeless at churches throughout Cupertino. The City has not yet revised its Zoning Ordinance to allow permanent emergency shelter facilities in the BQ quasi-public zoning district.

Equal Access to Housing Opportunities

To support equal housing opportunities in Cupertino, the City contracts with Project Sentinel to resolve landlord/tenant dispute in the City. Project Sentinel receives $30,000 from the City annually, and serves approximately 200 Cupertino residents a year. During the 2007-2008 fiscal year, Project Sentinel received 201 calls from Cupertino residents and handled 41 cases. In addition, the City has a contract with ECHO Housing to provide assistance to victims of housing discrimination and address fair housing complaints. Both Project Sentinel and ECHO services are offered to Cupertino residents free of charge.

ABAG Housing Production Goals

Cupertino's RHNA for the 1999 to 2006 Housing Element period was 2,720 units. During that time period, the City issued building permits for 1,339 units accounting for 49 percent of their RHNA (See Table 2.2). Most of the City's permits were issued for above moderate-income housing units. The City issued permits for approximately nine percent of its very low-income allocation and 6 percent of its low-income allocation.

Table 2.2: RHNA Accomplishments, 1999-2006

	RHNA	Permits Issued	Percent of Allocation Permitted
Very Low-Income	412	36	8.7%
Low-Income	198	12	6.1%
Moderate-Income	644	79	12.3%
Above Moderate-Income	1,466	1,212	82.7%
Total	**2,720**	**1,339**	**49.2%**

Sources: ABAG, 2007; BAE, 2009

3. 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.

To facilitate an understanding of how the characteristics of Cupertino are similar to, or different from, other nearby communities, this Housing Needs Assessment presents data for Cupertino alongside comparable data for all of Santa Clara County and, where appropriate, for the San Francisco Bay Area and the state of California.

This Needs Assessment incorporates data from numerous sources, including the United States Census; the Association of Bay Area Governments (ABAG); the State of California, Department of Finance; and Claritas, Inc., a private demographic data vendor. In addition, BAE contacted local service providers to discuss housing needs for special needs populations in Cupertino. Appendix C includes a list of organizations contacted.

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 3.1 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 3.1). 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.

Average Household Size

Average household size is a function of the number of people living in households divided by the number of occupied housing units in a given area. In Cupertino, the average household size in 2008 was 2.80, slightly lower than the Santa Clara County figure of 2.97. Because population growth has outpaced the increase in households in Cupertino and the County, the average household size has increased for both jurisdictions since 2000.

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 3.1, 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.

Table 3.1: 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.

Age Distribution

Cupertino's age distribution, shown in Table 3.2, is relatively similar to that of Santa Clara County with a few notable exceptions. In both Cupertino and Santa Clara County, there are significant proportions of persons under 20 years old. However, the proportion of Cupertino residents under the age of 20 years old has declined since 2000. Compared to the County as a whole, Cupertino has a lower proportion of adults in the 25 to 34 age range but a higher proportion of 45 to 54 year old adults. From 2000 to 2008, the fastest growing segment of the community was residents in the 45 to 54 year old age category, which increased from 15.4 to 18.0 percent of the total population. The proportion of residents in the 25 to 34 age range and the 35 to 44 cohort showed the sharpest decline between 2000 and 2008. Cupertino's elderly population, residents age 65 years old and above, increased from 11 percent to 13 percent between 2000 and 2008.

Table 3.2: Age Distribution, 2000 and 2008

	CITY OF CUPERTINO		SANTA CLARA COUNTY	
Age Cohort	**2000**	**2008**	**2000**	**2008**
Under 15	22.4%	19.8%	20.9%	21.2%
15 to 17	4.3%	5.1%	3.9%	3.9%
18 to 20	2.5%	3.5%	3.9%	3.8%
21 to 24	2.7%	4.8%	5.4%	5.0%
25 to 34	12.1%	8.1%	17.8%	13.4%
35 to 44	21.0%	16.5%	17.6%	16.7%
45 to 54	15.4%	18.0%	13.0%	14.9%
55 to 64	8.7%	11.7%	8.0%	10.4%
65 to 74	5.8%	6.5%	5.2%	5.9%
75 to 84	3.8%	4.2%	3.3%	3.5%
85 +	1.4%	1.9%	1.1%	1.4%
Median Age	**37.9**	**40.8**	**34.0**	**36.7**

Sources: Claritas, 2008; BAE 2008.

In 2008, the median age in Cupertino was 40.8, increasing from 37.9 in 2000. Santa Clara County experienced a parallel aging of its population as evidenced by an increase in the median age from 34.0 to 36.7 years.

Household Income

According to Claritas estimates, the median household income in Cupertino in 2008 was $115,400. This figure is significantly higher than the estimated median household income of $85,454 for Santa Clara County and $74,300 for the Bay Area. Over half of Cupertino households (58 percent) earned more than $100,000 in 2008, whereas only 42 percent of Santa Clara households and 35 percent of Bay Area households fall into this income category.

On a per capita basis, Cupertino is also wealthier than Santa Clara County and the Bay Area. In 2008, the per capita income in Cupertino was $52,200, compared to $37,500 in the County and $36,300 in the Bay Area.

Table 3.3 summarizes the distribution of household incomes for Cupertino, Santa Clara County, and the Bay Area.

Table 3.3: Household Income Distribution, 2008

	CITY OF CUPERTINO		SANTA CLARA COUNTY		BAY AREA (a)		CALIFORNIA	
Household Income	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Less than $15,000	802	4.3%	37,893	6.4%	208,322	8.1%	1,373,535	10.9%
$15,000 to $24,999	692	3.7%	30,785	5.2%	163,949	6.4%	1,158,840	9.2%
$25,000 to $34,999	632	3.4%	34,517	5.8%	177,443	6.9%	1,189,209	9.4%
$35,000 to $49,999	1,031	5.6%	58,619	9.9%	291,229	11.4%	1,720,765	13.7%
$50,000 to $74,999	2,318	12.5%	99,221	16.7%	450,515	17.6%	2,324,817	18.5%
$75,000 to $99,999	2,343	12.7%	86,440	14.5%	362,903	14.2%	1,624,327	12.9%
$100,000 to $149,999	4,402	23.8%	122,222	20.6%	474,017	18.5%	1,821,105	14.5%
$150,000 to $249,999	4,100	22.2%	87,039	14.6%	292,620	11.4%	958,329	7.6%
$250,000 to $499,999	1,466	7.9%	25,535	4.3%	89,355	3.5%	280,285	2.2%
$500,000 and over	686	3.7%	12,090	2.0%	46,437	1.8%	137,650	1.1%
Total (b)	18,472	100.0%	594,361	100.0%	2,556,790	100.0%	12,588,862	100.0%
Median Household Income	$115,466		$85,454		$74,256		$58,414	
Per Capita Income	$52,153		$37,470		$36,322		$27,345	

Notes: (a) Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties. (b) Total number of households here may differ from population and household estimates provided by CA Department of Finance. Sources: Claritas, 2008; BAE 2008.

Employment Trends & Jobs/Housing Balance

Table 3.4 and Table 3.5 on the following pages provide a summary of employment by industry sector and the number of employed residents in Cupertino and Santa Clara County based on data from California Employment Development Department.

Local Employment Opportunities

As shown in Table 3.4, the number of jobs in Cupertino grew by 14 percent between the 2003 and 2007, double the growth in jobs for Santa Clara County as a whole. Cupertino added 3,700 jobs in the four year period, for a total of 30,900 jobs in 2007.

With the exception of retail trade and transportation and warehousing, all industry sectors grew in Cupertino between 2003 and 2007. By far, the manufacturing industry added the largest absolute number of jobs (4,600), followed by wholesale trade (900) and professional, scientific, and technical services (800). Manufacturing represents the largest job sector in both Cupertino and Santa Clara County. However, Cupertino has a much higher proportion of manufacturing jobs (34 percent) than Santa Clara County (19 percent). The manufacturing sector includes the production of computer, electronic, and communication equipment and includes such major employers as Apple and HP.

With the recent collapse of the financial and credit markets and the worldwide recession, Cupertino and the broader Silicon Valley region lost some of the gains in key sectors that were achieved between 2003 and

Table 3.4: Jobs by Sector, 2003-2007 (a)

Industry Sector	CITY OF CUPERTINO					SANTA CLARA COUNTY				
	Q3 2003 (b)		Q3 2007 (c)		% Change 2003-2007	Q3 2003 (b)		Q3 2007 (c)		% Change 2003-2007
	Jobs	% Total	Jobs	% Total		Jobs	% Total	Jobs	% Total	
Agriculture, Forestry, Fishing and Hunting (d)	11	0%	n/a	n/a	n/a	4,778	1%	4,541	1%	-5%
Mining (d)	n/a	n/a	n/a	n/a	n/a	173	0%	262	0%	51%
Construction	395	1%	462	1%	17%	39,981	5%	46,824	5%	17%
Manufacturing	6,061	22%	10,618	34%	75%	172,236	20%	165,665	19%	-4%
Utilities (d)	n/a	n/a	n/a	n/a	n/a	1,474	0%	1,843	0%	25%
Wholesale Trade	760	3%	1,682	5%	121%	33,751	4%	39,622	4%	17%
Retail Trade	3,247	12%	3,085	10%	-5%	80,100	10%	83,356	9%	4%
Transportation and Warehousing	126	0%	94	0%	-25%	12,146	1%	11,513	1%	-5%
Information	1,243	5%	1,697	5%	37%	31,572	4%	40,202	4%	27%
Finance and Insurance	691	3%	696	2%	1%	19,876	2%	21,631	2%	9%
Real Estate and Rental and Leasing	350	1%	699	2%	100%	14,978	2%	15,889	2%	6%
Professional, Scientific, and Technical Services	1,937	7%	2,699	9%	39%	98,608	12%	112,335	13%	14%
Management of Companies and Enterprises (d)	n/a	n/a	n/a	n/a	n/a	15,632	2%	9,197	1%	-41%
Administrative and Waste Services	1,197	4%	1,335	4%	12%	52,271	6%	56,791	6%	9%
Educational Services	276	1%	502	2%	82%	21,461	3%	26,533	3%	24%
Health Care and Social Assistance	1,350	5%	1,618	5%	20%	65,159	8%	70,834	8%	9%
Arts, Entertainment, and Recreation	154	1%	230	1%	49%	11,047	1%	11,591	1%	5%
Accommodation and Food Services	1,951	7%	2,456	8%	26%	58,094	7%	64,416	7%	11%
Other Services, except Public Administration	546	2%	758	2%	39%	26,553	3%	30,619	3%	15%
Unclassified (d)	n/a	n/a	n/a	n/a	n/a	57	0%	16	0%	-72%
Government (d) (e)	n/a	n/a	n/a	n/a	n/a	81,057	10%	80,580	9%	-1%
Total	**27,199**	**100%**	**30,862**	**100%**	**13%**	**841,004**	**100%**	**894,260**	**100%**	**6%**

Notes: (a) Includes all wage and salary employment covered by unemployment insurance. (b) Represents employment for third quarter, 2003. (c) Represents employment for third quarter, 2007. (d) Local employment for Agriculture, Foresty, Fishing and Hunting (2007 only), Mining, Management of Companies and Enterprises, Unclassified, and Government was suppressed by EDD due to the small number of firms in Cupertino reporting in this category. Total employment includes jobs in these categories. (e) Government employment includes workers in all local, state and Federal sectors, not just public administration. For example, all public school staff are in the Government category.

Sources: California Employment Development Department, 2008; BAE, 2008.

Table 3.5. Employment Trends, Cupertino

	CITY OF CUPERTINO			SANTA CLARA COUNTY		
	2003 (a)	2007 (a)	Percent Change 2003-2007	2003 (a.)	2007 (a)	Percent Change 2003-2007
Employed Residents	22,300	23,300	4.5%	779,200	814,700	4.6%
Total Jobs	27,199	30,862	13.5%	841,004	894,260	6.3%
Employed Residents/Total Jobs	0.820	0.755		0.927	0.911	
Unemployment rate	5.4%	3.0%		8.3%	4.7%	

Notes: (a) Represents employed residents and jobs in the third quarter of 2003 and 2007.
Sources: California Employment Development Department, 2008; BAE 2008

2007. As of February, 2009, unemployment in Santa Clara County stood at 9.9 percent compared to 10.5 percent in California and 8.1 percent in the nation as a whole. The impacts of the economic downturn, though serious, have been somewhat localized to particular sectors and industries such as finance and insurance, construction and retail trade. Fortunately for Cupertino, high-tech employment has not declined at the same rate as the rest of the economy and long-term prospects for this sector remain strong.

Employed Residents

Cupertino's job growth outpaced the City's growth in employed residents. While the number of jobs grew by 14 percent, Cupertino's population of residents with jobs grew from 22,300 to 23,300, or by five percent between 2003 and 2007. Santa Clara County's employed residents also grew by five percent, but the County's job growth was more modest at six percent between 2003 and 2007.

Cupertino can be characterized as an increasingly "jobs rich" community, meaning that the number of jobs exceeds the number of working residents. In 2003, the number of employed residents stood at 82 percent of the number of jobs in Cupertino (see Table 3.5). Over the next four years, the number of employed residents dropped to just 76 percent of the number of jobs. Cupertino added more than twice as many jobs as employed residents between 2003 and 2007. This phenomenon was present but less pronounced in Santa Clara County overall. In 2007, the county's number of employed residents represented 91 percent of its employment.

Long Term Projections

Table 3.6 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 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.

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

Table 3.6: 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.

Housing Stock Characteristics

Housing Stock Conditions

The age of Cupertino's housing stock is similar to that of Santa Clara County. As shown in Table 3.7, the largest proportion of homes (30 percent) was built between 1960 and 1969 in Cupertino. In both Cupertino and Santa Clara County, the median year housing structures were built was 1970. Unless carefully maintained, older housing stock can create health, safety, and welfare problems for occupants. Even with normal maintenance, dwellings over 40 years of age can deteriorate, requiring significant rehabilitation.

Notwithstanding this finding, the City's housing stock remains in relatively good condition. Data on the number of units which lack complete plumbing and kitchen facilities are often used to assess the condition of a jurisdiction's housing stock. As Table 3.8 indicates, virtually all of Cupertino's housing units contain complete plumbing and kitchen facilities. The 2000 Census indicates that less than one percent of the City's units lack these facilities.

To characterize the physical conditions of Cupertino's stock of older residential structures, a windshield survey was performed for this Housing Element (inspecting exterior building components visible from the public right-of-way only). The windshield survey was conducted for the Rancho Rinconada residential neighborhood in the eastern part of Cupertino. This neighborhood, which is bordered by Lawrence Expressway, Bollinger Road, Miller Avenue, and Stevens Creek Boulevard, is one of the City's older neighborhoods with many small, single-story homes built in the 1950s. In the 1990s, new homeowners in the Rancho Rinconada neighborhood began demolishing and rebuilding much larger single-family homes. Nevertheless, much of the neighborhood continues to be fairly representative of Cupertino's older housing stock.

Table 3.7: Housing Structures Year Built, Cupertino

	CUPERTINO		SANTA CLARA COUNTY	
Year Built	**Number**	**Percentage**	**Number**	**Percentage**
1999 to March 2000	356	1.9%	10,402	1.8%
1995 to 1998	1,198	6.4%	29,525	5.1%
1990 to 1994	1,021	5.5%	26,941	4.7%
1980 to 1989	2,287	12.2%	77,749	13.4%
1970 to 1979	4,466	23.9%	145,718	25.2%
1960 to 1969	5,622	30.0%	132,161	22.8%
1950 to 1959	2,952	15.8%	96,285	16.6%
1940 to 1949	591	3.2%	30,002	5.2%
1939 or earlier	221	1.2%	30,546	5.3%
Total	**18,714**	**100.0%**	**579,329**	**100.0%**
Median Year Built	**1970**		**1970**	

Sources: US Census, SF3-H34, 2000; BAE, 2008.

Table 3.8: Housing Conditions, Cupertino, 2000

PLUMBING FACILITIES	**Number**	**Percent of Total**
Owners		
Complete plumbing facilities	11,521	63.2%
Lacking complete plumbing facilities	19	0.1%
Renters		
Complete plumbing facilities	6,653	36.5%
Lacking complete plumbing facilities	24	0.1%
Total	**18,217**	**100.0%**
KITCHEN FACILITIES		
Owners		
Complete kitchen facilities	11,532	63.3%
Lacking complete kitchen facilities	8	0.0%
Renters		
Complete kitchen facilities	6,653	36.5%
Lacking complete kitchen facilities	24	0.1%
Total	**18,217**	**100.0%**

Sources: US Census, SF3-H48 and H51, 2000; BAE, 2008.

Table 3.9: Housing Units by Type, 2000 - 2008

CITY OF CUPERTINO	2000		2008		Percent Change 2000-2008
	Number of Units	Percent of Total	Number of Units	Percent of Total	
Single Family Detached	11,425	61.1%	12,235	60.7%	7.1%
Single Family Attached	2,028	10.8%	2,145	10.6%	5.8%
Multifamily 2 to 4 Units	1,663	8.9%	1,698	8.4%	2.1%
Multifamily 5+Units	3,576	19.1%	4,085	20.3%	14.2%
Mobile Home	9	0.1%	9	0.0%	0.0%
Total	**18,701**	**100.0%**	**20,172**	**100.0%**	**7.9%**
SANTA CLARA COUNTY					
Single Family Detached	323,913	55.9%	336,196	54.0%	3.8%
Single Family Attached	52,739	9.1%	55,834	9.0%	5.9%
Multifamily 2 to 4 Units	46,371	8.0%	46,932	7.5%	1.2%
Multifamily 5+Units	136,628	23.6%	164,151	26.4%	20.1%
Mobile Home	19,678	3.4%	19,666	3.2%	-0.1%
Total	**579,329**	**100.0%**	**622,779**	**100.0%**	**7.5%**
BAY AREA					
Single Family Detached	1,376,861	53.9%	1,466,501	53.7%	6.5%
Single Family Attached	224,824	8.8%	233,612	8.5%	3.9%
Multifamily 2 to 4 Units	266,320	10.4%	272,843	10.0%	2.4%
Multifamily 5+Units	623,388	24.4%	699,127	25.6%	12.1%
Mobile Home	61,011	2.4%	61,328	2.2%	0.5%
Total	**2,552,404**	**100%**	**2,733,411**	**100%**	**7.1%**

Sources: CA Department of Finance, E-5 2008; BAE, 2008.

The windshield survey assessed the exterior condition of dilapidated housing units, including a review of each unit's foundation, roofing, siding and/or stucco, and windows.[2] Over half of the several dozen homes surveyed in this area had shingles missing from the roof while nearly all had siding or stucco that needed to be patched and repainted. Many of the dilapidated homes surveyed were characterized by a lack of maintenance with overgrown yards or garbage and debris on the property.

Distribution of Units by Structure Type

As shown in Table 3.9, 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.

[2] *Appendix D provides a sample windshield survey form.*

Table 3.10: Building Unit Permits by Building Type in Cupertino 1999-2008

Building Type	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total 1999-2008
Single Family	240	112	45	111	36	87	114	78	83	65	971
2 Units	0	0	8	4	0	0	0	0	0	42	54
3 & 4 Units	0	0	0	4	0	0	0	0	0	0	4
5 or More Units	80	14	24	252	0	0	0	48	0	0	418
Total Permits Issued	**320**	**126**	**77**	**371**	**36**	**87**	**114**	**126**	**83**	**107**	**1,447**

Sources: U.S. Census, 2008; BAE, 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.

Single-family attached homes comprised the third largest housing category in Cupertino at 11 percent in 2008, a higher figure than the nine percent of all homes in Santa Clara County. The remaining housing categories, small multi-family homes (defined as units in structures containing 2-4 dwellings) and mobile homes represented relatively small proportions of Cupertino's housing stock in 2008 and have experienced little or no growth since 2000.

Building Permit Trends

Building permit trends demonstrate that while Cupertino experienced growth in multi-family unit between 1999 and 2008, new residential development has largely focused on detached single-family homes. Since 1999, Cupertino issued 970 building permits for single-family homes, compared to only 418 permits for all duplex and multi-family units (See Table 3.10).

Overcrowding

Overcrowding refers to a household with an average of 1.01 or more persons per room, with those rooms being bedrooms, kitchens, and dining rooms but not bathrooms. Units with more than 1.5 persons per room are considered to be severely overcrowded. As shown in Table 3.11 Cupertino households were less likely to be overcrowded than Santa Clara County households in 2000. Of all households in Cupertino, 10 percent of households were overcrowded or severely overcrowded versus 14 percent in Santa Clara County. Overcrowding was much more common in Cupertino's renter-occupied households, with 17 percent overcrowded, while only five percent of owner-occupied households in Cupertino were overcrowded.

Table 3.11: Overcrowded Households, 2000 (a)

	Owners		Renters		Total Overcrowded	
CUPERTINO	**Households**	**Percent**	**Households**	**Percent**	**Households**	**Percent**
1.51 or more persons per room (Severely Overcrowded)	148	1.3%	528	7.9%	676	3.7%
1.01 to 1.50 (Overcrowded)	452	3.9%	626	9.4%	1078	5.9%
1.00 or less	10,940	94.8%	5,523	82.7%	16,463	90.4%
Total	**11,540**	**100.0%**	**6,677**	**100.0%**	**18,217**	**100%**
% Overcrowded by Tenure	5.2%		17.3%		9.6%	
SANTA CLARA COUNTY						
1.51 or more persons per room (Severely Overcrowded)	13,216	3.9%	33,048	14.5%	46,264	8.2%
1.01 to 1.50 (Overcrowded)	14,695	4.3%	19,945	8.8%	34,640	6.1%
1.00 or less	310,725	91.8%	174,234	76.7%	484,959	85.7%
Total	338,636	100.0%	227,227	100.0%	565,863	100%
% Overcrowded by Tenure	**8.2%**		**23.3%**		**14.3%**	

Notes: (a) The U.S. Census defines overcrowded an unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severley overcrowded.

Sources: U.S. Census, SF3-H20, 2000; BAE, 2008.

Market Conditions & Income Related to Housing Costs

This section of the needs assessment provides information on market conditions for housing in Cupertino. This information is important, because it reveals the extent to which the private housing market is providing for the needs of various economic segments of the local population. The information on housing market conditions is combined with information on the demographics of the local population to identify those segments of the population that face difficulties in securing housing in Cupertino at costs that do not place them under excessive housing cost burden.

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. As shown in Table 3.12, 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

Table 3.12: Overview of Rental Housing Market for Cupertino, 4thQuarter 2008 (a)

CURRENT MARKET DATA:

Unit Type	Number	Percent of Mix	Avg. Sq. Ft.	Avg. Rent	Avg. Rent/Sq. Ft.
Studio	135	3%	466	$1,260	$2.70
Jr 1BR/1BA	69	2%	660	$1,236	$1.87
1 BR/1 BA	1,547	36%	722	$1,685	$2.33
1 BR TH	12	0%	909	$1,866	$2.05
2 BR/1 BA	574	13%	918	$1,915	$2.09
2 BR/2 BA	1,350	31%	1,057	$2,229	$2.11
2 BR Townhouse	353	8%	1,070	$2,339	$2.19
3 BR/2 BA	172	4%	1,276	$2,849	$2.23
3 BR Townhouse	106	2%	1,321	$2,686	$2.03
Totals	**4,318**	**100%**	**909**	**$1,990**	**$2.19**

AVERAGE RENT HISTORY:

Unit Type	2006	2007	2006-2007 Change	2008	2007-2008 Change
Studio	$1,071	$1,199	12.0%	$1,290	7.6%
Jr 1BR/1BA	$1,265	$1,402	10.8%	$1,316	-7.2%
1 BR/1 BA	$1,444	$1,630	12.9%	$1,712	6.8%
2 BR/1 BA	$1,719	$1,885	9.7%	$1,917	2.7%
2 BR/2 BA	$1,997	$2,157	8.0%	$2,301	12.0%
2 BR Townhouse	$1,992	$2,306	15.8%	$2,432	10.5%
3 BR/2 BA	$2,450	$2,644	7.9%	$2,828	15.3%
3 BR Townhouse	$2,201	$2,433	10.5%	$2,633	16.7%
All	**$1,744**	**$1,928**	**10.6%**	**$2,030**	**8.5%**

OCCUPANCY RATE:

Year	Average Occupancy
2004	95.8%
2005	96.2%
2006	96.7%
2007	96.5%
2008	95.4%

AGE OF HOUSING INVENTORY (by Project):

Year	Percent of Projects
1960s	29%
1970s	33%
1980s	5%
1990s	33%
2000s	0.0%

Notes: (a) Represents only housing complexes with 50 units or more.

Sources: RealFacts, Inc., 2008; Bay Area Economics, 2008.

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 (See Figure 3.1).

Sales volume for single-family homes peaked in 1999 with 812 units sold. The number of single-family home sales declined to 436 units in 2001 during the economic downturn in Silicon Valley. Sales volume of both single-family homes and condominiums in the City has fluctuated since 2001. As shown in Figure 3.2, condominium sales volume parallel trends for single-family homes. In 2008, 337 single-

Figure 3.1: Annual Median Home Price for Cupertino, 1990-2008

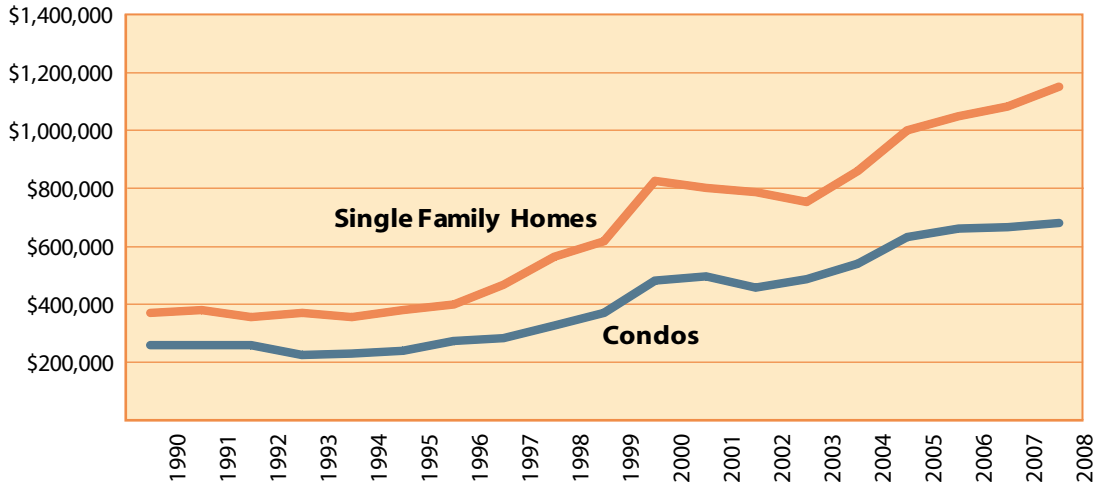


Figure 3.2: Homes Sales Volume, Cupertino, 1990-2008

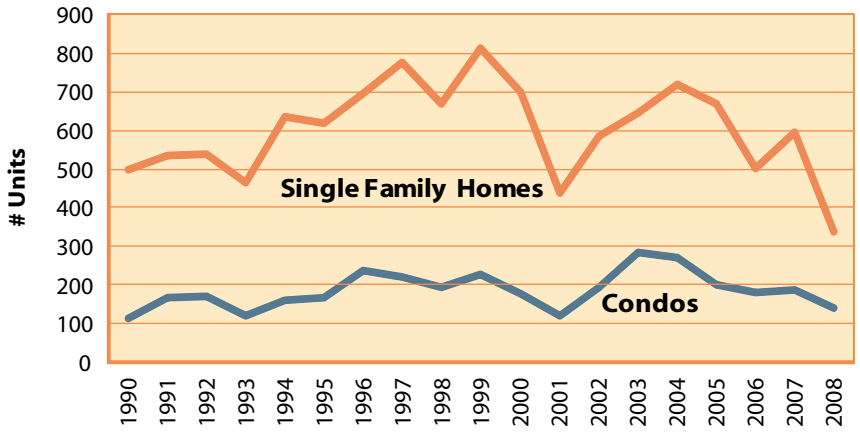


Table 3.13: Housing Occupancy and Vacancy Status, 2000

	CUPERTINO		SANTA CLARA COUNTY		CALIFORNIA	
Occupancy Status	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Occupied Housing Units	18,217	97.3%	565,863	97.7%	11,502,870	94.2%
Vacant Housing Units	497	2.7%	13,466	2.3%	711,679	5.8%
For rent	132	0.7%	4,450	0.8%	201,388	1.6%
For sale only	135	0.7%	2,155	0.4%	115,343	0.9%
Rented or sold, not occupied	65	0.3%	2,294	0.4%	54,785	0.4%
For seasonal, recreational or occasional use	83	0.4%	2,821	0.5%	261,950	2.1%
For migrant workers	53	0.3%	202	0.0%	2,194	0.0%
Other vacant (a)	29	0.2%	1,544	0.3%	76,019	0.6%
Total	**18,714**	**100%**	**579,329**	**100%**	**12,214,549**	**100%**

Note: (a) If a vacant unit does not fall into any of the classifications specified above, it is classified as "other vacant." For example, this category includes units held for occupancy by a caretaker or janitor, and units held by the owner for personal reasons.

Sources: US Census, SF3-H6 and H8, 2000; BAE, 2008.

family homes and 140 condominiums were sold in Cupertino. The decline in home sales in 2008 is indicative of the tightening credit market and current recession.

Vacancy Rates and Trends

Based on U.S. Census data, the vacancy rate for housing units in Cupertino was very low in 2000. The Census reported a vacancy rate of 2.7 percent in Cupertino, slightly higher than Santa Clara County's vacancy rate of 2.3 percent (See Table 3.13). However, Real Facts, which surveys large apartment complexes, reports that the 2008 vacancy rate for rental housing is higher at 4.6 percent. The rental vacancy rate has increased since 2004 when 4.2 percent of Cupertino rental units were not occupied.

Housing Affordability

According to the federal government, housing is considered "affordable" if it costs no more than 30 percent of the household's gross income. Often, affordable housing is discussed in the context of affordability to households with different income levels. Households are categorized as very low-income, low-income, moderate-income, or above moderate-income based on percentages of the Area Median Income (AMI) established annually by the California Department of Housing and Community Development. Income limits vary by household size. Table 3.14 provides the maximum income limits for a four person household in Santa Clara County in 2008. Very low- and low-income households are eligible for federal, state, and local affordable housing programs. Moderate-income households are eligible for some state and local housing programs. These income categories are also used by ABAG in their Regional Housing Needs Allocation.

Table 3.14: Household Income Limits, Santa Clara County, 2008

Income Category	% of Area Median Income	Top of Income Range (a)
Extremely Low-Income	0% to 30%	$31,850
Very Low-Income	31% to 50%	$53,050
Low-Income	51% to 80%	$84,900
Moderate	80% to 120%	$117,400
Santa Clara Median	**100%**	**$97,800**

Notes:(a) Based on HCD 2008 Household Income Limits a household of four in Santa Clara County.

Sources: California Department of Housing and Community Development, 2008; BAE, 2008.

Another way to think of the household income categories is to consider what types of jobs people in these different categories might have. Figure 3.3 provides representative households for Santa Clara County, with hypothetical jobs and family compositions.

Ability to Purchase/Rent Homes

Table 3.15 shows affordability scenarios for four-person households with very low-, low-, and moderate-incomes. The analysis compares the maximum affordable sales price for each of these households to the market rate prices in Cupertino between June 1, 2007 and June 1, 2008. The maximum affordable sales price was calculated using household income limits published by the California Department of Housing and Community Development, conventional financing terms, and assuming that households spend 30 percent of gross income on mortgage payments, taxes, and insurance. Appendix E provides details the calculations for the maximum affordable sales price. Home sales data for Cupertino between June 1, 2007 and June 1, 2008 was obtained from DataQuick Information Systems.

As shown in Table 3.15, the median sales price for a three bedroom, single-family home was $1,081,000. In comparison, the highest cost residence that a moderate-income family (earning up to 120 percent of AMI) could afford is $477,000. Only 1.7 percent of three bedroom single-family homes sold between June 1, 2007 and June 1, 2008 fall within this price range. This analysis indicates that for all but above moderate-income households, current market prices present a serious obstacle to single-family homeownership.

Figure 3.3: Representative Households for Santa Clara County, 2008

Moderate-Income Household (80% - 120% AMI)

Estimated Annual Income: $84,900 - $117,400

Dad works as an elementary school teacher, mom works as a secretary; they have two children.

Low-Income Household (50% - 80% AMI)

Estimated Annual Income: $53,050 - $84,900

Dad works as an office building janitor, mom works as a childcare provider; they have two children.

Very Low-Income Household (Up to 50% AMI)

Estimated Annual Income: Up to $42,450

Mom works as a retail clerk and is the only source of financial support in her family; she has one child.

Sources: California Department of Housing and Community Development,

2008; Nonprofit Housing Association of Northern California, 2008; BAE, 2008

Table 3.15: Affordability of Market Rate Housing in Cupertino (a)

For Sale	Max. Affordable Sale Price (b)	Percent of SFRs on Market within Price Range (c)	Percent of Condos on Market within Price Range (c)
Very Low-Income (Up to 50% AMI)	$219,000	0.6%	0.0%
Low-Income (Up to 80% AMI)	$350,500	1.1%	0.0%
Moderate-Income (Up to 120% AMI)	$484,700	0.0%	0.0%

	Single-Family Residence (c)	Condominiums (c)
Median Sale Price	$1,081,300	$885,800

Rental	Max. Affordable Monthly Rent (d)	Average Market Rent (e)
Extremely Low-Income (Up to 30% AMI)	$640	$2760
Very Low-Income (Up to 50% AMI)	$1,170	$2760
Low-Income (Up to 80% AMI)	$1,960	$2760
Moderate-Income (Up to 120% AMI)	$2,780	$2760

Notes:

(a) Affordable sale price and rent based on a four-person household income, as defined by CA HCD for Santa Clara County.

(b) Assumptions used to calculate affordable sale price.

Annual Interest Rate (Fixed)	*6.6%*	*Freddie Mac, ten-year average.*
Term of mortgage (Years)	*30*	
Percent of sale price as down payment	*20%*	
Initial property tax (annual)	*1.10%*	
Mortgage insurance as percent of loan amount	*0.00%*	*Assumes 20% down payment.*
Annual homeowner's insurance rate as percent of sale price	*0.04%*	*CA Dept. of Insurance, average, assuming $150K coverage.*
Percent of household income available for PITI	*30%*	

PITI = Principal, Interest, Taxes, and Insurance

(c) Based on all full and verified sales of units with 3 bedrooms in Cupertino between June 1, 2007 and June 1, 2008.

(d) Assumes 30 percent of household income spent on rent and utilities, based on Santa Clara Housing Authority utility allowance.

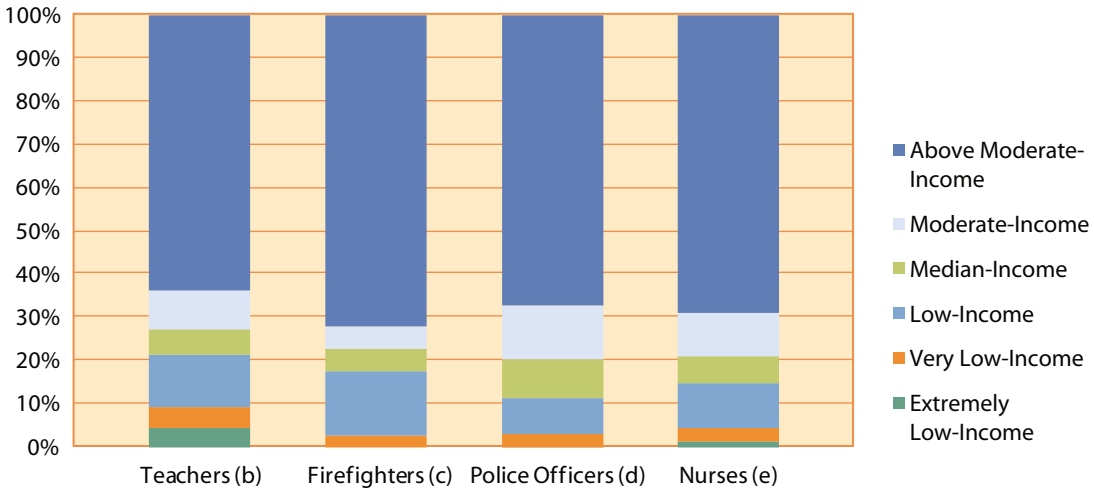
(e) For three-bedroom units in Cupertino, per RealFacts. Based on rent survey from first quarter 2008.

Sources: Data Quick, 2008; RealFacts, 2008; Santa Clara County Housing Authority, 2007; CA HCD, 2008; BAE, 2008.

Condominiums are also out of reach for very low-, low-, and moderate-income households. Cupertino condominiums sold for a median price of $665,000 between June 1, 2007 and June 1, 2008 with an average cost per square foot of $521. As discussed previously, a four-person, moderate-income household could qualify to purchase a residence costing up to $477,000, which is still well below the median three bedroom condominium price of $886,000. There were no three bedroom condominiums sold between June 1, 2007 and June 1, 2008 that would be affordable to a four person, moderate income household.

Current market rate rents for three-bedroom units in Cupertino were compared to the maximum affordable monthly rents for a four-person household in Santa Clara

Figure 3.4: Household Income of Select Occupations, Santa Clara County, 2000 (a)



County. Maximum affordable monthly rents assumed that households pay 30 percent of gross income on rent and utilities. According to Real Facts, the average monthly rent for a three bedroom unit in Cupertino in the first quarter of 2008 was $2,762. This analysis suggests that low-, very low-, and extremely low-income households must pay significantly in excess of 30 percent of their incomes to compete in the current market without some form of rental subsidy. The gap is especially large for extremely low- and very low-income households who have to pay more than 60 percent of their income to afford current market rents. Only moderate-income households can afford average monthly rents in Cupertino.

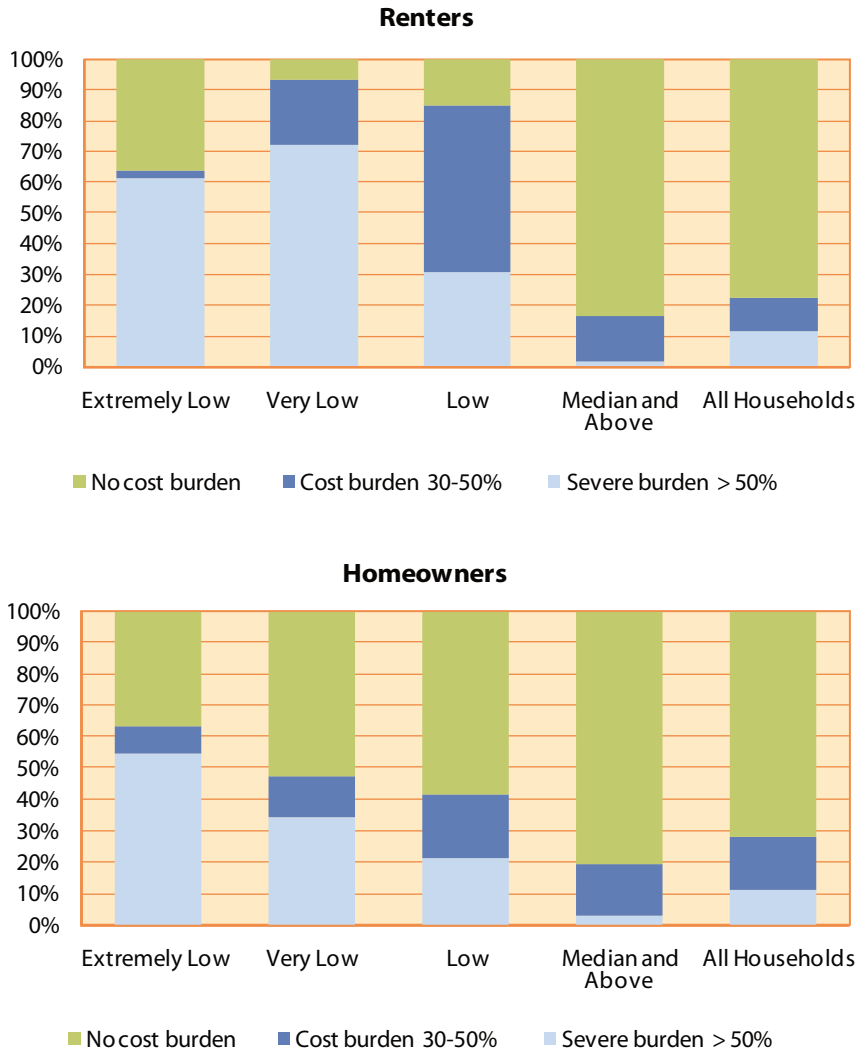
To augment this analysis, the household incomes of select occupations were analyzed to evaluate these workers' ability to rent or purchase a home in Cupertino. Figure 3.4 summarizes the household incomes for a range of occupations in Santa Clara County, based on 2000 Census data, with all incomes adjusted to 2008 dollars. Teachers, fire fighters, police officers, and nurses were selected for this analysis because these occupations are often considered vital to communities.

This analysis shows that of these four vital professions, teachers have the lowest household incomes. Thirty-six percent of households with teachers are very low-, low-, and moderate-income households; 28 percent of firefighter households, 33 percent of police officer households, and 31 percent of nurse households earn less than 120 percent of AMI. Based on the analysis previously provided, these households earning moderate-incomes or less would have difficulty purchasing homes in Cupertino.

Overpayment

According to Department of Housing and Urban Development (HUD) standards, a household is considered to be "cost-burdened" (i.e. overpaying for housing) if it spends more than 30 percent of gross income on housing-

Figure 3.5: Housing Cost Burden by Household Income Level, Cupertino, 2000



related costs. Households are "severely cost burdened" if they pay more than 50 percent of their income on housing cost. The 2000 Census reports that 31 percent of renters and 28 percent of homeowners were overpaying for housing in Cupertino in 2000. In Santa Clara County, 36 percent of renters and 28 percent of homeowners were cost-burdened in 2000.

The housing cost burden is particularly pronounced for extremely low- and very low-income households. In 2000, 61 percent of Cupertino's extremely low-income renters and 72 percent of very low-income renters were severely cost burdened. This finding is consistent with the analysis of the local housing market, which revealed a significant gap between prices and rents and the ability of lower-income households to afford adequate housing.

Assisted Housing at Risk of Conversion

State Law requires local Housing Elements to include an inventory of affordable housing developments that could be at risk of conversion to market rates during the 10-year period that follows the adoption of the Element. For those units found to be at risk of conversion, the Housing Element must estimate the cost to preserve or replace the at-risk units, to identify the resources available to help in the preservation or replacement of those units, and to identify those organizations that could assist in these efforts.

Inventory of Existing Affordable Units

Table 3.16 presents the inventory of affordable housing units in the City of Cupertino and indicates the earliest dates of termination of affordability restrictions for each project.

Units At Risk of Conversion During Next Ten Years

The affordable housing developments at risk of conversion during the next ten years include those whose affordability restrictions expire in 2017 or earlier. As presented in Table 3.16, the affordability restrictions for the Le Beaulieu project will expire in September 2015. Cupertino Community Housing originally developed Le Beaulieu in 1984 and utilized project based Section 8 vouchers. Mid-Peninsula Housing Coalition, a nonprofit organization, acquired and rehabilitated the project in 1998. Le Beaulieu contains 27 one- and two-bedroom units for adults with physical disabilities who are able to live independently. All units are handicap accessible and affordable to low-income households (less than 50 percent of AMI). The Le Beaulieu development is considered to have a low-risk of converting to market rate because Mid-Peninsula Housing Coalition is committed to maintaining the property as affordable.

Le Beaulieu, Cupertino Housing for the Disabled

While the Le Beaulieu project is the only subsidized development that is at-risk of converting to market rate, there are also 10 below market rate (BMR) units in the Chateau Cupertino development with affordability requirements expiring in March of 2010. These 10 BMR units will likely convert to market rate when the affordability requirements expire. However, the City of Cupertino is committed to maintaining long-term affordability of its BMR units. As such, in 2005, the City increased the minimum affordability term for BMR units in new developments to 99 years.

If Mid-Peninsula Housing Coalition is unsuccessful in renewing funding for the Le Beaulieu project, there are several other options for retaining this affordable housing resource in the community. These include preserving the units as affordable or replacing them. A cost analysis of these two options follows.

Table 3.16: Inventory of Affordable Rental Housing Units

Affordable Developments	Number of Affordable Units	Household Income		Earliest Termination Date
		Very Low or Low	Moderate	
Sunnyview West 22449 Cupertino Rd.	100	100	0	5/31/2004
Stevens Creek Village 19140 Stevens Creek Blvd.	40	40	0	6/30/2035
LeBeaulieu Apartments 10092 Bianchi Way	27	27	0	9/12/2015
WVCS Transitional Housing 10311-10321 Greenwood Ct.	4	4	0	7/14/2026
Beardon Drive 10192-10194 Beardon Dr.	8	8	0	11/22/2024
Vista Village 10114 Vista Drive	24	24	0	11/29/2056
Total	**203**	**203**	**0**	
Group Homes				
Adult Toward Independent Living 19147 Anne Ln.	8 persons			N/A
Pacific Autism Center for Education 19681 Drake Dr. 7576 Kirwin Ln	12 persons			6/25/2025
Below Market Rate (BMR) Rental Units				
Biltmore Apartments 10159 South Blaney Ave.	2	2	0	6/30/2029
City Center Apartments 20380 Stevens Creek Blvd.	4	4	0	7/8/2026
The Hamptons 19500 Pruneridge Ave.	34	34	0	10/20/2027
Arioso Apartments 19608 Pruneridge Ave.	20	20	0	1/29/2028
Forge-Homestead Apartments 20691 Forge Way	15	15	0	1/16/2027
Aviare Apartments 20415 Via Paviso	22	22	0	7/8/2026
Chateau Cupertino 10150 Torre Ave.	10	10	0	3/1/2010
Total	**107**	**107**	**0**	

Source: City of Cupertino, 2008; BAE, 2008.

Preserve Affordability

The HUD established Fair Market Rents (FMR) for Santa Clara County are generally lower than prevailing market rents in the Cupertino market area. As shown in Table 3.17, cumulatively, the monthly subsidy being provided to these 27 units is $15,900 per month, or $191,200 per year in 2008 dollars. If the property owner is willing to enter into a rental subsidy agreement with the City or some other entity that would subsidize the rents on behalf of the lower-income renters, this would be the ongoing cost to provide equivalent subsidies.

Replace Affordable Units

As an alternative to providing ongoing monthly rent subsidies, the City or another entity could attempt to purchase or develop replacement housing units that could be rented to the displaced lower-income households at similar rents. In order to make this possible, it would be necessary to provide a subsidy for the purchase or construction of the replacement units that would be the equivalent of $191,200 per year in current dollars. The initial investment in existing or new housing units that would be necessary to allow a $191,200 reduction in annual rent can be estimated by calculating the net present value of mortgage payments equal to $15,900 per month on the theory that if the property manager (e.g., a non-profit housing organization) can reduce its required mortgage payments by $15,900 per month, then it could reduce the rents that it needs to charge its tenants by a similar amount. Based on a 30-year mortgage term at 7.5 percent interest, it would take an initial investment of approximately $2.28 million to reduce the monthly debt service by $15,900 per month.

This analysis, however, likely understates the true cost of replacing the units, as it would be quite difficult to assemble an appropriate combination of subsidies to develop a similar project with the same mix of unit sizes and affordability levels.

Financial Resources Available to the City to Assist in Preservation

Clearly, the costs are substantial to preserve or replace housing units that currently rent below market rates. In light of the challenge, the City must consider what resources are available to help preserve or replace those

Table 3.17: At Risk Housing Preservation Analysis

Unit Type	# Units	FMR (a)	Market Rents (b)	Per Unit Gap (c)	Total Gap (d)
1 BR	21	$1,113	$1,727	$614	$12,894
2 BR	6	$1,338	$1,844	$506	$3,036
TOTAL	**27**				**$15,930**
Yearly Cost to Preserve 27 Units (e)					**$191,160**
Total Cost to Replace Units (f)					**$2,278,271**

Notes: (a) 2009 Fair Market Rents for Santa Clara County as established by HUD. (b) Prevailing market rents in the City of Cupertino, as reported by RealFacts. (c) Represents the difference between Fair Market Rents and prevailing market rents. (d) The total difference between rents received by project sponsors and the potential rental income the project could receive if all units were rented at prevailing market rates. (e) Represents the yearly cost to preserve current affordability levels in current 2008 dollars. (f) Represents the net present value of the yearly rent subsidy based on a 30 year mortgage period and an interest rate of 7.5 percent.

Source: BAE, 2008.

Table 3.18: Household Size by Tenure, 2000

	Owner		Renter		Total	
CUPERTINO	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
1-4 persons	10,309	89.3%	6,152	92.1%	16,461	90.4%
5+ persons	1,231	10.7%	525	7.9%	1,756	9.6%
Total	**11,540**	**100.0%**	**6,677**	**100.0%**	**18,217**	**100.0%**
SANTA CLARA COUNTY						
1-4 persons	286,006	84.5%	192,273	84.6%	478,279	84.5%
5+ persons	52,630	15.5%	34,954	15.4%	87,584	15.5%
Total	**338,636**	**100.0%**	**227,227**	**100.0%**	**565,863**	**100.0%**

Sources: U.S. Census, SF3-H17, 2000; BAE, 2008.

units so that lower-income tenants are not displaced in the event that the projects are converted to market rates. The City has access to a range of different funds that could potentially assist in a preservation effort including:

- City Affordable Housing Fund
- CDBG Entitlement Funds
- Mortgage Revenue Bonds
- State Grant Programs
- Federal Grant Programs
- Low-Income Housing Tax Credits
- HUD Section 8 "Mark to Market" Program
- Housing Trust of Santa Clara County

Once the City becomes aware of an impending conversion, it will be necessary for to begin exploring the availability of funding from various sources at that particular time. In many cases, the City will find it advantageous to collaborate with private affordable housing developers or managers to develop and implement a viable plan to preserve affordable housing units. Private developers can often bring additional expertise and access to funding, such as tax credits. The State Department of Housing and Community Development maintains a listing of affordable housing developers and property managers who have expressed an interest in working with local communities on preservation of affordable housing projects. This database lists organizations that are interested in working in any county within the State of California, including such well-known affordable housing providers as Mercy Housing, Inc., and EAH, Inc. The database also lists numerous organizations that have expressed interest in working on preservation projects in Santa Clara County in particular. This list includes such organizations as BRIDGE Housing Corporation, the Mid-Peninsula Housing Coalition, and Eden Housing. The organizations listed above are but a few of those listed in the HCD database that the City of Cupertino might consider as potential partners in the event that it becomes necessary to assemble a team to preserve an affordable housing project whose conversion to market rate housing is imminent.

Special Housing Needs

This section of the needs assessment profiles populations with special housing needs, including large families, single parent families, extremely low-income households, persons with disabilities, elderly households, farm workers, and homeless persons and families.

Large Households

Cupertino has a smaller proportion of large households (defined as five or more persons) than Santa Clara County. As shown in Table 3.18, 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.

Although Cupertino has a smaller proportion of large households than Santa Clara County, the city has a larger proportion of homes with three or more bedrooms. As shown in Table 3.19, 61 percent of units in Cupertino had three or more bedrooms compared to only 53 percent of Santa Clara County homes. In Cupertino, the most common home configuration for renters was two bedrooms, while households that owned their own home were more likely to live in three-bedroom units than any other housing type.

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.

Table 3.19: Existing Housing Stock by Number of Bedrooms, 2000

	Owner Households		Renter Households		Total	
CUPERTINO	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
No bedroom	33	0.3%	315	4.7%	348	1.9%
1 bedroom	540	4.7%	1,930	28.9%	2,470	13.6%
2 bedrooms	1,826	15.8%	2,524	37.8%	4,350	23.9%
3 bedrooms	4,218	36.6%	1,446	21.7%	5,664	31.1%
4 bedrooms	3,787	32.8%	397	5.9%	4,184	23.0%
5 or more bedrooms	1,136	9.8%	65	1.0%	1,201	6.6%
Total	**11,540**	**100.0%**	**6,677**	**100.0%**	**18,217**	**100.0%**
SANTA CLARA COUNTY						
No bedroom	5,487	1.6%	29,370	12.9%	34,857	6.2%
1 bedroom	16,168	4.8%	76,008	33.5%	92,176	16.3%
2 bedrooms	62,956	18.6%	75,466	33.2%	138,422	24.5%
3 bedrooms	132,230	39.1%	33,922	14.9%	166,152	29.4%
4 bedrooms	98,071	29.0%	10,633	4.7%	108,704	19.2%
5 or more bedrooms	23,724	7.0%	1,828	0.8%	25,552	4.5%
Total	**338,636**	**100.0%**	**227,227**	**100.0%**	**565,863**	**100.0%**

Sources: US Census, SF3-H42, 2000; BAE, 2008.

Table 3.20: Family Characteristics, Cupertino 2000

Household Type	Number	Percent of Total
1-person household:	3,532	19.4%
Male householder	1,680	9.2%
Female householder	1,852	10.2%
2 or more person household:	14,674	80.6%
Family households:	13,642	74.9%
Married-couple family:	11,771	64.7%
With own children under 18 years	6,853	37.6%
Other family:	1,871	10.3%
Male householder, no wife present:	651	3.6%
With own children under 18 years	222	1.2%
Female householder, no husband present:	1,220	6.7%
With own children under 18 years	617	3.4%
Nonfamily households:	1,032	5.7%
Male householder	693	3.8%
Female householder	339	1.9%
Total Households	**18,206**	**100.0%**

Sources: U.S. Census, SF3-P10, 2000; Bay Area Economics, 2008.

Table 3.21: Poverty Status, Cupertino, 2000

Families Below Poverty Line	Number	Percent
Maried-couple Family	285	56.5%
Other Family		
Male Householder	61	12.1%
Female Householder	158	31.3%
Total Families Below Poverty Line	**504**	**100.0%**

Sources: U.S. Census, SF3-P90, 2000; BAE, 2008.

Table 3.22: Housing Needs for Extremely Low-Income Households, Cupertino, CA

	Renters	Owners	Total
Total Number of ELI Households	687	620	1307
Percent with Any Housing Problems	66.5%	65.5%	66.0%
Percent with Cost Burden (30% of income)	63.6%	63.2%	63.4%
Percent with Severe Cost Burden (50% of income)	61.0%	54.7%	58.0%
Total Number of Households	**6,683**	**11,534**	**18,217**
Percent ELI Households	**10.3%**	**5.4%**	**7.2%**

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy. (CHAS) special tabulations from Census 2000; BAE, 2008.

Table 3.20 shows that in 2000, there were 600 single female householders with children in Cupertino. As a proportion of all families, such households represented three percent of all households in Cupertino and five percent of family households in the city. However, single female headed households with children living in poverty represented 31 percent of all families living below poverty in Cupertino in 2000. As Table 3.21 shows, there were approximately 160 single female headed households with children living below poverty in the City. The U.S. Census Bureau sets poverty level thresholds each year and they are often used to establish eligibility for federal services.

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 (AMI). 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 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.

As Table 3.23 shows, 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. Table 3.24 indicates that 65 percent of elderly renter households earned less than 80 percent of median family income compared to 36 percent of elderly owner households.

Generally, elderly households across the country tend to pay a larger portion of their income to housing costs than other households. While 31 percent of all renter households in Cupertino were overpaying for housing in 2000, 62 percent of elderly renter households were paying more than

Table 3.23: Elderly Households by Tenure and Age, 2000

	CUPERTINO		SANTA CLARA COUNTY	
15-64 years	**Number**	**Percent**	**Number**	**Percent**
Owner	8,805	58.6%	268,358	56.6%
Renter	6,222	41.4%	205,742	43.4%
Total	**15,027**	**100.0%**	**474,100**	**100.0%**
65 plus years				
Owner	2,735	85.7%	70,278	76.6%
Renter	455	14.3%	21,485	23.4%
Total	3,190	100.0%	91,763	100.0%
Total Householders	**18,217**		**565,863**	
Percent Householders 65 plus years	**17.5%**		**16.2%**	

Sources: US Census, SF3-H14; BAE, 2008.

Table 3.24: Household Income Level of Elderly Households by Tenure, Cupertino, 2000 (a)

Elderly Renter Households	Number	Percent
<=30% MFI	190	39.2%
>30% to <=50% MFI	65	13.4%
>50% to <=80% MFI	60	12.4%
>=80% MFI	170	35.1%
Total	**485**	**100.0%**
Elderly Owner Households	**Number**	**Percent**
<=30% MFI	294	10.7%
>30% to <=50% MFI	395	14.4%
>50% to <=80% MFI	297	10.8%
>=80% MFI	1,765	64.2%
Total	**2,751**	**100%**

Notes: (a) Figures reported above are based on the HUD-published CHAS 2000 data series, which uses reported 1999 incomes. CHAS data reflect HUD-defined household income limits, for various household sizes, which are calculated for Cupertino.

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy

(CHAS) special tabulations from Census 2000; BAE, 2008.

30 percent of their income toward housing. On the other hand, the proportion of elderly owner households overpaying for housing was smaller than the proportion of all Cupertino owner households; 22 percent of elderly owner households overpaid for housing versus 28 percent of all Cupertino owner households.

Cupertino offers a number of resources for seniors. As shown in Table 3.26, there are six Residential care facilities for the elderly and three skilled nursing facilities in Cupertino. Residential care facilities for the elderly (RCFEs), also known as "assisted living" or "board and care" facilities, provide assistance with some activities of daily living while still allowing residents to be more independent than in most nursing homes. Skilled nursing facilities, also known as nursing homes, offer a higher level of care, with registered nurses on staff 24 hours a day.

Table 3.25: Housing Cost Burden by Household Income Level by Elderly Households, Cupertino, 2000 (a)

	Extr. Low	Very Low	Low	Median +	All Elderly Households
Elderly Renter Households	190	65	60	170	485
% with any housing problems	71.1%	69.2%	58.3%	50.0%	61.9%
% Cost Burden >30%	71.1%	69.2%	58.3%	50.0%	61.9%
% Cost Burden >50%	71.1%	69.2%	58.3%	11.8%	48.5%
Elderly Owner Households	294	395	297	1,765	2,751
% with any housing problems	54.1%	32.9%	12.8%	16.1%	22.2%
% Cost Burden >30%	50.7%	32.9%	12.8%	16.1%	21.9%
% Cost Burden >50%	44.2%	20.3%	6.1%	3.7%	10.7%

Notes: (a) Figures reported above are based on the HUD-published CHAS 2000 data series, which uses reported 1999 incomes. CHAS data reflect HUD-defined household income limits, for various household sizes, which are calculated for Cupertino.

Definitions: Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Renter: Data do not include renters living on boats, RVs or vans. This excludes approximately 25,000 households nationwide.

Cost Burden: Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy (CHAS) special tabulations from Census 2000; BAE, 2008.

Table 3.26: Housing Resources for the Elderly

Residential Care Facilities for the Elderly	Location	Capacity
The Forum at Rancho San Antonio	23500 Cristo Rey Drive	741
Paradise Manor 4	19161 Muriel Lane	6
Pleasant Manor of Cupertino	10718 Nathanson Avenue	6
Purglen of Cupertino	10366 Miller Avenue	12
Sunnyview Manor (a)	22445 Cupertino Road	115
Zen's Care Home	20351 Bollinger Road	6
Total		**886**
Skilled Nursing Facilities		
Health Care Center at Forum at Rancho San Antonio	23500 Cristo Rey Drive	48
Pleasant View Convalescent Hospital	22590 Voss Avenue	170
Sunnyview Manor	22445 Cupertino Road	47
Total		**265**
Subsidized Independent Senior Rental Housing		
Chateau Cupertino	10150 Torre Avenue	10
Park Circle	20651-20653 Park Circle East	8
Sunnyview West	22449 Cupertino Road	99
Total		**107**

Notes: (a) Sunnyview Manor has 115 units for independent and assisted (RCFE) living. All 115 units are licensed as RCFE units, but residents may choose between indpendent and assisted living options. The distribution of indpendent and assisted living units varies over time.

Source: California Department of Social Services, 2008; California Healthcare Foundation, 2008; Avenidas, 2008; City of Cupertino, 2008; BAE, 2008.

In addition to assisted living facilities, there are two subsidized independent senior housing developments in the City. As shown in Table 3.26, there are a total of 115 unit of affordable senior housing in Cupertino. Demand for these subsidized units is high. Staff at Sunnyview West estimate that there is over 500 people on the waiting list and it currently takes approximately 5 years for individuals to get a unit.

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.

Table 3.27: Persons with Disability by Employment, Cupertino, 2000

	CUPERTINO		SANTA CLARA COUNTY	
	Number	Percent of Total Population	Number	Percent of Total Population
Age 5-64, Employed Persons with a Disability	2,149	4.6%	114,389	7.4%
Age 5-64, Not Employed Persons with a Disability	1,429	3.0%	79,730	5.1%
Persons Age 65 Plus with a Disability	1,504	3.2%	60,610	3.9%
Total Persons with a Disability	**5,082**	**10.8%**	**254,729**	**16.4%**
Total Population (Civilian Non-institutionalized 5 years +)	**47,102**	**100.0%**	**1,552,217**	**100.0%**

Sources: U.S. Census, SF3-P42, 2000; BAE 2008.

Table 3.28: Persons with Disabilities by Disability Type, Cupertino, 2000

	CUPERTINO		SANTA CLARA COUNTY	
	Number	Percent of Total Disabilities	Number	Percent of Total Disabilities
Total Disabilities for Ages 5-64	5,647	66.7%	319,867	72.4%
Sensory Disability	376	4.4%	18,284	4.1%
Physical disability	647	7.6%	41,897	9.5%
Mental disability	617	7.3%	34,919	7.9%
Self-care disability	201	2.4%	14,885	3.4%
Go-outside-home disability	1,453	17.2%	79,636	18.0%
Employment disability	2,353	27.8%	130,246	29.5%
Total Disabilities for Ages 65 and Over	2,823	33.3%	121,693	27.6%
Sensory Disability	556	6.6%	20,564	4.7%
Physical disability	962	11.4%	39,508	8.9%
Mental disability	303	3.6%	18,128	4.1%
Self-care disability	280	3.3%	12,897	2.9%
Go-outside-home disability	722	8.5%	30,596	6.9%
Total Disabilities Tallied	**8,470**	**100.0%**	**441,560**	**100.0%**

Sources: U.S. Census, SF3-P41, 2000; BAE 2008.

According to the 2000 Census, physical disabilities represented the most pervasive disability type for seniors. Among people under the age of 65, 28 percent of disabilities prevented individuals from working while 17 percent of disabilities prevented people from leaving their home to shop, visit the doctor, or access other services (a "go-outside-home disability"). Physical disabilities affected approximately 650 Cupertino residents.

Table 3.29, right, summarizes the licensed community care facilities in Cupertino that serve some of the city's special needs groups. Adult residential facilities offer 24 hour non-medical care for adults, ages 18 to 59 years old, who are unable to provide for their daily needs due to physical or mental disabilities. Group homes, small residential facilities that serve children or adults with chronic disabilities, provide 24 hour care by trained professionals.

Farmworkers

As shown in Table 3.30, the USDA Census of Agriculture reported that there were approximately 5,500 farmworkers in Santa Clara County in 2002. A majority of farmworkers (69 percent) was seasonally employed, working less than 150 days a year on a farm.

Table 3.29: Community Care Facilities in Cupertino

Adult Residential Facilities	Location	Capacity
Paradise Manor 2	19133 Muriel Lane	6
Paradise Manor 3	19147 Muriel Lane	6
Total		**12**
Group Homes		
Pace-Morehouse	7576 Kirwin Lane	6
Pacific Autism Center for Education Miracle House	19681 Drake Drive	6
Total		**12**

Source: California Department of Social Services, 2008; California Healthcare Foundation, 2008; BAE, 2008.

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

Table 3.30: Farmworker Trends, Santa Clara County County, 1992-2002 (a)

SANTA CLARA COUNTY	1992	1997	2002	Percent Change
Hired farm labor (farms)	438	494	484	10.5%
Hired farm labor (workers)	6,821	5,779	5,456	-20.0%
CALIFORNIA				
Hired farm labor (farms)	38,347	36,450	34,342	-10.4%
Hired farm labor (workers)	583,794	549,265	535,526	-8.3%

Notes: Includes hired farm labor (workers and payroll).

Source: USDA Census of Agriculture, Table 5, 1997,Table 7, 2002; BAE, 2008.

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.

Table 3.32 below provides a listing of facilities within Cupertino that serve the needs of homeless. Emergency shelters provide temporary shelter for individuals and families while transitional shelters serve families making a transition from homelessness to permanent housing. West Valley Community Services operates a rotating shelter program and a transitional housing facility for homeless individuals.

The rotating shelter program provides shelter, food, transportation, job search apparel, and case management services to homeless

Table 3.31: Santa Clara County Homeless Census and Survey, 2007 (a)

Setting	Individuals	Individuals Within Families	Total Population	% Total
CUPERTINO				
Unsheltered (b)	15	0	15	28.3%
Emergency Shelters	26	12	38	71.7%
Total	**41**	**12**	**53**	**100.0%**
% Total	**77%**	**23%**	**100%**	
SANTA CLARA COUNTY				
Unsheltered	4,840	261	5,101	70.8%
Emergency Shelters (c)	759	240	999	13.9%
Transitional Housing Facilities (c)	346	756	1,102	15.3%
Total	**5,945**	**1,257**	**7,202**	**100.0%**
% Total	**82.5%**	**17.5%**	**100.0%**	

Notes: (a) This Homeless Census and Survey was conducted over a two day period, from Jan. 29 to Jan. 30th, 2007. Mountain View unsheltered homeless data was collected on Jan 30, 2007. This survey, per HUD's new requirements, does not include people in rehabilitation facilities, hospitals or jails due to more narrow HUD definition of point-in-time homelessness. (b) Individuals found sleeping in cars, RV's, vans, or encampments are considered part of the "unsheltered" homeless. In this survey, 57 individuals were counted sleeping in motor vehicles in Mountain View on Jan 30, 2007. (c) Emergency Shelter and Transitional Housing data was collected from individual facilities on Jan.28, 2007.

Sources: Homeless Census and Survey, Santa Clara County and Applied Survey Research (ASR), Jan 29-30, 2007; BAE, 2009.

Table 3.32: Homeless Facilities in Cupertino

Organization/Agency	Facility	Address	Total Beds
Emergency Shelters			
West Valley Community Services	Rotating Shelter	11 churches and one synagogue in Cupertino, Sunnyvale, and Saratoga	15
Transitional Housing			
West Valley Community Services	Transitional	10311-10321 Greenwood Ct.	4
		Total	**19**

Sources: City of Cupertino, 2009; BAE 2009.

men. The shelter operates at 11 churches and one synagogue in Cupertino, Sunnyvale, and Saratoga. The program provides assistance for 15 homeless men for 90 days, including an average of about five men from Cupertino. The program typically has a waiting list of 20 people. West Valley Community Services staff believes that there is a need for more emergency shelter services in Cupertino.

In addition, West Valley Community Services owns and operates a transitional housing project which accommodates up to four working homeless men and homeless women with children. The program serves successful graduates of the rotating shelter program and other eligible individuals.

Summary

- Cupertino grew faster than Santa Clara County and the Bay Area between 2000 and 2008. The City's population increased by 10 percent from 50,600 people to 55,600. However, some of this growth is due to the annexation of 168 acres of unincorporated land in Santa Clara County between 2000 and 2008.

- ABAG projects Cupertino will grow to 60,600 residents by 2035. Santa Clara County and the Bay Area are anticipated to experience larger population increases of 29 and 23 percent between 2005 and 2035; Cupertino's population is expected to increase by 11 percent during the same time.

- Cupertino has an aging population. The median age in Cupertino rose from 37.9 years old in 2000 to 40.8 years old in 2008. The percent of elderly residents, aged 65 years old and older, increased from 11 percent to 13 percent.

- The City has a high percentage of family households; in 2008 family households comprise 75 percent of all households in Cupertino, compared with 70 percent of Santa Clara County households.

- Cupertino is becoming an increasingly jobs-rich city. The number of jobs in Cupertino increased by 14 percent between 2003 and 2007 while the number of employed residents increased by just five percent.

- The City's housing stock is dominated by single-family detached homes; 61 percent of homes were single-family detached dwellings in 2008. Although the number of large multi-family housing units experienced the most rapid growth between 2000 and 2008, Cupertino still has a smaller proportion of multi-family housing units than Santa Clara County. Virtually all housing units in Cupertino have complete plumbing and kitchen facilities; less than one percent of homes lack these facilities. A certain small number of single-family homes in certain areas show need of rehabilitation and improved maintenance.

- Housing costs have increased since 2000. Single-family home prices rose by 40 percent between 2000 and 2008 while condominium prices increased by 42 percent.

- All but above moderate income households would have difficulty purchasing a single-family home or condominium in Cupertino.

- Current market rents of $2,762 for a three bedroom unit exceed the maximum affordable monthly rent for extremely low-income, very low-income, and low-income households.

- In 2000, 31 percent of renters and 28 percent of homeowners were overpaying for housing in Cupertino.

- In 2000, 62 percent of elderly renter households were overpaying for housing.

- 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, including 53 individuals in the City of Cupertino.

4. REGIONAL HOUSING NEEDS DETERMINATIONS 2007-2014

This section of the Housing Element discusses Cupertino's projected housing needs for the current planning period, which runs from January 1, 2007 through June 30, 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 4.1 presents a summary of ABAG's housing needs allocation for Cupertino for 2007 to 2014.

Table 4.1: 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.

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. As shown in Table 4.2, 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.

Housing Needs for Extremely Low-Income Households

State law requires Housing Elements to quantify and analyze the existing and projected housing needs of extremely low-income households. HUD defines an extremely low-income household as one earning less than 30 percent of AMI. These households encounter a unique set of housing situations and needs, and may often include special needs populations or represent families and individuals receiving public assistance, such as social security insurance (SSI) or disability insurance.

As discussed in the Needs Assessment section of the Housing Element, approximately 1,300 Cupertino households earned less than 30 percent of AMI in 2000. Extremely low-income households represented 10 percent of all renter households and five percent of all owner households in the city.

To estimate the projected housing need for extremely low-income households, 50 percent of Cupertino's 341 very low-income RHNA units are assumed to serve extremely low-income households. Based on this methodology, the City has a projected need of 171 units for extremely low-income households.

Extremely low-income households often rely on supportive housing as a means of transitioning into stable, more productive lives. Supportive housing combines housing with supportive services such as job training, life skills training, substance abuse programs, and case management services. Efficiency studios can also provide affordable housing opportunities for extremely low-income households.

5. HOUSING CONSTRAINTS

Section 65583(a)(4) of the California Government Code states that the Housing Element must analyze "potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures." Where constraints are identified, the City is required to take action to mitigate or remove them.

Table 4.2: Units Constructed or Approved, 1/1/07-Present

Address	Project Name	APN	Affordability				Total
			Very Low	Low	Moderate	Above	
Monta Vista							
10056 Orange Ave.		357-17-058	0	0	0	2	2
10217 Pasadena Ave.		357-18-025	0	0	0	1	1
21871 Delores Ave.		357-14-026	0	0	0	1	1
10121 Pasadena Ave.		357-17-045	0	0	0	1	1
Vallco Park South							
Sandhill Main Street	Senior Housing	316-20-078, 79, 85	0	0	24	136	160
10123/10150 N. Wolfe Rd.	Rose Bowl	316-20-037	0	0	31	173	204
Homestead							
2800 Homestead Road	Villa Serra	326-09-056	9	8	0	99	116
10630 Linnet Lane (Mine Ct.)		316-47-017	0	0	0	3	3
Other Neighborhoods							
10855 N. Stelling Rd.	Las Palmas	326-07-037	0	0	3	19	22
22823 San Juan Road		342-22-078	0	0	0	1	1
21947 Lindy Lane		356-25-029	0	0	0	1	1
19935 Price Ave.	Senior Housing Solutions	369-05-035	5	0	0	0	5
19489 Rosemarie Place	Maitri Transitional Housing	375-01-008	8	8	0	0	16
Second Dwelling Units							
10424 Alicia Ct.	Second dwelling unit	342-45-026	0	0	0	1	1
10826 Bubb Rd.	Second dwelling unit	362-02-028	0	0	0	1	1
10562 Culbertson Dr.	Second dwelling unit	375-34-037	0	0	0	1	1
20896 Elenda Dr.	SF home w/ 2nd unit	326-30-023	0	0	0	2	2
20874 Garden Gate Dr.	Second dwelling unit	326-30-033	0	0	0	1	1
6676 John Dr.	Second dwelling unit	369-23-008	0	0	0	1	1
10164/10166 Mann Dr.	SF home w/ 2nd unit	326-19-008	0	0	0	2	2
10591 Wunderlich Dr.	SF home w/ 2nd unit	375-33-053	0	0	0	2	2
18760 Tilson Avenue	Second dwelling unit	375-17-040	0	0	0	1	1
19110 Tilson Avenue	Second dwelling unit	375-09-001	0	0	0	1	1
10400 Mann Dr.	Second dwelling unit	326-45-010	0	0	0	1	1
Total Credits			**22**	**16**	**58**	**451**	**547**
2007-2014 RHNA			**341**	**229**	**243**	**357**	**1,170**
Balance of RHNA (a)			**319**	**213**	**185**	**n/a**	**717**

Notes: (a) Balance of RHNA is equal to sum of very low, low, and moderate-income units. City has satisfied its above moderate income RHNA.

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

In addition to government constraints, this section assesses other factors that may constrain the production of affordable housing in Cupertino. These include infrastructure availability, environmental features, economic and financing constraints, and public opinion. Recent court rulings have removed some of the mechanisms local government traditionally has used to require developers to provide affordable housing, thus exacerbating the difficulty of meeting the number of units determined necessary by the regional housing needs assessment.

Government Constraints

Government regulations affect housing costs by limiting the supply of buildable land, setting standards and allowable densities for development, and exacting fees for the use of land or the construction of homes. The increased costs associated with such requirements are often passed on to consumers in the form of higher home prices and rents. Potential regulatory constraints include local land use policies (as defined in a community's general plan), zoning regulations and their accompanying development standards, subdivision regulations, growth control ordinances or urban limit lines, and development impact and building permit fees. Lengthy approval and processing times also may be regulatory constraints.

General Plan

The Cupertino General Plan 2000-2020 was completed in November 2005. The comprehensive update provides the policy and program direction necessary to guide the City's land use decisions in the first two decades of the 21st century. The existing General Plan is current and legally adequate and is not considered an impediment to housing production.

As required by State law, the General Plan includes a land use map indicating the allowable uses and densities at various locations in the city. The Land Use/Community Design section of the Plan identifies five categories of residential uses based on dwelling unit density, expressed as the number of dwelling units permitted per gross acre. The "Very Low Density" classification, intended to protect environmentally sensitive areas from extensive development and to protect human life from hazards associated with floods, fires, and unstable terrain, applies one of four slope-density formulas to determine allowable residential density. The "Low Density" and "Low/Medium Density" categories promote traditional single-family development, allowing densities of 1 to 5 units per gross acre and 5 to 10 units per gross acre, respectively. Finally, the "Medium/High Density" and the "High Density" categories provide for a wide range of multi-family housing opportunities at densities of 10 to 20 units per gross acre and 20 to 35 units per gross acre, respectively. In addition to the five residential categories, the General Plan allows for residential uses in the "Commercial/Residential" and "Neighborhood Commercial/Residential" land use categories.

None of the City's General Plan policies have been identified as housing constraints. The General Plan does not define whether residential units are to be rented or owned or whether they are to be attached or detached.

The General Plan's land use policies incorporate housing goals, including the following:

Policy 2-1: Concentrated Development in Urban Centers

Concentrate development in urban nodes and selectively include housing with office and commercial uses in appropriate designated centers.

Policy 2-15: Multi-Family Residential Design

Maintain a superior living environment for multi-family dwellings.

Policy 2-16: Single-Family Residential Design

Preserve the character of residential neighborhoods by requiring new development to be compatible with the existing neighborhood.

Policy 2-19: Jobs/Housing Balance

Strive for a more balanced ratio of jobs and housing units.

Policy 2-23: Compatibility of Lot Sizes

Ensure that zoning, subdivision, and lot line adjustment requests related to lot size or lot design consider the need to preserve neighborhood lot patterns.

The General plan contains very few policies addressing the siting of housing, other than those pertaining to hillside areas. The City's land use policies limit development in hillside areas to protect hillside resources but allows for low-intensity residential development in the foothills. Thus, even in hillside areas, the General Plan creates limited opportunities for housing production.

Zoning Ordinance

The Cupertino Zoning Ordinance establishes development standards and densities for new housing in the City. These regulations include minimum lot sizes, maximum number of dwelling units per acre, lot width, setbacks, lot coverage, maximum building height, and minimum parking requirements. These standards are summarized in Appendix F.

As required by state law, the Cupertino's Zoning Map is consistent with the General Plan. The City's residential zoning districts and their respective permitted densities and development standards are summarized below.

R-1 Single Family Residential. The R-1 District is intended to create, preserve, and enhance areas suitable for detached single-family dwellings. The District includes five sub-districts that vary by minimum lot size from 5,000 square feet to 20,000 square feet. Residential structures in the R-1 District are limited in size by a maximum lot coverage of 45 percent and a maximum floor area ratio of 45 percent. Setbacks are 20 feet in the front and rear yards and a combined 15 feet of side yards, with no one side yard setback less than 5 feet. The maximum building height of 28 feet allows for a wide range of single family housing types on flat terrain. Structures in R-1 Districts with an "i" designation at the end are limited to one story (18 feet).

Two-story structures in the R-1 District require a Two-Story Residential Permit. The Director of Community Development may approve, conditionally approve, or deny applications for a two-story residential permit. Projects must be harmonious in scale and design with the general neighborhood.

R-2 Residential Duplex. The R-2 District is intended to allow a second dwelling unit under the same ownership as the initial dwelling unit on a site. Minimum lot area ranges from 8,500 square feet to 15,000 square feet, depending on which one of four sub-districts the parcel is located in. Building heights in this district cannot exceed 30 feet. The R-2 District limits lot coverage by all buildings to 40 percent of net lot area. Setbacks are 20 feet in the front yard and the greater of 20 feet and 20 percent of lot depth in the rear yard; the minimum side yard setback is 20 percent of the lot width. Structures in R-2 Districts with an "i" designation at the end are limited to one story (18 feet).

The development standards for the R-2 District do not constrain the development of duplexes. The thirty foot height limit is appropriate because many R-2 zoned areas abut single-family residential development. Furthermore 30 feet in height is sufficient for duplex development. The 40 percent maximum lot coverage has also not constrained the development of duplexes in Cupertino. It should be noted that none of the residential opportunity sites included in this Housing Element fall within the R-2 zone.

R-3 Multi-Family Residential. The R-3 District permits multi-family residential development in Cupertino. This District requires a minimum lot area of 9,300 square feet for a development with 3 dwelling units and an additional 2,000 square feet for every additional dwelling unit. The minimum lot width in the R-3 District is 70 feet and lot coverage may not exceed 40 percent. The City uses the parcels' gross acreage to calculate lot coverage. For single-story structures, required setbacks are 20 feet in the front yard, six feet in the side yard, and the greater of 20 feet or 20 percent of lot depth in the rear yard; the minimum side yard setback for two-story structures is nine feet. The maximum height any building is two stories and may not exceed 30 feet. This height limit is used because many R-3 districts abut single-family residential neighborhoods. The City does not count submerged or partially submerged levels as part of the height limit. As a result, developers can develop a half story of parking (partially-submerged) and two full stories of residential units and conform to the height limits. For these reasons, the height standards in the R-3 district are not considered a constraint to housing production. Furthermore, the development standards for the R-3 District are on par with standards present in neighboring jurisdictions.

The development standards for the R-3 District do not unreasonably constrain the development of multifamily housing. Multifamily residential uses are permitted uses by default in the R-3 District without the need for a Use Permit. Developments are able to achieve close to the maximum allowable densities under existing development standards, including the height limit and maximum lot coverage. This can be demonstrated by a back-of-the-envelope calculation of the number of developable units on a one-acre parcel. As shown in Table 5.1 below, the maximum density allowed on a one-acre parcel is 20 units. With a maximum lot coverage of 40 percent and assuming two stories of residential development, approximately 35,000 square feet of residential development can be achieved. Using conservative assumptions of 20 percent common area space and large unit sizes of 1,400 square feet, 20 units can be developed under this scenario. This analysis demonstrates that projects would be able to achieve the maximum allowable density in the R3 District under the development standards.

Table 5.1: R3 District Development Example

Assumptions			
Parcel Size (Sq. Ft.)	43,560		
Maximum Density	20.13 units	9,300 sq. ft. of lot area for 3 units, 2,000 sq. ft. for each additional unit.	
Parking and circulation (sq. ft.)	19,602	Parking and circulation	45% of lot area
Open space (sq. ft.)	6,534	Open space	15% of lot area
Lot Coverage (sq. ft.)	17,424	Lot Coverage %	40% of lot area
Residential Sq. Ft.	34,848	Stories of Residential	2
Less Common Area (hallways, stairs)	(6,970)	Common Area %	20% of total building area
Sq. Ft. for Units	27,878		
Number of Units	20 units	Unit Size (Sq. Ft.)	1,400

Sources: City of Cupertino, 2010; BAE, 2010.

This Housing Element Update includes a program to monitor the R-3 District development standards to ensure that the requirements do not constrain new housing production.

RHS Residential Hillside. The RHS District regulates development in the City's hillsides to balance residential uses with the need to preserve the natural setting and protect life and property from natural hazards. The District allows for single-family dwellings with no more than one unit per lot. Seven sub-districts determine the minimum lot size, which range from 20,000 square feet to 400,000 square feet. The minimum lot width in the RHS District is 70 feet with an exception for lots served by a private driveway and which do not adjoin a public street.

R-1C Residential Single Family Cluster. The purpose of the R-1C District is to provide a means for reducing the amount of street improvements and public utilities required in residential development, to conserve natural resources, and encourage more create development and efficient use of space. The owner of a property within Cupertino may submit an application for single-family residential cluster zoning or rezoning to the Planning Commission. Alternatively, the Planning Commission and/or the City Council may initiate a public hearing to rezone specific properties to the R-1C District. The allowable density on a parcel is determined by the existing land use designations in place prior to the rezoning. While the maximum height in the district is 30 feet, a height increase may be permitted if the City Council or Planning Commission determines that it would not have an adverse impact on the immediately adjacent neighborhood. The R-1C District also regulates site design and private streets within the cluster.

P Planned Development. The P district is intended to provide a means for guiding land development that is uniquely suited for planned coordination of land uses and to provide for a greater flexibility of land use intensity and design because of accessibility, ownership patterns, topographical considerations, and community design objectives.

All P districts are identified on the zoning map with the letter P followed by a specific reference to the type of use allowed in the particular planned development district. For example, a P(Res) district allows for residential uses. Developments within a P district are generally required to comply with the height and density regulations associated with the underlying use. Beyond density and height regulations, the P district allows for a greater degree of flexibility around other development standards. The increased flexibility in the P zones allow a project to be designed to the special characteristics of a site (such as corner parcels, proximity to a creek or open space, etc) without requiring variances or exceptions. Such sites can include a combination of multiple housing types, open space and a mix of uses in a single area. Examples include Civic Park and Metropolitan. A majority of the sites proposed in the Housing Element are located in the P district. The majority of the P districts are governed by a Specific or Conceptual Plan which provides additional guidance to facilitate development review and provide more certainty regarding community expectations. For example, the Heart of the City Specific Plan provides detailed guidelines for residential and mixed-use developments (including orientation, design, setbacks, landscaping, buffers, and transitions to neighboring properties).

Prior to development within a P (Res/R3) district, applicants must submit a definitive development plan to the Planning Commission or City Council. Upon recommendation of the Planning Commission, the City Council approves or denies larger developments, including those with eight or more residential units. Multi-family residential developments within a P(Res/R3) district are permitted uses by right. Development plans focus on site and architectural merits and typically take between two to four months to obtain approvals. The Municipal Code will be amended to clarify that the development plan for residential uses will only require a planned development permit and not a conditional use permit as residential developments are permitted uses.

A Agricultural. Agricultural zones are intended to preserve agriculture and forestry and to provide corridors of agriculture and forestry between cities or neighborhoods. Single-family dwellings are permitted in the Agricultural District. The minimum lot size for this District is 215,000 square feet and the maximum lot coverage is 40 percent of the net lot area. The District requires setbacks of 30 feet in the front yard, 20 feet in the side yards, and 25 feet in the rear yard. The maximum building height of 28 feet allows for a wide range of single family housing types on flat terrain. Structures in the A District with an "i" designation at the end are limited to one story (18 feet).

A-1 Agricultural-Residential. The A-1 District provides for semi-rural residential development while preserving agriculture and forestry activities. Single-family dwellings as well as residences for farmworkers and their families are permitted in the A-1 District. The minimum size of lots with incidental residential uses in the A-1 District is 43,000 square feet. Building coverage cannot exceed 40 percent of the lot area and the maximum floor area ratio is 45 percent. The District requires setbacks of 30 feet in the front yard, 20 feet in the side yards, and 25 feet in the rear yard. The maximum building height of 28 feet allows for a wide range of single family housing types on flat terrain. Structures in the A-1 District with an "i" designation at the end are limited to one story (18 feet).

Table 5.2: Off-Street Parking Requirements

Housing Type	Zone	Parking Ratio
Single-Family	R-1, RHS, A-1, P	4 / DU (2 garage, 2 open)
Small Lot Single-Family, Townhouse	P	2.8 / DU (2 garage, 0.8 open)
Duplex	R-2	3 / DU (1.5 enclosed, 1.5 open)
High Density Multi-Family	R-3, P	2 / DU (1 covered, 1 open)

Sources: Cupertino Zoning Ordinance, 2008; BAE, 2008.

In addition to the districts discussed above, limited residential uses are allowed in other zoning districts. Often housing in these non-residential districts is limited to housing for farmworkers, employees, or caretakers. The permitted residential uses in non-residential districts are summarized below.

ML Light Industrial. Residential dwellings for caretakers or watchmen are permitted for those employed for the protection of the principal light industrial permitted use. The residential dwellings must be provided on the same lot as the principal permitted use.

PR Park and Recreation. The PR District regulates publicly owned parks within the City. Single-family residences for the purpose of housing a caretaker for the park are permitted in this District. A caretaker is defined as a person who maintains surveillance of the park areas during and after the hours of park operation. The residence may take the form of a mobile home or a permanent residential structure.

Parking

Excessive parking requirements may serve as a constraint of housing development by increasing development costs and reducing the amount of land available for project amenities or additional units. Off-street residential parking requirements vary by zone. As shown in Table 5.2, the parking ratio ranges from two parking spaces per dwelling unit to 4 spaces per dwelling unit.

Cupertino's parking requirements are higher than many other jurisdictions, particularly for single-family homes. Given the high cost of land and parking, the City's high parking standards may serve as a constraint to housing provision. In addition to high off-street parking standards, the Zoning Ordinance does not include parking reductions for senior housing, affordable housing, or group homes. Often, vehicle ownership among elderly and lower-income households is lower than other populations, making reductions in parking requirements appropriate. The City may want to consider establishing more lower and more flexible residential parking standards.

The City's zoning ordinance allows for shared parking in mixed-use developments. For example, residential projects with a retail or commercial component will have a lower parking requirement because residential users may use some retail parking spaces in the evening. The zoning ordinance provides a formula for calculating the parking reduction in mixed-use developments. In addition, the Planning Commission or City Council may allow further reduction in the parking requirement as part of a use permit development plan or parking exception based

on shared parking arrangements, parking surveys, and parking demand management measures. Implementation Program 14 of the current General Plan allows the City to provide regulatory incentives for affordable housing developments. These incentives include the waiving of certain fees as well as allowing reduced parking standards.

Provisions for Homeless Shelters, Group Homes, and Farmworkers

The Zoning Ordinance allows for "rotating homeless shelters" in the Quasi Public Building (BQ) zone. Rotating homeless shelters are permitted within existing church structures in the BQ for up to 25 occupants. The operation period of rotating shelters cannot exceed two months in any one year span at a single location.

Cupertino's zoning ordinance does not permit or conditionally permit permanent homeless shelters in any zone. The previous Housing Element indicated that the City would revise the Zoning Ordinance to allow permanent emergency shelter facilities in the BQ Quasi Public Building zone. The City has not yet revised the Ordinance to allow for permanent homeless shelters. In order to comply with state law, this Housing Element outlines a program to amend the Zoning Ordinance to allow a permanent homeless shelter by right in the BQ zoning district.

Pursuant to State law, licensed residential care facilities for six or fewer residents are permitted by right in all residential districts (including A, A-1, R-1, R-2. R-3, RHS, R-1C). Licensed small group homes are not subject to special development requirements, policies, or procedures which would impede such uses from locating in a residential district. Furthermore, small group homes which are not required to obtain a license and large group homes (with more than six residents) are conditionally permitted uses in all residential districts.

Farmworker housing is a permitted use in Agricultural (A) and Agricultural Residential (A-1) Districts. Farmworker housing is allowed for workers and their families whose primary employment is incidental and necessary to agricultural operations conducted on the same parcel of land on which the residences are located. This requirement does not pose a significant constraint to locating farmworker housing in Cupertino. There are no special development standards or procedures for farmworker housing. However, the high cost of land, absence of seasonal agriculture, and lack of significant farmworker population in the City makes it unlikely that proposals for farmworker housing will be received in the future.

Second Dwelling Units

A second dwelling unit is an attached or detached, self-contained unit on a single-family residential lot. These units are often more affordable due to their smaller size. To promote the goal of affordable housing within the City, Cupertino's zoning ordinance permits second dwelling units on lots in Single-Family Residential (R-1), Residential Hillside (RHS), Agricultural (A), and Agricultural Residential (A-1) Districts. Second dwelling units on lots of 10,000 square feet or more may not exceed 800 square feet while units on lots smaller than 10,000 square feet cannot exceed 640 square feet. All second dwelling units must have direct outside access without going through the principal dwelling. If the residential lot is less than 10,000 square feet, the second dwelling unit must be attached to the principal dwelling. One additional off-street parking space is must be provided if the principal dwelling unit has less than the minimum off-street parking spaces for the residential district in which it is located.

Second dwelling units must also comply with the underlying site development regulations specified by the zoning district.

Second dwelling units are subject to an architectural review by the Director of Community Development. The design and building materials of the proposed second unit must be consistent with the principal dwelling. In addition, the second dwelling unit may not require excessive grading which is visible from a public street or adjoining private property.

Site Improvement Requirements

Residential developers are responsible for constructing road, water, sewer, and storm drainage improvements on new housing sites. Where a project has off-site impacts, such as increased runoff or added congestion at a nearby intersection, additional developer expenses may be necessary to mitigate impacts. These expenses may be passed on to consumers.

Chapter 18 of the Cupertino Municipal Code (the Subdivision Ordinance) establishes the requirements for new subdivisions, including the provision of on- and off-site improvements. The Ordinance requires that subdivisions comply with frontage requirements and stormwater runoff be collected and conveyed by an approved storm drain system. Furthermore, each unit or lot within the subdivision must be served by an approved sanitary sewer system, domestic water system, and gas, electric, telephone, and cablevision facilities. All utilities within the subdivision and along peripheral streets must be placed underground.

Common residential street widths in Cupertino range from 20 feet (for streets with no street parking) to 36 feet (for those with parking on both sides). The City works with the developer to explore various street design options to meet their needs and satisfy public safety requirements. Developers are typically required to install curb, gutters, and sidewalks, however, there is a process where the City Council can waive the requirement. The City prefers detached sidewalks with a landscaped buffer in between the street and the pedestrian walk to enhance community aesthetics and improve pedestrian safety. However, the City does work with developers to explore various frontage improvement options depending on the project objectives, taking into consideration factors such as tree preservation, land/design constraints, pedestrian safety, and neighborhood pattern/compatibility. This is especially true in Planned Development projects, where the City works with the developer to achieve creative and flexible street and sidewalk designs to maximize the project as well as community benefits.

The Subdivision Ordinance also includes land dedication and fee standards for parkland. The formula for dedication of park land for residential development is based on a standard of three acres of parkland per 1,000 persons. The developer must dedicate parkland based on this formula or pay an in lieu fee based on the fair market value of the land.

In addition to parkland dedication, the City Council may require a subdivider to dedicate lands to the school district as a condition of approval of the final subdivision map. If school site dedication is required and the school district accepts the land, the district must repay the subdivider the original cost of the dedicated land plus the cost of any improvements, taxes, and maintenance of the dedicated land.

The developer may also be required to reserve land for a park, recreational facility, fire station, library, or other public use if such a facility is shown on an adopted specific plan

or adopted general plan. The public agency benefiting from the reserved land shall pay the developer the market value of the land at the time of the filing of the tentative map and any other costs incurred by the developer in the maintenance of the area. The Ordinance states that the amount of land to be reserved shall not make development of the remaining land held by the developer economically unfeasible.

The City of Cupertino's site improvement requirements for new subdivisions are consistent with those in surrounding jurisdictions and do not pose a significant constraint to new housing development.

Building Codes

The City of Cupertino has adopted the 2007 Edition of the California Building Code, the 2007 California Electrical Code and Uniform Administrative Code Provisions, the International Association of Plumbing Officials Uniform Plumbing Code (2007 Edition), the California Mechanical Code 2007 Edition, and the 2007 California Fire Code and the 2006 International Fire Code. The City also enforces the 1997 Edition of the Uniform Housing Code, the 1997 Uniform Code for Building Conservation, and the 1997 Uniform Code for the Abatement of Dangerous Buildings Code.

Cupertino has adopted several amendments to the 2007 California Building Code. The City requires that roof coverings on new buildings and replacement roofs comply with the standards established for Class A roofing, the most fire resistant type of roof covering. This amendment applies more stringent roofing requirements than the California Building Code, which requires a minimum of Class B or Class C roofing, depending on the construction type. The California Building Code and the City's amendments to it have been adopted to prevent unsafe or hazardous building conditions. The City's building codes are reasonable and would not adversely affect the ability to construct housing in Cupertino.

Constraints for Persons with Disabilities

California Senate Bill 520 (SB 520), passed in October 2001, requires local housing elements to evaluate constraints for persons with disabilities and develop programs which accommodate the housing needs of disabled persons.

Procedures for Ensuring Reasonable Accommodation. Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on cities and counties to make reasonable accommodations in their zoning and land use policies when such accommodations are necessary to provide equal access to housing for persons with disabilities. Reasonable accommodations refer to modifications or exemptions to particular policies that facilitate equal access to housing. Examples include exemptions to setbacks for wheelchair access structures or reductions to parking requirements.

Many jurisdictions do not have a specific process specifically designed for people with disabilities to make a reasonable accommodations request. Rather, cities provide disabled residents relief from the strict terms of their zoning ordinances through existing variance or conditional use permit processes. Cupertino is one of these jurisdictions. Currently the City addresses reasonable accommodations on an ad hoc basis through variance and conditional use procedures. The City does not however have a formalized policy regarding reasonable accommodation procedures for persons with disabilities.

In May 15, 2001 letter, the California Attorney General recommended that cities

adopt formal procedures for handling reasonable accommodations requests. While addressing reasonable accommodations requests through variances and conditional use permits does not violate fair housing laws, it does increase the risk of wrongfully denying a disabled applicant's request for relief and incurring liability for monetary damages and penalties. Furthermore, reliance on variances and use permits may encourage, in some circumstances, community opposition to projects involving much needed housing for persons with disabilities. For these reasons, the Attorney General encouraged jurisdictions to amend their zoning ordinances to include a written procedure for handling reasonable accommodations requests.

Zoning and Other Land Use Regulations. In conformance to state law, Cupertino's Zoning Ordinance permits small, licensed residential care facilities (six or fewer residents) in all residential zones. Small residential care facilities that are not required to be licensed by the State and large, licensed and unlicensed residential care facilities are conditionally permitted in all residential zones. Licensed and unlicensed residential care facilities with more than six residents in the Single-Family Residential (R-1) District are subject to siting restrictions that are not present in other residential zones.

The City's Zoning Ordinance contains a broad definition of family. A family means an individual or group of persons living together who constitute a bona fide single housekeeping unit in a dwelling unit. Families are distinguished from groups occupying a hotel, lodging club, fraternity or sorority house, or institution of any kind. This definition of family does not limit the number of people living together in a household and does not require them to be related.

Cupertino's Zoning Ordinance does not currently offer reductions in parking requirements for group homes. The City may consider parking reductions for residential care facilities.

Building Codes and Permitting. The City's Building Code does not include any amendments to the California Building Code that might diminish the ability to accommodate persons with disabilities. However, the City may want to consider adoption of universal design elements as part of the building code. Universal design refers to the development of products and environments that are usable by all people, to the greatest extent possible, without the need for specialization or adaptation.

Housing Mitigation Program

The City's Housing Mitigation program requires all new residential developers to either provide below market rate (BMR) units or pay a mitigation fee, which is placed in the City's Affordable Housing Trust Fund. 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. Under this program, developers of for-sale housing where units may be sold individually must sell at least 15 percent of units at a price affordable to median- and moderate-income households. Projects of seven or more units must provide on-site BMR units. Projects of six units or less can either build a unit or provide pay the Housing Mitigation fee. To be consistent with recent court decisions and the State Costa-Hawkins Act regarding rent control, the City is modifying the Housing Mitigation Program so that 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. Currently, the Housing Mitigation fee is $2.58 per square foot.[3]

Although concerns exist that inclusionary housing programs like Cupertino's Housing Mitigation Program may constrain production of market rate homes, studies have shown evidence to the contrary. The cost of an inclusionary housing requirement must ultimately be borne by either (1) developers through a lower return, (2) landowners through decreased land values, or (3) other homeowners through higher market rate sale prices. In fact, the cost of inclusionary housing and any other development fee "will always be split between all players in the development process." [4] However, academics have pointed out that, over the long term, it is probable that landowners will bear most of the costs of inclusionary housing, not other homeowners or the developer (Mallach 1984, Hagman 1982, Ellickson 1985).

In addition, a 2004 study on housing starts between 1981 and 2001 in communities throughout California with and without inclusionary housing programs evidences that inclusionary housing programs do not lead to a decline in housing production. In fact, the study found that housing production actually increased after passage of local inclusionary housing ordinances in cities as diverse as San Diego, Carlsbad, and Sacramento.[5]

Recognizing the need for a financially feasible program that does not constrain production, some jurisdictions allow developers to pay a fee for all units, regardless of project size. As discussed previously, Cupertino's Housing Mitigation program requires large for-sale developments (with seven or more units) to provide units. One local developer noted that although the 15 percent requirement is comparable to other jurisdictions, the option to provide a fee for large projects would provide more flexibility.

Park Impact Fees

The City of Cupertino assesses park impact fees for new residential development. The fee ranges from $8,100 per unit of high density residential development (at 20 dwelling units per acre or more) to $15,750 per single-family unit.

Cupertino's park fees are comparable to or lower than similar requirements established in other Santa Clara County jurisdictions. Mountain View and San Jose require park land dedication or the payment of a park in-lieu fee. The in-lieu fee in both cities are based on fair market value of the land. San Jose's park fees for single-family detached units ranged from $15,850 to $38,550, depending on the area of the City. Park fees for multifamily units in San Jose ranged from $10,450 to $35,600, depending on location and the size of the development. In Mountain View, park in-lieu fees range from approximately $15,000 to $25,000.

The City of Palo Alto's park dedication requirements vary depending on whether the project involves a subdivision or parcel map. Palo Alto collects $9,354 per single-family unit and $6,123 per multifamily unit. However, the requirement is substantially higher for projects involving a subdivision or parcel map. The City requires developers to dedicate 531 square feet per single-family unit or pay an in-lieu fee of $47,700. The requirement for multifamily units is land dedication of 366 square feet per unit or an in-lieu fee of $32,670 per unit.

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[3] *The housing mitigation fee is updated periodically. Developers should check with the Community Development Department for the most current fee amount.*

[4] *W.A. Watkins. "Impact of Land Development Charges." Land Economics 75(3). 1999.*

[5] *David Rosen. "Inclusionary Housing and Its Impact on Housing and Land Markets." NHC Affordable Housing Policy Review 1(3). 2004*

Table 5.3: Fees and Exactions

	Fee Amount	Single-Family (a)	Townhouse (b)	Multi-Family (c)
Sanitary Connection Permit (d)	$77.50	$78	$78	$78
Water Main Existing Facilities Fee (e)	$4,704 (1 inch service) + permit fee of $2,190	$6,894	$6,894	$2,280
Off-Site Storm Drainage Fee	$1,290 per acre (SF)	$160	$160	$90
	$926 / acre + $70 / unit (MF)			
Parcel Map (1-4 lots)	$3,638	N/A	N/A	N/A
Tract Map (> 4 lots)	$7,553	$755	$755	N/A
Park Impact Fee		$15,750	$9,000	$8,100
Single Family	$15,750			
Small Lot Single Family (5-20 dua)	$9,000			
High Density (20+ dua)	$8,100			
Housing Mitigation In-Lieu Fee	$2.58 / Sq. Ft.	$5,160	$4,130	$4,050
Cupertino Union School District Fee	$1.782 / Sq. Ft.	$3,564	$2,851	$2,495
Fremont Union High School District Fee	$1.19 / Sq. Ft.	$2,380	$1,904	$1,666
Plan Check and Inspection	$560	$560	$560	$560
Building Permit Fee		$4,055	$3,735	$662
Apartment Bldgs. (Base Size 40,000 Sq. Ft.)	$25,048 + $21.00 for every 100 Sq. Ft.			
Dwellings -- Production Phase (Base Size 1,000 Sq. Ft.)	$3,254 + $80.13 for every 100 Sq. Ft.			
Mechanical		$160	$128	$98
Single-Family and Duplexes	$0.08 / Sq. Ft.			
Multifamily	$0.07 / Sq. Ft.			
Electric		$160	$128	$98
Single-Family and Duplexes	$0.08 / Sq. Ft.			
Multifamily	$0.07 / Sq. Ft.			
Plumbing		$160	$128	$98
Single-Family and Duplexes	$0.08 / Sq. Ft.			
Multifamily	$0.07 / Sq. Ft.			
Total		**$39,836**	**$30,451**	**$20,275**

Notes: (a) Fees estimated for a 2,000 square foot, 3 bedroom home in a 10 unit subdivision. (b) Fees estimated for a 1,600 square foot, 2 bedroom townhouse in a 10 unit subdivision. (c) Fees estimated for a 1,400 square foot, 2 bedroom apartment unit in a 50 unit building. (d) Average of fees charged in the four Cupertino Sanitary District zones. (e) Connection fee for San Jose Water, which serves the largest area of Cupertino. Cal Water and Cupertino Municipal also serve parts of the City.

Sources: City of Cupertino, 2009; San Jose Water, 2009; Cupertino Sanitary District, 2009; BAE, 2009.

Fees and Exactions

Like cities throughout California, Cupertino collects development fees to recover the capital costs of providing community services and the administrative costs associated with processing applications. New housing typically requires payment of school impact fees, sewer and water connection fees, building permit fees, wastewater treatment plant fees, and a variety of handling and service charges. Typical fees collected in the City are outlined below in Table 5.3. One local developer indicated that impact fees collected in the City of Cupertino are similar to those assessed in other jurisdictions.

Permit Processing Time

The entitlement process can impact housing production costs, with lengthy processing of development applications adding to financing costs, in particular.

Planning Commission and City Council Approvals. The Planning Commission and City Council review applications for zoning amendments and subdivision approvals. The Planning Commission holds a public hearing about proposed zoning changes or subdivisions and makes a recommendation to the City Council to approve, conditionally approve, or deny the application. Upon receipt of the Planning Commission's recommendation, the City Council holds a public hearing before making a final decision on the proposed zoning change or subdivision.

Local developers have noted that the entitlement process in Cupertino can be a time consuming and protracted process. One developer had to go to the Planning Commission several times, which provided more opportunity for more opponents of the project to voice concerns. Another local developer said that while the Planning Commission and City Council have a clear vision of what they want to accomplish, their ideas are often not in-sync with the community, resulting in long, entitlement processes.

Design Review. Cupertino has not adopted citywide residential design guidelines. However, the RHS District, the Heart of the City Specific Plan Area, and the North De Anza Boulevard Conceptual Plan Area are subject to design guidelines. These design guidelines pertain to features such as landscaping, building and roof forms, building entrances, colors, outdoor lighting, and building materials. The design guidelines are intended to ensure development is consistent with the existing neighborhood character and do are generally not considered significant constraints to housing production.

The Heart of the City Specific Plan design guidelines for multi-unit residential development requires that building materials be high quality, long lasting, and durable, with a minimum life span of 50 years for siding and 40 years for roofing. Examples of such materials include stucco or clapboard for siding and tile or asphalt shingles for roofs.

The City of Cupertino requires design review for certain residential developments. These include:

- Variances in the R-1 District,
- Two-story residential developments with a floor area ratio over 35 percent in a single-family zoning district,
- Single-family homes in a planned development residential zoning district, and
- Signs, landscaping, parking plans, and minor modifications to buildings in the R-3 District

The Design Review Committee considers factors such as building scale in relation to existing buildings and design harmony between new and existing buildings. During an interview with BAE, one developer indicated that the design review process could be lengthy, with multiple meetings required. The developer was required to make many adjustments and changes to the project over the course of the design review process.

Processing Time. Table 5.4 presents the typical permit processing time for various approvals in the City of Cupertino. As shown, actions requiring ministerial review are usually approved within two to four weeks. Other approvals have longer processing time frames. It should be noted that developments requiring multiple approvals submit a joint application and permits are processed concurrently. All approvals for a particular project are reviewed in a single Planning Commission and/or City Council meeting. The typical permit processing times in Cupertino are similar to or lower than those in other jurisdictions and do not pose a major constraint to new development in the City.

Cupertino is able to process applications in a timely manner because City staff works closely with applicants during a pre-application process. The pre-application is free of charge and its duration may vary depending on the completeness and/or the complexity of the project. Typical pre-application process may consist of the following:

- Initial preliminary consultation with property owners/developers to go over project objectives and City development standards
- Submittal and review of conceptual development plans
- Preliminary consultations with relevant City departments (i.e., Fire, Building, Public Works) as deemed necessary
- Submittal and review of pre-submittal materials and final plans

Table 5.5 provides a summary of the typical approvals required for various housing types. One-story single-family homes in properly zoned areas do not require approvals from the Community Development Department. However, two-story single-family homes require a two-story permit, which are approved by the Director of the Community Development Department and take two to three months to process. Residential subdivisions require a tentative map or parcel map, depending on the number of units in the development, and take two to four months to receive approvals. Multifamily residential developments in R3 or Planned Development (PD) zones are typically approved in two to four months.

Table 5.4: Timelines for Permit Procedures

Type of Approval	Typical Processing Time
Ministerial Review	2-4 weeks
Conditional Use Permit	2-4 months
Zoning Change	4-6 months
General Plan Amendment	4-6 months
Architectural and Site Review	2-4 months
Design Review	2-3 months
Tentative or Parcel Map	2-4 months
Initial Environmental Study	2 months
Environmental Impact Report	6 months
Two-Story Permit	2-3 months

Notes: (a) Processing time does not account for tiem involved in the preliminary consultation and/or conceptual review phase. Represents the time from when the application is deemed complete through securing the approval. Applications for multiple approval types may be processed concurrently.

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

Building Permit. Standard plan check and building permit issuance for single-family dwellings in Cupertino takes approximately 10 business days. Plan checks for large additions, remodels, and major structural upgrades for single-family homes are also processed within 10 days. If a second review is necessary, the City will take approximately 5 business days to complete the review. Prior to the final building permit inspection for two-story additions and new two-story homes, applicants must submit a privacy protection plan,

which illustrates how views into neighboring yards second story windows will be screened by new trees and/or shrubs. The plan check process may take longer for projects which entail off-site street improvements.

Over-the-counter plan checks are available for small residential projects (250 square feet or less). Building Department staff typically review these projects in less than 30 minutes during normal business hours. In addition, an express plan check is offered for medium-sized residential projects (500 square feet or less) and takes approximately 5 days. The plan review can take from four weeks to several months for larger projects, depending on the size. Examples of this type of plan check include apartments and single-family residential subdivisions over 10 units. Cupertino's building permit procedures are reasonable and comparable to those in other California communities.

Tree Preservation

The City of Cupertino has a Protected Tree Ordinance that is intended to preserve trees for their environmental and aesthetic importance. The Ordinance protects heritage trees, which are identified as significant for their historic value or unique characteristics, and certain trees that have a minimum single-trunk diameter of 10 inches or a minimum multi-truck diameter of 20 inches when measured at 4.5 feet from natural grade. These trees include native oak tree species, California Buckeye, Big Leaf Maple, Deodar Cedar, Blue Atlas Cedar, Bay Laurel or California Bay, and Western Sycamore trees.

Trees protected by this Ordinance may not be removed from private or public property without first obtaining a tree removal permit. Applications for tree removal permits are reviewed by the Community Development Director. The Director may approve, conditionally approve, or deny applications. In some cases, the City may require tree replacement as a condition of permit approval.

Because a large share of residential development in Cupertino involves infill development involving demolition and replacement, building footprints are often already in place and tree preservation issues do not arise as a major concern to developers. Nevertheless, one developer did report that they incurred financial costs associated with relocating trees on their property.

Table 5.5: Typical Processing Procedures by Project Type

	Typical Approvals Required	Time Frame
Single-Family		
One-Story	N/A	N/A
Two-Story	Two-Story Permit	2-3 months
Subdivision		
Less than 5 units	Tentative Map	2-3 months
5 units or more	Parcel Map	3-4 months
Multi-Family - R3		
No re-zoning (<8 units and <5 parcels)	Architectural Site Approval Tentative Map	2-3 months
No- re-zpning (8+ units and/or 5+ parcels)	Architectural Site Approval Parcel Map	3-4 months
Re-zoning	Zoning change CUP ASA Tentative or Parcel Map	4-6 months
Multi-Family - PD		
No re-zoning	CUP Architectural Site Approval Tentative or Parcel Map	3-4 months
Re-zoning	Zoning change CUP Architectural Site Approval Tentative or Parcel Map	4-6 months

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

Economic and Market Constraints

In addition to governmental constraints, there may be non-governmental factors which may constrain the production of new housing. These could include economic and market related conditions such as land and construction costs.

Decline in Housing Market and Availability of Financing

Local residential developers reported that the decline in the housing market and current economic downturn represent a constraint to new housing production. Although home values in Cupertino have remained high through 2008, annual sales volume has decreased since 2004. In 2004, 719 single-family homes were sold in Cupertino, compared to 337 in 2008. As a result of local, state, and national housing and economic trends, local developers predicted that far fewer housing units will be produced over the next several years. In many cases, the highest and best use of land is no longer for-sale housing, as it was over the past five years.

A major short-term constraint to housing development is the lack of available financing due to tightening credit markets. Local developers reported that there is very little private financing available for both construction and permanent loans. Credit is available in rare cases because of the capacity of a development group or the unusual success of a project. However, developers suggest lenders are currently offering loans up to 50 percent of the building value, compared to 70 to 90 percent historically. This tightening credit market will significantly slow the pace of housing development in Cupertino.

An affordable housing developer interviewed by BAE reported that affordable housing may be more challenging in Cupertino due to more limited affordable housing funding sources. While the City has access to CDBG funds, as well as in-lieu fees generated by the Housing Mitigation Program, it has not accumulated a significant amount of redevelopment agency (RDA) funds for affordable housing.

Land Costs

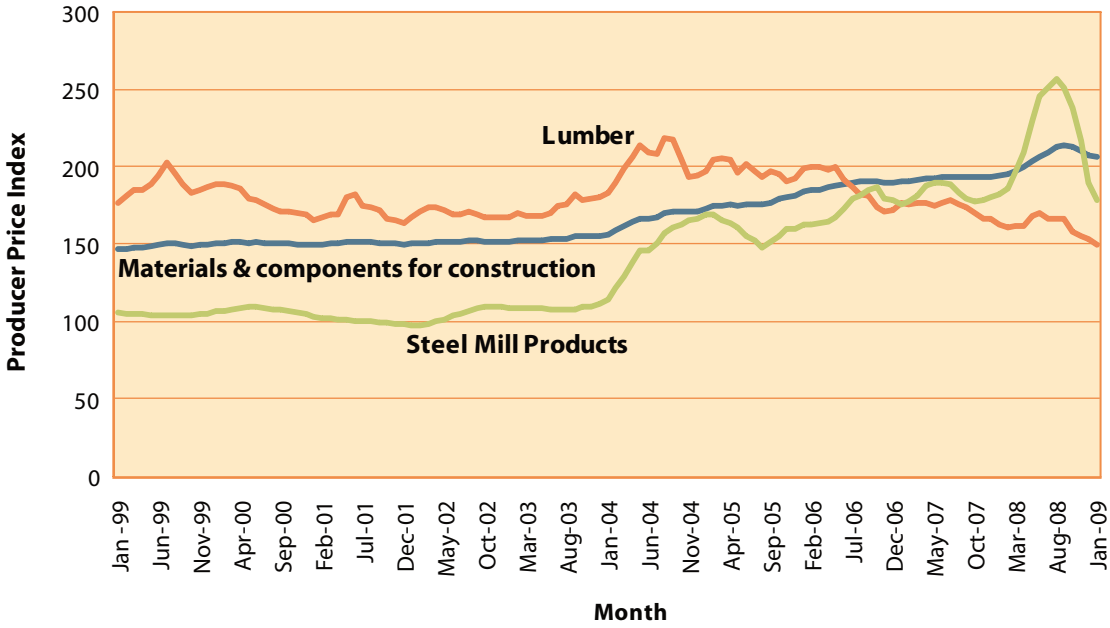
Land costs in Cupertino are generally high due to the high demand and limited supply of available land. Local developers indicated that land prices are adjusting during this economic downturn. However, the seller market, particularly in cities like Cupertino, is slow to react to the declining market because many are not compelled to sell their property. Rather, many will wait for the market to recover.

Nonetheless, one developer did report that at the height of the housing boom, land prices in Cupertino were in the range of $3 million per acre.

Construction Costs

According to *2009 R.S. Means, Square Foot Costs*, hard construction costs for a two-story, wood-frame, single-family home range from $110 to $145 per square foot. Costs for three-story, wood frame multifamily projects range from $145 to $210 per square foot. Construction costs, however, vary significantly depending on building materials and quality of finishes. Parking structures for multifamily developments represent another major variable in the development cost. In general, below-grade parking raises costs significantly. Soft costs (architectural and other

Figure 5.1: Producer Price Index for Key Construction Costs



Base year: 1982 = 100 Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, 2009; BAE, 2009

professional fees, land carrying costs, transaction costs, construction period interest, etc.) comprise an additional 10 to 15 percent of the construction and land costs. Owner-occupied multifamily units have higher soft costs than renter-occupied units due to the increased need for construction defect liability insurance. Permanent debt financing, site preparation, off-site infrastructure, impact fees, and developer profit add to the total development cost of a project.

In recent months, key construction costs have fallen nationally in conjunction with the residential real estate market. Figure 5.1 illustrates construction cost trends for key materials based on the Producer Price Index, a series of indices published by the U.S. Department of Labor Bureau of Labor Statistics that measures the sales price for specific commodities and products. Lumber prices have declined by 19 percent between 2004 and 2008. As shown in Table 5.1, steel prices have fallen sharply since August 2008. Local developers have confirmed that construction costs, including labor, have fallen by approximately 10 percent in tandem with the weak housing market.

However, it is important to note that although land cost and construction costs have waned, developers report that they have not fallen enough to offset the decrease in sales prices.

Environmental, Infrastructure & Public Service Constraints

Roads

The amount of traffic or congestion on a roadway is measured in terms of Level of Service (LOS) ranging from A to F, with A representing intersections which experience little or no congestion and F representing intersections with long and unacceptable delays. Cupertino's 2005 General Plan established a policy of maintaining a minimum of LOS D for major intersections during the morning and afternoon peak traffic hours. The LOS standard for the Stevens Creek and De Anza Boulevard intersection, the Stevens Creek and Stelling Road intersection, and the De Anza Boulevard and Bollinger Road intersection shall be at least LOS E+.

The environmental assessment of individual residential projects considers any associated traffic impacts. If the study finds that the project could cause an intersection to deteriorate, mitigation may be required. This usually consists of improvements to adjacent roads and intersections, but may also include changes to the number of units in the project, or to site design and layout.

Water

Two water suppliers provide service to the City of Cupertino: the California Water Company and the San Jose Water Company. Both of these providers purchase their water supply from the Santa Clara Valley Water District. According to the City's General Plan EIR, which was completed in 2005, the Santa Clara Valley Water District indicated it has the ability to meet the long-term needs of Cupertino water providers. The District's Water Supply master Plan planned for growth based on the maximum growth potential of all municipalities in the District, which does not exceed ABAG projections.

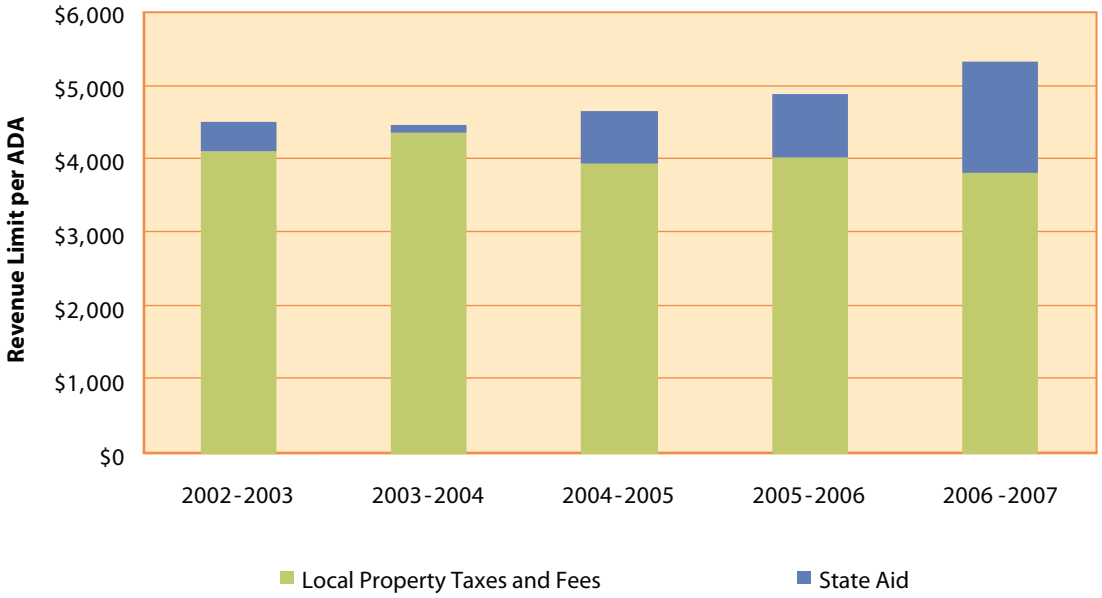
Wastewater

Cupertino Sanitary District serves as the main provider of wastewater collection and treatment services for Cupertino while the City of Sunnyvale serves a small portion of the Cupertino Urban Service area on the east side of the City. Cupertino Sanitary District has purchased a processing capacity of 8.6 million gallons per day (mgd) from the San Jose/ Santa Clara Water Pollution Control Plant in north San Jose. According to the City's 2005 General Plan EIR, the District was only using 5.1 mgd of its total capacity, indicating that there is additional capacity to accommodate future growth. In 2005, the City of Sunnyvale Wastewater Treatment Plant used approximately 15 mgd of its 29 mgd capacity. Cupertino Sanitary District has indicated that some lines in the system may not have sufficient carrying capacity to accommodate new development in the Town Center, south of Wolfe Road, south of I-280, Wolfe Road, Stelling Road, and Foothill Boulevard areas. In order to accommodate wastewater from major new developments, the lines running at or new capacity in these areas will have to be upgraded. Developers will be responsible for the financial costs associated with upgrading the infrastructure.

Storm Drainage

Cupertino's storm drain system consists of underground pipelines that carry surface runoff from streets to prevent flooding. Runoff enters the system at catch basins found along curbs near street intersections and is discharged into City creeks. The storm drainage system has been designed to accommodate a 10-year storm, and the City requires that all new developments conform to this standard.

Figure 5.2: CUSD Historic Revenue Limit per Average Daily Attendance (ADA)



Sources: Education Data Partnership, 2008; BAE, 2008.

Open Space

Cupertino's General Plan outlines a policy of having parkland equal to three acres for every 1,000 residents. Currently, the City has approximately 162 acres of parkland. Cupertino's current RHNA of 1,170 new housing units for 2007 to 2014 would produce an estimated need of 9.8 acres of new park land. The General Plan identified an additional 49 acres of potential neighborhood and community parks, which would be more than enough to maintain the standard of three acres for every 1,000 residents. In addition, Cupertino's park impact fees of $8,100 to $15,750 per unit would generate between $13.2 and $15.4 million for the City to purchase new parkland and maintain existing recreational resources.

Schools

Community concerns about impacts on school districts can be a constraint to housing production. Cupertino Union School District (CUSD) and Fremont Union High School District (FUHSD) are among the best in the state and residents are particularly concerned about the impacts of new housing on schools.

During the 2008-2009 school year, CUSD served 17,300 students from Cupertino and parts of San Jose, Sunnyvale, Saratoga, Santa Clara, and Los Altos at 20 elementary schools and 5 middle schools. Approximately 55 percent of CUSD's students reside in Cupertino. FUHSD served 10,300 students from Cupertino, most of Sunnyvale and parts of San Jose, Los Altos, Saratoga, and Santa Clara. Approximately 62 percent of FUHSD's students reside in Cupertino.

Operating Finances. Most of CUSD revenues are tied to the size of its enrollment. The State Department of Education guarantees CUSD a certain level of operations funding known as the "Revenue Limit." The Revenue Limit is established annually by the State based on the District's average daily attendance (ADA).

The Revenue Limit is composed of State funding and local property tax revenues. If the District's property tax revenue falls below the Revenue Limit in any given year, the State will increase its contribution to make up the difference (see Figure 5.2). CUSD therefore relies on gradual, steady increases in enrollment to maintain its financial health over time. Because the Revenue Limit makes up about 75 percent of CUSD revenues, and this Limit is tied directly to enrollment, the District needs predictable, ongoing student growth to keep up with costs. Declines in enrollment would require the District to cut costs.

In contrast, FUHSD relies exclusively on property taxes for most of its revenue. FUHSD receives property taxes in excess its Revenue Limit. The District keeps these additional revenues for operations. As a result, the State does not provide annual per-ADA funding to the District. Therefore, FUHSD counts on a growing property tax base to keep up with costs and maintain per-student funding. New development helps promote a healthy tax base over time. As shown in Table 5.6, multifamily development can be particularly beneficial to the tax base, generating higher revenues per acre than single-family homes. This translates into more revenue for FUHSD.

Table 5.6: Comparison of FUHSD Property Tax Revenue per Acre

	Multifamily housing	Single-family housing
Value per Unit (a)	$665,250	$1,143,500
Density (Units/Acre)	20	5
Total Value/Acre	$13,305,000	$5,717,500
Property Taxes to FUHSD per Acre (b)	$22,619	$9,720

Notes: (a) Median sales prices from June 2007 to June 2008
(b) FUHSD receives approximately 17% of 1% of assessed value.

Sources: DataQuick, 2008; Santa Clara County Controller, 2008;BAE, 2008.

Moreover, property taxes from new multifamily housing can exceed the cost to FUHSD to serve students. Table 5.7 illustrates this point, using recently-built projects as examples. Nonetheless, FUHSD stresses that the impacts of new residential development should be evaluated on a case-by-case basis to mitigate any undue effects on the District.

Enrollment and Facilities. Both Districts expect to continue growing over the next ten years. CUSD projects enrollment to grow by 4% to a peak of 18,000 students by 2013, then decline to 17,400 students by 2017. FUHSD anticipates enrollment to flatten over the next five years, then rise to 11,600 students by 2017, a 13% gain (see Figure 5.3). It is important to note that this growth comes from the other cities that the Districts serve, in addition to Cupertino. Cupertino-based students comprise about 60% of enrollment in each District.

Table 5.7: Financial Impacts of Cupertino Developments on Fremont Union High School District

	Montebello	City Center	Travigne	Civic Park
FUHSD Revenue				
Assessed Value of Dev't	$117,855,778	$38,068,014	$23,638,365	$90,538,152
Property Tax Revenue (a)(	$196,952	$63,617	$39,503	$151,301
FUHSD Costs				
Number of Students in Dev't	11	5	3	10
Cost to Serve Students (b)	$101,545	$46,157	$27,694	$92,314
Net Surplus/(Deficit)	$95,407	$17,460	$11,809	$58,987

Notes: (a) Percentage of base 1.0 percent property tax FUHSD receives (after ERAF shift) in TRA 13-003: 16.71%

(b) FUHSD General Fund Expenditure per Student, FY 08-09: $9,231

Sources: Santa Clara County Assessor, 2008; Santa Clara County Controller, 2008; FUHSD, 2008; BAE, 2008.

The Districts will continue to use their facilities efficiently to accommodate projected growth. CUSD and FUHSD report that their ability to absorb new students is not unlimited, and rapid growth does pose a challenge. However, they will strive to make space and maintain student-teacher ratios through creative solutions such as relocating special programs, adjusting schedules, selectively using modular classrooms, and other approaches. In addition, FUHSD is developing a plan to dedicate the $198 million raised from Measure B for facility improvements. These include athletic facilities, solar power, IT systems, infrastructure, classrooms, labs, and lecture halls.

The Districts also augment their facilities using impact fees from new development. CUSD receives $1.78/square foot in fees from residential development, and earned $693,000 in 2007-2008. FUHSD receives

Figure 5.3: Enrollment Projections, 2008-2013, CUSD and FUHSD

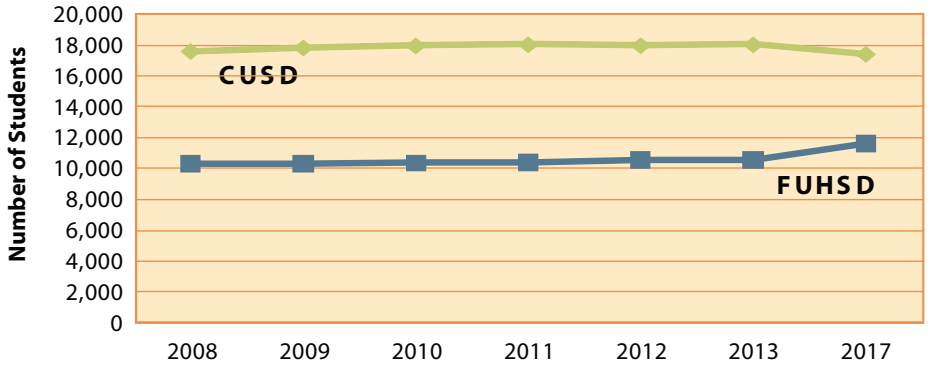


Table 5.8: Student Generation in Cupertino Developments

	Higher Density		Lower Density		
	Montebello	City Center	Travigne	Metropolitan	Civic Park
Density (Units/Acre)	96	63	24	30	31
Students/Unit					
CUSD (a)	0.13	0.07	0.17	0.09	0.37
FUHSD (a)	0.05	0.02	0.07	0.10	0.08
Total	0.18	0.10	0.24	0.20	0.44

Notes: (a) Student enrollment data for 2008-2009 school year, provided by CUSD and FUHSD.

Sources: City of Cupertino; CUSD; FUHSD; BAE, 2008.

$0.95 to $1.19/square foot of residential development, earning $1.3 million in 2007-2008. The Districts can also address impacts on a case-by-case basis, establishing partnerships with home builders to construct new facilities or expand existing schools.

Higher-density housing generally generates fewer students per unit. Table 5.8 illustrates this trend among recently-built projects in Cupertino. On average, the Districts report that new single-family homes and townhouses generate 0.8 K-12 students per unit, while new multifamily homes generate 0.3 K-12 students per unit. In addition, most enrollment growth comes from existing homes that are either sold or rented to families with children, not new development. Nonetheless, the Districts indicate that new housing will contribute to future demand for classroom space, which the Districts must address through the strategies outlined above.

Public Opinion

Other constraints to housing production in the City include public opinion, specifically community concerns about impacts on the school districts, traffic, and parks.

Over the past several years, a number of housing developments and related planning efforts have been subject to citizen initiatives and referenda. Citizen concerns about the impacts of housing development on community quality of life remain a significant potential constraint to housing development.

Local developers indicated that public opposition to new development can be a obstacle to the production of both market rate and affordable housing in Cupertino. In any jurisdiction, the entitlement process can be a costly one. As discussed above, several developers successfully obtained the necessary entitlements from the City but had their projects halted by citizen referenda, resulting in financial losses. This threat of a referendum and associated financial losses makes development in the City more risky.

The potential for community opposition means that good design and planning are essential, particularly for higher density projects.

Opportunities for Energy Conservation

Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can contribute to reduced housing costs for homeowners and renters. In addition, these efforts promote sustainable community design, reduced dependence on vehicles, and can significantly contribute to reducing green house gases.

All new buildings in California must meet the standards contained in Title 24, Part 6 of the California Code of Regulations (Energy Efficiency Standards for Residential and nonresidential Buildings). These regulations were established in 1978 and most recently updated in 2005 with amended standards going into effect in 2009. Energy efficiency requirements are enforced by local governments through the building permit process. All new construction must comply with the standards in effect on the date a building permit application is made.

In addition to compliance with state regulations, the Environmental Resources/ Sustainability, Land Use, and Circulation Elements of Cupertino's General Plan includes policies related to energy conservation and efficiency. In particular, the Land Use Element provides for energy efficient higher density housing in proximity to employment centers and transportation corridors and includes mixed use development where appropriate.

The development industry is also becoming increasingly aware of opportunities for energy conservation at the site planning level and even at the community planning level. New developments are increasingly being planned so that building orientations will take advantage of passive solar energy benefits. Larger scale land use planning is increasingly considering benefits of compact urban form (i.e., higher densities) as a means to reduce auto dependency for transportation, and the benefits of mixed-use land use patterns to make neighborhoods more self-contained so that residents can walk or bicycle to places of work, shopping, or other services. Compact urban development patterns also are necessary to improve the effectiveness of buses and other forms of public transit. If effective public transit is available and convenient, energy will be conserved through reduced auto use. In the future, the City will consider incorporating these and/ or other sustainable development principles into new developments that are planned within Cupertino.

The City's Housing Element contains several programs to promote energy conservation. For example, the City will evaluate and implement the potential to provide incentives, such as waiving or reducing certification fees, for energy conservation improvements to new or existing residential units.

Summary

- Cupertino's General Plan and Zoning Ordinance are not development constraints to new housing production. The Land Use/Community Design element of the General Plan identifies five categories of residential use while the Zoning Ordinance permits residential development in seven districts.
- The Zoning Ordinance does not permit or conditionally permit permanent homeless shelters in any zone. In order to comply with state law, this Housing Element outlines a program to amend the Zoning Ordinance to allow a permanent homeless shelter by-right in the BQ zoning district.
- Site improvement, building code requirements, and permit processing time in Cupertino are comparable to surrounding communities and are not a development constraint.
- Development fees in Cupertino are comparable to those in neighboring jurisdictions.
- The decline in the housing market and availability of financing will constrain housing development in the near term.
- A potential constraint to housing development is road capacity. Residential projects may be required to undertake mitigation measures if developments result in traffic impacts.
- Capacity and fiscal impacts to the Cupertino Union School District and Fremont Union High School District must be evaluated on a case by case basis.
- Public opinion may serve as a constraint to housing development. Over the past several years, projects have been subject to citizen initiatives and referenda opposition the developments.

6. 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 "inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment" (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.

Demonstrating an adequate land supply, however, is only part of the task. The City must also show that this supply is capable of supporting housing demand from all economic segments of the community. High land costs in the Bay Area make it difficult to meet the demand for affordable housing on sites that are zoned at relatively low densities.

Pursuant to Government Code Section 65583.2(c)(3)(B), local governments may utilize "default" density standards (e.g. the "Mullen Densities") to provide evidence that "appropriate zoning" is in place to support the development of housing for very-low and low-income households . The purpose of this law is to provide a numerical density standard for local governments, resulting in greater certainty in the housing element review process. Specifically, if a local government has adopted density standards that comply with the population based criteria provided in the law and promulgated by HCD, no further analysis is required to establish the adequacy of the density standard. The default density standard for Cupertino and other suburban jurisdictions in Santa Clara County to demonstrate adequate capacity for low and very low-income units is 20 dwelling units per acre (DUA) or more.

General Plan Residential Allocations

In order to balance the long-term housing, economic and civic needs of the Cupertino community, the City's General Plan adopted in 2005 provided an overall "allocation" of commercial and residential uses by planning district and for the City overall. Taking into account the residential projects already developed or permitted since 2007 (see Table 4.2), an analysis of sites with residential potential in Cupertino indicates the potential to develop approximately 798 units of new housing within the context of the current General Plan land use allocations. This figure represents units that can realistically be accommodated on sites with allowable densities of 20 DUA or more.

Residential Capacity Analysis

Methodology

For the purposes of this analysis, housing sites in Cupertino have been grouped into four geographic areas. Each of these areas is described below, with accompanying maps and tables used to quantify residential development potential. Because more than a quarter of the 7.5-year planning period has already passed, the analysis also accounts for housing that has been constructed since January 1, 2007.

In preparing for this Housing Element document, City staff conducted a thorough study evaluating the amount of vacant and underutilized land in Cupertino. A parcel-by-parcel review of the City's data base was conducted and all vacant, underutilized and infill parcels were identified. These parcels included residentially-zoned land as well as other designations such as commercial, quasi-public use, mixed use and industrial.

Cupertino is a mostly built-out City like many cities in the Bay Area. As a result, opportunities for residential units will be realized through redevelopment of sites with existing buildings and uses on them. The City went through a careful site selection process to ensure that future residential development on the sites would: (1) Have community support (see description of community process below), (2) achieve community goals of affordability and walkability, and (3) create a liveable environment for new residents and neighbors. To ensure this, sites were selected with the following criteria in mind:

- Proximity to transportation corridors
- Proximity (preferably within walking distance) to amenities such as schools, neighborhood services, restaurants and retail

- Ability to provide smaller, more affordable units - sites were selected in higher density areas to achieve this
- Create a liveable community with the least impact on neighborhoods – sites that had the most in common with successfully developed sites were selected.

Vacant or underutilized sites that did not share the above critiera were excluded from the inventory.

Community Involvement. To ensure that both community members and property owners were in support of the City's Housing Element and sites inventory, in particular, the City of Cupertino engaged in a lengthy community involvement process. The City's inventory of residential opportunity sites was developed in consultation with the Housing Commission, Planning Commission, City Council, and members of the public. The Housing Element and sites inventory was presented at one meeting of the Housing Commission, two Planning Commission meetings, and two City Council meetings. At each meeting, commissioners and council members, as well as members of the public, discussed the inventory. During these discussions, several sites were removed and new sites were added based on input from these various stakeholders. Decisions to add or remove sites were based on realistic expectations for sites to be redeveloped within the planning period. While residential development may occur on other sites not included in this inventory, the sites ultimately included in this Housing Element are those the community believes have the most realistic chance of redeveloping into housing within the next five years. As a result of the community engagement process, the sites inventory presented in the Housing Element represents a list of residential opportunity sites that the community has vetted and supports.

In additon to consultation with various community stakeholders, the City reached out to individual owners whose properties were identified as housing opportunity sites. Each affected owner received a letter informing them that their property had been identified by the City to be included in its Housing Element as a housing opportunity site. The letter provided them with information about the process and provided them with an opportunity to provide feedback or express concerns. Many property owners contacted the City to discuss inclusions, but none objected to the inclusion of their property in the Housing Element sites inventory.

Determination of Realistic Capacity. Development standards such as building height restrictions, minimum set backs, and maximum lot coverage requirements may make it difficult for developers to build to the maximum density allowed by the General Plan and Zoning Code on a particular site. Furthermore, sites that are zoned for mixed-use development may have commercial space that may reduce the number of residential units on the site. As such, this Sites Inventory provides a "realistic yield" for each site, which reduces the maximum developable units by 15 percent. This 15 percent reduction is based on recent experience in the City of Cupertino for mixed-use developments. As shown to the right, recent multi-family residential projects have built to between 82 percent and 92 percent of the maximum allowable density.

Example 1

Project Name:	Oak Park
Site Area (acres):	1.6 acres
Maximum Density:	35 DUA
Maximum Developable Units:	56 units
Actual Units Developed:	46 units
Actual Units / Maximum Units:	82 percent
Commercial Sq. Ft. as Percent of Total Sq. Ft.:	N/A

Example 2

Project Name:	Adobe Terrace
Site Area (acres):	1.0 acres
Maximum Density:	25 DUA
Maximum Developable Units:	25 units
Actual Units Developed:	23 units
Actual Units / Maximum Units:	92 percent
Commercial Sq. Ft. as Percent of Total Sq. Ft.:	8 percent

Example 3

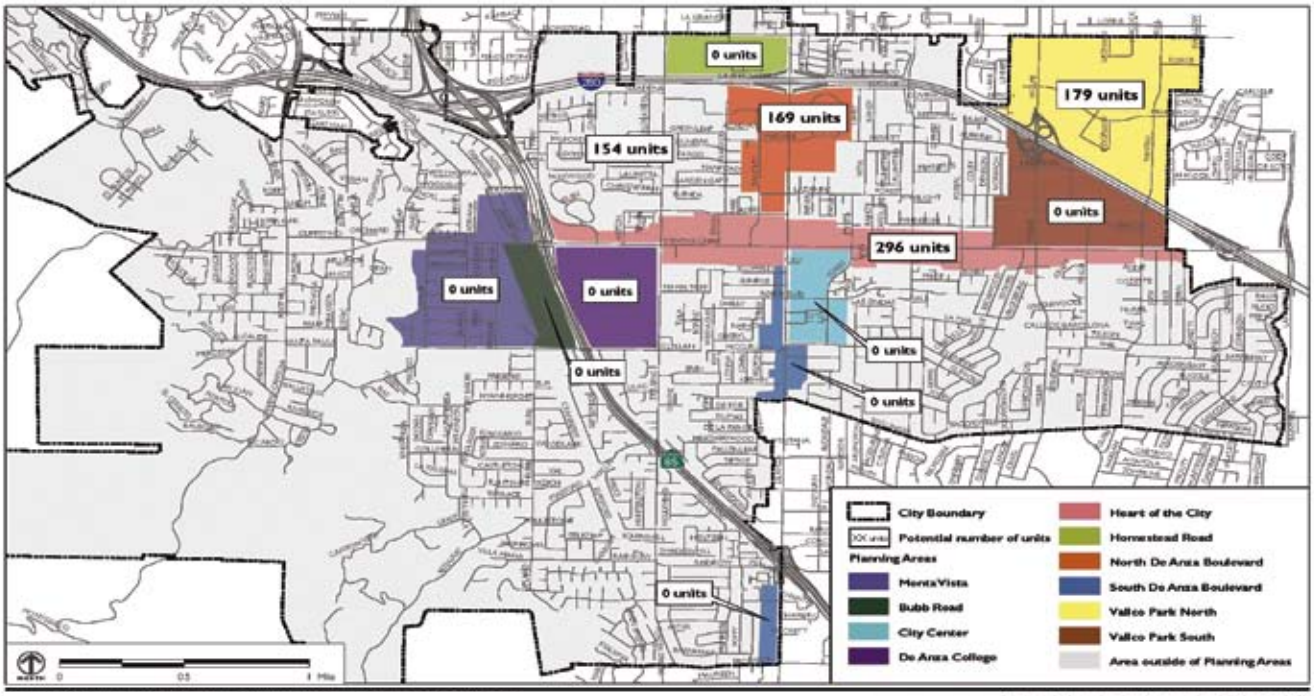
Project Name:	Metropolitan
Site Area (acres):	3.3 acres
Maximum Density:	35 DUA
Maximum Developable Units:	116 units
Actual Units Developed:	107 units
Actual Units / Maximum Units:	92 percent
Commercial Sq. Ft. as Percent of Total Sq. Ft.:	4 percent

Because of the desirability and high value of residential property in Cupertino, developers are reluctant to include ground floor commercial space in residential buildings, even when land is zoned for mixed-use development. The City must often encourage or request that ground-floor commercial space be included in projects and commercial space typically represents a small proportion of the total development. The City of Cupertino anticipates that this trend will continue and land zoned for mixed-use will achieve residential densities at or above 85% of the maximum with ground floor commercial space along the street frontage.

This trend is evident in the two mixed-use project examples that contained ground floor commercial development. The Metropolitan and Adobe Terraces projects are of typical mixed-use, multi-family developments in Cupertino. In both cases, the commercial component represented a small portion of the total square footage (less than 10 percent) in all cases. Even with the provision of ground floor commercial space, the Metropolitan and Adobe Terraces developments were able to achieve 92 percent of the maximum allowable residential units. Based on the development experiences at the three recently completed projects described above, the density assumptions for mixed-use residential projects at 85 percent of the maximum allowed is realistic.

The assumption that sites will achieve 85 percent of the maximum allowable density is also realistic for sites that allow for a variety of uses, including 100 percent commercial development, in addition to residential development and mixed-use development.

Figure 6.1: Potential Units by Planning Area



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

Table 6.1: Distribution of All Units by Planning District

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.

This is because the highest and best use of land in Cupertino is residential development. As discussed above, the desirability and high value of residential property in Cupertino encourages residential or mixed-use development over exclusively commercial development. All three example projects presented above were developed in a zone that allows a mix of uses including exclusively commercial and office development, further demonstrating the strength of residential development over commercial development in Cupertino.

Overview of Capacity

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). The full sites inventory with current zoning and proposed land use and zoning changes is provided as Appendix G.

Table 6.1 and Figure 6.1 on the previous page 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. As demonstrated by the developments already underway or completed during the current planning period as displayed in Table 4.2, Cupertino has a strong track record of supporting and facilitating the development of residential projects in mixed-use areas and of intensifying residential uses where appropriate within the context of the general plan land use allocations.

Heart of the City District

The Heart of the City District encompasses one of the most important commercial corridors in Cupertino. The Heart of the City Specific Plan, originally adopted by the City Council in 1995, provides development guidelines for the approximately 250-acre Stevens Creek Boulevard Corridor. This Specific Plan was recently updated and is currently under review by the City's Planning Commission. The revised Specific Plan encourages the development of pedestrian-oriented activity centers and mixed use developments with commercial and residential uses.

Figure 6.2: Potential Housing Sites in the Heart of the City District

Sources: City of Cupertino, 2009; BAE, 2009; DC&E, 2009.

Table 6.2: Vacant and Underutilized Land in the Heart of the City District

ID	APN	Site Address	Existing Use	Size (Acres)	Allowed under Current Zoning		
					Max. Density (DUA)	Max. Yield (Units)	Realistic Yield (Units) (a)
1	316 21 031	19875 Stevens Creek Blvd	Furniture 2000	1.78	25	44	37
	316 21 032	19855 Stevens Creek Blvd	Yoshinoya	0.24	25	6	5
2	316 23 093	20007 Stevens Creek Blvd	I-Restaurant	1.35	25	33	28
3	326 32 041	10073 Saich Way	7-11 site behind Bombay Oven	0.77	25	19	16
4	369 03 004	20030 Stevens Creek Blvd	Grand Buffet/Boas	1.16	25	29	24
	369 03 005	20010 Stevens Creek Blvd	Corner of Stevens Creek & Blaney	0.47	25	11	9
	369 03 006	10071 S Blaney Ave	Lackey Prop. (Stevens Creek & Blaney)	0.37	25	9	7
	369 03 007	10031 S Blaney Ave	Lackey Prop. (Stevens Creek & Blaney)	1.36	25	34	28
5	369 05 009	19930 Stevens Creek Blvd	Arya	0.44	25	11	9
	369 05 010	19936 Stevens Creek Blvd	Arya Parking Lot	0.52	25	12	10
6	369 05 038	19900 Stevens Creek Blvd	SD Furniture	1.92	25	48	40
7	369 06 002	10025 E Estates Dr	United Furniture Site	0.92	25	23	19
	369 06 003	10075 E Estates Dr	United Furniture Site	0.53	25	13	11
	369 06 004	10075 E Estates Dr	United Furniture Site	0.86	25	21	17
8	375 07 001	19160 Stevens Creek Blvd	Barry Swenson Property	0.55	25	13	11
9	375 07 045	10029 Judy Ave	Loree Center	0.43	25	10	8
	375 07 046	19060 Stevens Creek Blvd	Loree Center	0.86	25	21	17
			Total Units			**357**	**296**

Notes:(a) Realistic Capacity reduces the maximum capacity by 15 percent.

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

Under the General Plan and existing adopted Specific Plan, the total residential buildout for the Heart of the City neighborhood is 570 dwelling units, with a remaining residential allocation of 216 units as of January 1, 2007. This will be updated to provide more residential capacity to accommodate an increased residential capacity of 296 new units. This would increase the total residential buildout for the Heart of the City neighborhood from 570 units to 650 units.

As displayed in Table 6.2 and Figure 6.2 left, there are nine sites that can accommodate 296 units in the Heart of the City area that have the appropriate General Plan and zoning designations.

The sites in the Heart of the City area are underutilized infill sites. In many cases, the year the structures were constructed and the parcels' improvement to land value (I/L) ratio suggests the sites are prime opportunities for redevelopment.

- **Site 1.** Site 1 consists of two parcels on Stevens Creek Boulevard. The first parcel has a single-story commercial building occupied by a furniture store built in 1964. The commercial building has had a number of different tenants in recent years, with several tenants going out of business. The building changed ownership two years ago in a 1031 exchange. Since that time, the new owners have attempted to release the space to higher paying tenants without success. The historical turnover and lack of tenant interest indicates the limited viability of the property as a successful commercial site in its current state. The second parcel contains an old, outdated building constructed in 1969 that houses the Yoshinoya restaurant. There is a large amount of surface parking on the site. The site is located along one of the major corridors in Cupertino, in close proximity to services and public transportation.

  The two parcels which comprise Site 1 are not currently held in common ownership. As such, lot consolidation would be necessary for redevelopment. The City routinely encourages adjacent property owners to work together on sites such as this one to create a single redevelopment master plan for the site providing shared access, open space and connections. Furthermore, market conditions will encourage lot consolidation at this site. The two parcels form a corner site at Stevens Creek Boulevard and Portal Avenue. In addition, development potential is greater for a larger, corner site than a mid-block site, and the market will encourage lot consolidation.

- **Site 2.** Site 2, a 1.35 acre site on Stevens Creek Boulevard, has a restaurant and a large surface parking lot. The building was constructed in 1978 and the parcel has an I/L ratio of 0.66, indicating that the value of the land exceeds the value of the buildings on the site. Over the last few years, a number of businesses have unsuccessfully operated at the site. The land to improvement ratio and the relatively high business turnover at the site further supports redevelopment of the site for mixed-use residential development. The site is located along one of the major corridors in Cupertino, in close proximity to services and public transportation.

- **Site 3.** This site, located at the corner of Saich Way and Stevens Creek Boulevard, contains a strip mall built in 1969 with a 7-11 store that burned down. The fire destroyed the strip mall; the buildings are currently vacant and boarded up. There are no existing uses that would prevent redevelopment for residential use. The property owner has expressed interest in redeveloping the site. The site is located along one of the major corridors in Cupertino, in close proximity to services and public transportation.


Site 3

Although Site 3 is a small site, at slightly less than one acre, redevelopment for housing is feasible here due to its location in the Heart of the City District. Located just off of Steven's Creek Boulevard, one of the main corridors through Cupertino, the Site would be expected to develop with relatively dense multifamily development. High-density multifamily developments have been built in Cupertino on small parcels. For example, the Adobe Terrace project developed 23 units on a 0.96-acre site, just one unit short of the maximum yield of 24 units.

- **Site 4a.** Site 4a consists of three parcels held in common ownership on Stevens Creek Boulevard and Blaney Avenue. One of the three parcels (APN 369 03 007) is currently vacant and undeveloped. The remaining two parcels have old, single-story buildings with large surface parking lots. The three structures were constructed in 1956, and 1965. Existing uses include the Shan restaurant and a strip mall that contains a small food market and a laundry establishment. The site is located along one of the major corridors in Cupertino, in close proximity to services and public transportation.

  Site 4 is expected to redevelop into a mixed-use multifamily residential development at a density of about 25 du/acre. Development of this type is common in the area along Stevens Creek Boulevard and Blaney Avenue. Across the street from Site 4 is a recently completed mixed-use, multifamily residential development. The City has received residential focused proposals for redevelopment of this site in the recent past.

- **Site 4b.** Site 4b is located at the Corner of Stevens Creek Boulevard and Blaney Avenue. The parcel is approximately half an acre in size and has a stand-alone restaurant on the site. The building was constructed in 1955 and the site has an improvement to land value ratio of 0.17. A number of businesses have been located at this site in the past. The turnover of businesses indicates the limited viability of the site for commercial use in its current state. Although the parcel is relatively small, there have been multifamily residential developments on parcels of similar size in Cupertino in the past. The property owner has expressed interest in redeveloping the site. The site is located along one of the major corridors in Cupertino, in close proximity to services and public transportation.

  The City will encourage Site 4b to be redeveloped in conjunction with Site 4a. Site 4a and Site 4b collectively form a corner site that would logically be developed as a single project. Even if the two sites are not consolidated, the City will require that proposals for redevelopment of parcel in Site 4a or 4b be undertaken within a larger master plan that takes all four parcels into consideration. The City would require that a coordinated access and circulation plan would be developed for the site, even if it Site 4a and Site 4b were developed separately.

- **Site 5.** Site 5 contains two parcels on Stevens Creek Boulevard with a 1955 restaurant building and an adjoining surface parking lot. The two parcels are in common ownership; lot consolidation would not be necessary for redevelopment of Site 5. The improvement to land value ratio for the two parcels are less than 0.35. There has also been substantial turnover of businesses at this site, indicating the unviable nature of the site for commercial use in its existing form. The site is located along one of the major corridors in Cupertino, in close proximity to services and public transportation.

  Although Site 5 is relatively small, at slightly less than one acre, its location on Stevens Creek Boulevard and in the Heart of the City District makes high density multifamily residential development feasible at the Site. There is a relatively high density mixed-use, residential project down the street from Site 5 on Stevens Creek Boulevard. Furthermore, high density multifamily development has been built on parcels of less than one acre in Cupertino recently, including the previously discussed Adobe Terrace project.


Site 4b


Site 7

- **Site 6.** The 1.9 acre site currently houses a furniture store in a single-story building built in 1975 with surface parking. The building is setback from Stevens Creek Boulevard and is configured specifically for a furniture store. Due to the unique configuration of the site and building, future re-tenanting for commercial uses other than a furniture store would be difficult. The structure is bordering on economically unviable and has high potential for turnover. As such, redevelopment of the site would be a viable option at this location.

- **Site 7.** Site 7 contains three parcels at the corner of Stevens Creek Boulevard and Estates Drive. The site has an old strip mall with a mix of occupied and vacant retail spaces. The strip mall was built in 1960 and the improvement to land value ratio of the three parcels ranges from 0.01 to 0.28. The three parcels are held in common ownership and lot consolidation would not be necessary. The Site is one of the top redevelopment opportunities in the city due to its prime location on Stevens Creek Boulevard. Site 7 is located across the street from the city's largest shopping center, enjoys easy freeway access, and is located in the area that is best served by public transportation in the City. The Site is also located next to existing residential neighborhoods. Developers have consistently expressed interest in redeveloping this Site.

- **Site 8.** Site 8 is a vacant property on Stevens Creek Boulevard. Although the site is relatively small (approximately half an acre) its location on Stevens Creek Boulevard and in the Heart of the City District supports


Site 8


Site 9

relatively dense multifamily residential development. The site is located along one of the major corridors in Cupertino, in close proximity to services and public transportation. The owner of the property has expressed interest in developing for a residential use, including affordable products.

- **Site 9.** Site 9 consists of two parcels at the corner of Stevens Creek Boulevard and Judy Avenue. The site has an old, dilapidated strip mall, built in 1952, with a mix of occupied and vacant retail spaces. Portions of the Center are currently boarded up. The existing spaces that are occupied at the Loree Shopping Center are marginal. Overall, the shopping center is blighted and has multiple code enforcement problems. Under the current site configuration, it is difficult, if not impossible, to bring the property up to code without redevelopment. The Shopping Center does not and cannot meet the City's minimum parking requirements under the current configuration. Because the property cannot meet code requirements, rehabilitation is not feasible. Redevelopment of the site would be necessary to meet all code requirements. Site 9 is also located across the street from a major new redevelopment that will likely create additional redevelopment pressure at the Loree Center. The site is held in common ownership and lot consolidation would not be necessary for redevelopment.

Vallco Park North District

Vallco Park North is an employment area of predominantly office and light industrial activities with neighborhood commercial uses. The Vallco Park North District allows for residential densities up to 25 dwelling units per gross acre. The total residential buildout for the Vallco Park North District is 851 units, with a remaining residential allocation of 300 units as of January 1, 2007.

As shown in Table 6.3, there is one site in the Vallco Park North District with potential for residential development. The site is comprised of two parcels totally 8.5 acres. In 2005, the site was rezoned to allow for residential development at a density of up to 25 dwelling units per acre.

- **Site 10.** The site is comprised of two parcels totally 8.5 acres. In 2005, the City Council approved a general plan amendment and zoning change to allow for residential development at a density of up to 25 dwelling units per acre at this site. The site contains two office buildings, one of which is partially occupied, and large surface parking lots. The site is held in common ownership and lot consolidation would not be necessary for redevelopment. While the building remains in relatively good condition, the site is appropriate for residential development because a residential project was previously approved for this location. Although the approvals for the residential project have expired, the property owner has requested that the residential zoning remain on the property.

Non-Designated Areas

There are two sites located outside designated neighborhood planning areas. These remaining areas are not planned as unique neighborhoods in the City's most recent general plan. Development intensity in these non-designated areas is determined by the existing zoning and land use designations.

Both sites contain existing garden apartment complexes that are not built to the maximum allowed density. These apartment complexes have large open spaces that exceed the City's open space requirements. As such, additional units could be built on these two properties. This type of expansion of garden apartment complexes was recently approved and completed in Cupertino at the Villa Serra and Biltmore developments. At the Biltmore, carports were demolished and new units were constructed above ground-floor parking. New units and additional parking were added to the Villa Serra complex

Table 6.3: Vacant and Underutilized Land in the Vallco Park North District

ID	APN	Site Address	Existing Use	Size (Acres)	Allowed under Current Zoning		
					Max. Density (DUA)	Max. Yield (Units)	Realistic Yield (Units) (a)
10	316 06 050	10500 Pruneridge	Morley Bros. / Industrial	2.80	25	70	59
	316 06 051	10400 Pruneridge	Morley Bros. / Industrial	5.69	25	142	120
				Total Units		212	179

Notes: (a) Realistic Capacity reduces the maximum capacity by 15 percent.

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

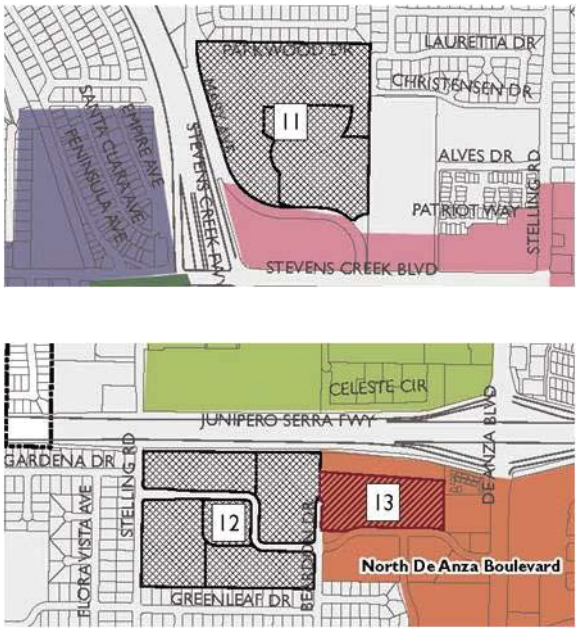
Figure 6.3: Potential Housing Sites in the Vallco Park North District

Sources: City of Cupertino, 2009; BAE, 2009; DC&E, 2009.

in surplus open space and recreational areas. The Biltmore project added 29 units for a total project size of 179 units, while the Villa Serra development added 117 units to achieve a total of 506 units. In both cases, existing units were not destroyed by the construction of the new expansion.

The trend of adding new units to existing garden apartment complexes is expected to continue in Cupertino due to the limited supply of vacant land and the high demand for residential units in the City. Site 11 and Site 12 share many of these characteristics and present opportunities to provide relatively affordable rental housing units in the City. In addition, both sites have older structures and low vacancy rates. Often, when property owners of older projects decide to upgrade units, they may choose to do additional expansion work at the same time. The realistic yield for Sites 11 and 12 are 92 units and 64 units, respectively, which falls within the range of other expansion projects that have been successfully completed in the past. The financial feasibility of additional units at Site 11 and Site 12 is particularly strong because both properties have long-time landowners who purchased the land when prices were more affordable.

Figure 6.4: Potential Housing Sites in the Non-Designated Areas



Sources: City of Cupertino, 2009; BAE, 2009; DC&E, 2009.

- **Site 11.** Site 11 contains the Glenbrook Apartments. Spanning across 31.3 acres, the site could accommodate 626 units under existing zoning, which allows for a density of 20 dwelling units to the acre. However, the Glenbrook Apartments only contains 517 units, resulting in additional potential for up to 109 residential units. Assuming

Table 6.4: Vacant and Underutilized Land in the Non-Designated Areas

ID	APN	Site Address	Existing Use	Allowed under Current Zoning			
				Size (Acres)	Max. Density (DUA)	Max. Yield (Units)	Realistic Yield (Units) (a)
11	326 27 036	10160 Parkwood	Glenbrook Apartments	11.62	20		
	326 27 037	21297 Parkwood	Glenbrook Apartments	19.72	20		
				31.34	20	626	
				Less Existing Units		-517	
				Remaining Units to be Built		109	92
12	326 09 040	20800 Valley Green Dr	The Villages at Cupertino	5.35	20		
	326 09 041	20975 Valley Green Dr	The Villages at Cupertino	5.49	20		
	326 09 053	20990 Valley Green Dr	The Villages at Cupertino	6.78	20		
	326 09 054	20800 Valley Green Dr	The Villages at Cupertino	2.69	20		
	326 09 064	20875 Valley Green Dr	The Villages at Cupertino	6.79	20		
				27.10	20	542	
				Less Existing Units		-468	
				Remaining Units to be Built		74	62
				Total Units		**183**	**154**

Notes: (a) Realistic Capacity reduces the maximum capacity by 15 percent.

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

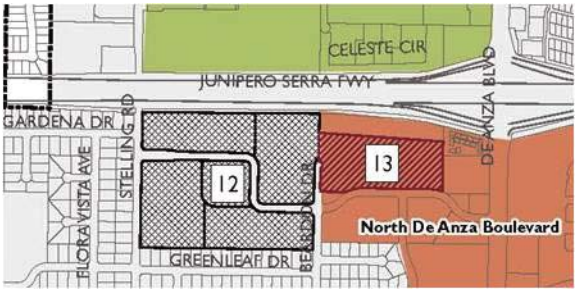
Glenbrook Apartments is able to achieve 85 percent of the site's remaining capacity, the realistic yield for Site 11 is 92 new units. Similar to the Biltmore Apartments, Glenbrook Apartments has large areas of land dedicated to carports. As was done in the Biltmore development, the carport areas can be converted to ground floor parking with new units above. Additional units could be constructed without affecting existing residential units at the site. This site was recommended by members of the public and the community supports the expansion of the Glenbrook Apartments.

- **Site 12.** Similar to the Glenbrook Apartments site, the Villages of Cupertino is not built to the maximum allowable density. The 27.1 acre property could accommodate a total of 542 units under existing zoning. Currently the development contains 468 units, allowing for up to 74 additional units to be built. Assuming the Villages of Cupertino is able to achieve 85 percent of the site's remaining capacity, the realistic yield for Site 12 is 62 new units. The Villages of Cupertino have large green spaces that exceed the City's open space requirements that can be developed with new units. The Villa Serra development expanded in this way by constructing units on surplus open space and recreation areas. This site was recommended by members of the public and the community supports the expansion of the Villages of Cupertino.

North De Anza Boulevard District

The North De Anza Boulevard District is intended to be a regional employment center with supporting commercial and residential land uses. The area, located south of Interstate 280 around North De Anza Boulevard, includes the Apple Computer campus and other office, industrial, and research and development uses. The total residential build-out for the North De Anza Boulevard District is 146 units, with a remaining residential allocation of 97 units as of January 1, 2007.

Figure 6.5: Potential Housing Sites in the North De Anza Boulevard District



Sources: City of Cupertino, 2009; BAE, 2009; DC&E, 2009.

- **Site13.** Site 13, which was built on in 1975, currently has light industrial (research and office) uses with a large amount of surface parking. Residential development is currently allowed at Site 13, though at lower densities. Site 13 is currently zoned P(CG, ML, Res 4-10), which allows general commercial, light industrial, and residential development at densities of four to 10 dwelling units per acre. The City will rezone the property to P(CG, ML, Res) and allow for residential densities of 25 dwelling units per acre. The higher residential density at the site will make redevelopment of the site for residential use more economically viable than leasing the existing building for office use. The general commercial and light industrial land uses will remain as permitted uses in addition to higher density residential use. In addition, the remaining residential allocation for the area allowed in the General Plan should be increased from 97 to 169 units. This would increase the total residential allocation from 146 units to 218 units. Site 13 is ideal for housing because it is adjacent to an existing residential neighborhood, including a new multifamily residential development across the street. Additionally, the site is accessible to neighborhood amenities, including an elementary school and restaurant and retail uses.

Table 6.5: Vacant and Underutilized Land in the North De Anza District

ID	APN	Site Address	Existing Use	Size (Acres)	Current Max. Density (DUA)	Proposed Rezoning		
						Max. Density (DUA)	Max. Yield (Units)	Realistic Yield (Units) (a)
13	326 10 046	20705 Valley Green Drive	Light Industrial	7.98	10	25	199	169
					Total Units		199	169

Notes: (a) Realistic Capacity reduces the maximum capacity by 15 percent.

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

Zoning for Emergency Shelters and Transitional Housing

Emergency Shelters. State law requires Cupertino to permit emergency shelters without discretionary approvals in at least one zoning district in the City. Currently, the zoning ordinance allows for "rotating homeless shelters" in the Quasi Public Building (BQ) zone. Rotating homeless shelters are permitted within existing church structures in the BQ for up to 25 occupants. The operation period of rotating shelters cannot exceed two months in any one year span at a single location. However, Cupertino's zoning ordinance does not permit or conditionally permit permanent homeless shelters in any zone. To comply with state law, Program 32 of this Housing Element commits the City to amend its zoning ordinance to allow emergency shelters by right in the BQ Quasi-Public zone.

The BQ zone is suitable to include permanent emergency shelters as a permitted use, particularly because it already allows for rotating emergency shelters. Other uses currently permitted in the BQ zone with a conditional use permit include religious, civic, and comparable organizations, public utility companies, lodges, country clubs, child care facilities, residential care facilities, congregate residences, hospitals, and vocational and specialized schools.

As discussed in the Needs Assessment, the *2007 Santa Clara County Homeless Survey* identified 53 homeless individuals/ on the streets and in emergency shelters, transitional housing, and domestic violence shelters in the city of Cupertino. The homeless facilities in Cupertino have a capacity to house 19 individuals. As a result, there is a need to accommodate at least 34 more homeless individuals in the City.

There are several underutilized parcels within the BQ zone that could accommodate a permanent emergency shelter that serves 34 or more individuals. In particular, a number of churches in BQ zones own more land than they currently use. Surplus lands owned by churches include large parking lots and recreational spaces like fields and tennis courts. There are at least five parcels with approximately 154,000 square feet of vacant land in the BQ zone that could accommodate a permanent emergency shelter. These sites range from 19,000 square feet to 50,000 square feet, with an average lot size of 31,000 square feet. Parcels of this size would be able to accommodate a permanent emergency shelter that meets the needs of Cupertino.

Vacant parcels in the BQ zone are primarily located on or near Cupertino's main arterial corridors, providing for easy access to public transportation and essential services. In total, 11 bus lines and 131 bus stops serve the City of Cupertino. Numerous bus lines run along Stevens Creek Boulevard, providing connections to many destinations throughout Silicon Valley. West Valley Community Services, a nonprofit organization that provides homeless services, is located within 1.5 miles of these vacant parcels. In addition, the Kaiser Santa Clara Medical Center is located within 2.5 miles of the parcels. Many of the

City's retail and personal services are concentrated along Cupertino's major corridors. As such, the vacant BQ parcels are appropriate locations for future emergency shelters.

Opportunities for the conversion of existing buildings in the BQ zone into permanent emergency shelters is more limited because there are currently no vacant buildings in the zone. However, if vacancies arise within the BQ zones, rehabilitation and reuse for emergency shelters could be explored.

Transitional Housing. Transitional housing is defined as rental housing for stays of at least six months but where the units are re-circulated to another program recipient after a set period. Supportive housing has no limit on the length of stay, and is linked to onsite or offsite services. SB2 clarifies that transitional housing and supportive housing constitute residential uses. Zoning ordinances must treat transitional and supportive housing as a proposed residential use and subject only to those restrictions that apply to other residential uses of the same type in the same zone.

In Cupertino, transitional and supportive housing developments are treated as residential land uses subject to the same approval process and development standards as other residential uses. However, transitional housing and supportive housing are currently not explicitly listed as permitted uses in the zoning ordinance. To comply with the requirements of SB2, the City will amend its zoning ordinance to specifically list transitional housing and supportive housing as permitted uses in residential zones. This zoning amendment will formalize the City's current practice of treating transitional and supportive housing as any other residential use.

Financial Resources for Housing

The City of Cupertino has access to a variety of existing and potential funding sources for affordable housing activities. These include programs from federal, state, local, and private resources.

Community Development Block Grant Program Funds

Through the Community Development Block Grant (CDBG) program, the federal Department of Housing and Urban Development (HUD) provides funds to local governments for funding a wide range of housing and community development activities for low-income persons.

During the 2007-2008 fiscal year, the City of Cupertino received $357,900 in CDBG funds. If the City continues to receive similar allocations, Cupertino will have approximately $2.5 million in CDBG funds during the 2007-2014 period. CDBG funds are used for site acquisition, rehabilitation, first-time homebuyer assistance, development of emergency and transitional shelters and fair housing/housing counseling activities. Additional activities in support of the new construction of affordable housing include site clearance and the financing of related infrastructure and public facility improvements.

Redevelopment Agency Set-Aside Funds

The Cupertino Redevelopment Agency (RDA) has one Redevelopment Project Area which encompasses the Vallco Fashion Park Shopping Center and the adjacent "Rose Bowl" site at Vallco Parkway and Wolfe Road. The RDA must set aside 25 percent of

its annual tax increment funds for the construction, rehabilitation, and preservation of low- and moderate-income housing within the Project Area and in other Cupertino neighborhoods.[6] Five percent of the 25 percent set-aside must be reserved for extremely low-income housing. Once redevelopment activity begins within the Vallco Project Area and tax increment funds begin flowing to the RDA, set-aside funds will be available for affordable housing activities.

Low-Income Housing Tax Credits (LIHTC)

Created by the 1986 Tax Reform Act, the LIHTC program has been used in combination with City and other resources to encourage the construction and rehabilitation of rental housing for lower-income households. The program allows investors an annual tax credit over a ten-year period, provided that the housing meets the following minimum low-income occupancy requirements: 20% of the units must be affordable to households at 50% of area median income (AMI) or 40% of the units must be affordable to those at 60% of AMI. The total credit over the ten-year period has a present value equal to 70% of the qualified construction and rehabilitation expenditure. The tax credit is typically sold to large investors at a syndication value.

Mortgage Credit Certificate (MCC) Program

The Mortgage Credit Certificate (MCC) Program was created by the federal government, but the program is locally administered by the County of Santa Clara to assist first-time homebuyers in qualifying for a mortgage. The IRS allows eligible homebuyers with an MCC to take 20% of their annual mortgage interest as a dollar-for-dollar tax credit against their federal personal income tax. This enables first-time homebuyers to qualify for a larger mortgage than otherwise possible, and thus can bring home ownership within reach. In 1987, the County of Santa Clara established an MCC Program that has assisted over 200 low and moderate-income first time homebuyers in Cupertino to qualify for a mortgage. During the last Housing Element period, the MCC Program three Cupertino low- and moderate-income residents.

Section 8 Assistance

The Section 8 program is a federal program that provides rental assistance to very-low income persons in need of affordable housing. This program offers a voucher that pays the difference between the current fair market rent and what a tenant can afford to pay (e.g. 30% of their income). The voucher allows a tenant to choose housing that may cost above the payment standard but the tenant must pay the extra cost.

Affordable Housing Fund

The City of Cupertino has an Affordable Housing Fund that provides financial assistance to affordable housing developments. As a second and third priority, the Affordable Housing Fund can also be used to establish a down payment assistance plan or a rental subsidy program to make market rate units more affordable. The City requires payment of an Office and Industrial Mitigation fee, which is assessed on developers of office and industrial space and a Housing Mitigation fee, which is assessed on developers of market-rate rental housing to mitigate the need for affordable housing created by new development. Developers of for-sale housing with six or fewer units are required to pay the Housing Mitigation fee. Developers of market-rate rental units, where the units cannot

[6] *The California Community Redevelopment Law (CRL) requires that 20 percent of the tax increment into a housing fund. The Cupertino Vallco Redevelopment Project Five Year Implementation Plan, 2006-2010, establishes the higher 25 percent requirement.*

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. All affordable housing mitigation fees are deposited into the Affordable Housing Fund.

7. 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 7.1: 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 Plan – 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 plan 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 plan 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's 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,
Public Information Office
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 city-wide 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

8. ANALYSIS OF CONSISTENCY WITH GENERAL PLAN

The City's various General Plan components were reviewed to evaluate their consistency with the policies and programs outlined in the Housing Element Update. The following section summarizes the goals of each General Plan element and identifies supporting Housing Element policies and programs. This analysis demonstrates that the policies and programs of this Housing Element provide consistency with the policies set forth in the General Plan and its associated elements. When amendments are made to the safety, conservation, land use, or other elements of the City's General Plan, the housing element will be reviewed for internal consistency.

Land Use / Community Design

■ *Goals*

- A cohesive, connected community with a distinctive center and an identifiable edge
- A compact community boundary that allows efficient delivery of municipal services
- A high sense of identity and connectivity
- Thriving, balanced community
- Thriving and diverse businesses that bring economic vitality to the community, while balancing housing, traffic and community character impacts
- Hillside protection
- Protection of historically and archaeologically significant structures, sites and artifacts
- A civic environment where the arts express an innovative spirit, celebrate a rich cultural diversity and inspire individual and community participation
- A full range of park and recreational resources, for linking the community, outdoor recreation, preservation of natural resources and public health and safety

Supporting Housing Element Policies

Policy 1, Policy 8

Supporting Housing Element Programs

Program 1, Program 9, Program 13

Circulation

■ *Goals*

- Regional transportation planning decisions that support and complement the needs of Cupertino
- Increased use of public transit, carpools, bicycling, walking and telecommuting
- A comprehensive network of pedestrian and bicycle routes and facilities
- Increased use of existing public transit service and the development of new rapid transit service
- Roadway design that accounts for the needs of motorists, pedestrians, bicycles and adjacent land use
- A transportation system that has minimal adverse impact on residential neighborhoods

Supporting Housing Element Policies

N/A

Supporting Housing Element Programs

N/A

Environmental Resources/ Sustainability

■ *Goals*

- A sustainable future for the City of Cupertino
- Reduced use of non-renewable energy resources
- Energy conserving and efficient buildings
- Healthy air quality levels for the citizens of Cupertino utilizing local planning efforts
- Protection of special areas of natural vegetation and wildlife habitation as integral parts of the sustainable environment
- Mineral resource areas that minimize community impacts and identify future uses
- Protection and efficient use of water resources
- Improved quality of storm water runoff
- A solid waste stream reduction program that meets or exceeds state requirements
- Adequate sewer capacity

Supporting Housing Element Policies

Policy 10

Supporting Housing Element Programs

Program 25, Program 26

Health and Safety

■ *Goals*

- Reduced risks associated with geologic and seismic hazards
- Efficient and effective fire and emergency services to protect the community from hazards associated with wild and urban fires
- Fire preventive measures that minimize the loss of life and property
- An all weather emergency road system to serve the rural areas
- Available water service in the hillside and canyon areas
- High quality police services that maintain the community's crime rate low and ensure a high level of public safety
- Protection from the risks associated with hazardous materials and exposure to electromagnetic fields
- A high level of emergency preparedness to cope with both natural or human-caused disasters
- Protection from risks associated with floods
- A compatible noise environment for existing and future land uses
- Reduced noise impact of major streets and freeways on Cupertino residents
- Residential areas protected as much as possible from intrusive non-traffic noise
- Buildings designed to minimize noise

Supporting Housing Element Policies

Policy 8

Supporting Housing Element Programs

Program 19

9. APPENDIX A: FOCUS GROUP PARTICIPANTS

The following organizations were represented at the focus group meetings:

- Advocates for a Better Cupertino
- Asian American Business Council
- Bicycle and Pedestrian Commission
- CARe (Cupertino Against Rezoning)
- Chinese American Realtors Association
- Cupertino Chamber of Commerce
- Cupertino Citizens for Fair Government (CCFG)
- Cupertino City Council
- Cupertino City Council
- Cupertino Housing Commission
- Cupertino Union School District
- Cupertino-Fremont Council of PTA
- De Anza College
- Fine Arts Commission
- Fremont Union High School District
- HBANC
- Housing Choics Coalition
- League of Women Voters
- Library Commission
- Organization of Special Needs Families
- Parks and Recreation Commission
- Planning Commission
- Public Safety Commission
- Santa Clara County Council of Churches
- Senior Commission
- Silicon Valley Association of Realtors
- Silicon Valley Leadership Group
- Technology, Info. & Com. Comission
- West Valley Community Services

10. APPENDIX B: REVIEW OF PREVIOUS HOUSING ELEMENT

Table B.1: Achievements of Previous Housing Element

GOAL A: An adequate supply of residential units for all economic segments	
Policy3-1: Sufficient residentially zoned land for new construction	
Program 1: Housing by planning district. Encourage residential development at a density of 15-35+ units per acre.	
Monta Vista - 142 units	57 units
Neighborhood Other Areas - 400 units	200 units
Vallco Park South - 711 units	311 units
Heart of the City - 332 units	116 units
Homestead Road - 300 units	0 units
Commercial Other Areas - 300 units	0 units
City Center - 437 units	337 units
North De Anza - 146 units	49 units
Vallco Park North - 300 units	0 units
Bubb Road - 94 units	0 units
Employment Other Areas - 100 units	0 units
Total - 3,262 units	1,070 units permitted (a)
Program 2: Land use designations. Change land use designation or zoning to reflect density ranges in Program 1.	See Table A.2. The City had enough residentially zoned land to meet its RHNA. Rezonings were not necessary.
Program 3: Residential potential outside of planning districts. Include existing inventory of residentially zoned parcels with residential potential that are outside of the planning districts in addressing RHNA.	The City continues to include residential potential outside planning districts to address its RHNA.
Program 4: Second dwelling unit ordinance. Assure that Second Dwelling Unit Ordinance encourages production of more second units on residential parcels.	The City issues approximately five building permits per year for second dwelling units.
GOAL B: Housing that is affordable for a diversity of Cupertino households	
Policy 3-2: Housing Mitigation Program	
Program 5: Office and Industrial Mitigation. Continue to implement "office and industrial mitigation" fee; deposit fees into Affordable Housing Fund. Conduct updated "nexus study."	Complete. An updated nexus study was completed and the City Council adopted fees in June 2007.
Program 6: Residential Mitigation. Continue to implement "Housing Mitigation" program. Require payment of in-lieu fee or provision of BMR units. Provide:	The City continues to implement the Housing Mitigation Program by collectomg in-lieu fees or requiring developers to provide units.
159 Very Low-Income Units	25 very low-income units were built through this program.
159 Low-Income Units	2 low-income units were built through this program.
53 Median-Income Units	No median-income units built.
53 Moderate-Income Units	No moderate-income units built.
Program 7: Affordable Housing Fund. Finance affordable housing projects, establish a down payment assistance program, and establish a rental subsidy program. Provide:	The Affordable Housing Fund contributed funding to the 24-unit Vista Village affordable rental project.
40 Very Low-Income Units	The Affordable Housing Fund was used to purchase surplus property from Cal Trans on Cleo Ave. for affordable housing.
40 Low-Income Units	The City has not established a downpayment assistance program. The City has not established a rental subsidy program.

GOAL B: Housing that is affordable for a diversity of Cupertino households (continued)	
Policy 3-3: Range of Housing Types	
Program 8: Mortgage Credit Certificate Program. Participate in countywide Mortgage Credit Certificate (MCC) Program. Assist 1-2 households annually.	The City issued 3 Mortgage Credit Certificates.
Program 9: Move-in for Less Program. Tri-County Apartment Association program. Classroom teachers who meet income criteria pay no more than 20% of monthly rent as security deposit at participating apartments.	The City continues to participate in the Move-in for Less Program.
Program 10: Surplus Property for Housing. Develop a list of surplus or underutilized property that have the potential for residential development. Evaluate the feasibility of developing special housing for teachers or other employee groups on surplus properties	None available.
Program 11: Jobs/Housing Balance Program. Evaluate the feasibility of policy/program that ties new job production to housing production. Require major new office/industrial development to build housing as part of new development projects. Reduce jobs/housing ratio from 2.4 jobs to every household.	The job-housing nexus study has not been completed. The City has not yet adopted housing production requirements for new office/industrial development.
Policy 3-4: Housing Rehabilitation	
Program 12: Affordable Housing Information and Support. City will provide information, resources and support to developers who can produce affordable housing	The City continues to provide information and support to affordable housing developers.
Policy 3-5: Development of Affordable Housing	
Program 13: Density Bonus Program. Continue to implement density bonus program. Change the ordinance definition of affordable unit to housing costs affordable at 30% of household income for very low- and low-income households.	The City continues to implement the density bonus program. The City Council amended the density bonus ordinance definition of affordable housing.
Program 14: Regulatory Incentives. Continue to waive park dedication and construction tax fees for affordable units. Parking standards will be discounted for affordable developments.	The City continues to provide regulatory incentives for affordable housing developers.
Program 15: Residential and Mixed Use Opportunities In or Near Employment Centers. Encourage mixed use development and use of shared parking facilities in or near employment centers. Evaluate the possibility of allowing residential development above existing parking areas except where mixed use is herein excluded.	The City has not yet considered permitting residential development above parking in employment centers.
Policy 3-6: Tax Increment Funds	
Program 16: Redevelopment Housing Set Aside Fund. Minimum of 25% of tax increment funds for low- and moderate-income households, 5% of which directed to extremely low-income households. Develop policies and objectives for use of those funds.	The City sets aside 25% of tax increment funds for affordable housing.
Policy 3-7: Housing Densities	
Program 17: Flexible Residential Standards. Allow flexible standards such as smaller lot sizes, lot widths, FARs and setbacks, particularly for higher density and attached housing.	Ongoing. The City continues to allow flexible residential standards.
Program 18: Residential Development Exceeding Maximums. Allow residential developments to exceed planned density maximums if they provide special needs housing.	Ongoing.

GOAL C: Enhanced Residential Neighborhoods	
Policy 3-8: Maintenance and Repair	
Program 19: Housing Rehabilitation. Provide financial assistance to eligibile very low- and low-income homeowners to rehab units.	This program has been eliminated. The City now supports Rebuilding Together, a program that provides volunteer based rehabilitation assistance to qualified homeowners.
Program 20: Home Access Program. Provide assistance with minor home repairs and accessibility improvements for low-income, disabled households.	This program has been eliminated.
Program 21: Weatherization Program. Assist very low-income homeowners with weatherization improvements.	This program has been eliminated.
Program 22: Apartment Acquisition and Rehabilitation. HOME/ CDBG funds available on competitive basis to developers to acquire and rehab rental units for very low- and low-income households	The City continues to make HOME/CDBG funds available to developers to acquire and rehab rental units for very low- and low-income households.
Policy 3-9: Conservation of Housing Stock	
Program 23: Preservation of "At Risk Units." Preserve Sunnyview West development (only at-risk building).	The Sunnyview development has been preserved. The owner has no intention of converting the project to market-rate housing.
Program 24: Condominium Conversions. No condo conversions if rental vacancy rate is less than 5% at the time of application and has been less than 5% over the past six months.	The City continues to enforce restrictions on condominium conversions.
Program 25: Rental Housing Preservation Program. Proposed developments that will cause a loss of multi-family rental housing will be approved only if at least two of the following exist: (1) Comply with BMR program based on actual number of new units constructed, not net number of units (2) Number of rental units provided is at least equal to the number of existing rental units (3) No less than 20% of the units will comply with the BMR program. Include a tenant relocation plan with relocation on site as much as possible.	Ongoing. Developers are requested to provide 20% BMR units plus relocation plan.
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 stock.	The City has not yet developed a conservation and maintennace program for affordable housing.
Program 27: Neighborhood and Community Cleanup Campaigns. Continue to encourage and sponsor neighborhood and community cleanup campaigns for public and private properties.	The City continues to sponosr neighborhood cleanup campaigns.
Policy 3-10: Energy Conservation	
Program 28: Energy Conservation Opportunities. Enforce Title 24 requirements for energy conservation and evaluate utilization of new alternatives.	The City enforces Title 24 requirements as part of its Sustainability Program.
Program 29: Fee Waivers or Reduction for Energy Conservation. Evaluate and implement potential to provide incentives, such as fee waiving or reducing fees, for energy conservation improvements to new or existing residential units.	Under auspices of sustainability program

GOAL D: Services for special needs households	
Policy 3-11: Special Needs Households	
Program 30: Cupertino Community Services (Homeless Services). Revise the zoning ordinance to allow permanent emergy shelter facilities in the BQ quasi-public zones and promote and encourage the location of permanent shelters in the BQ zones. Provide transitional housing for 12-24 households annually.	The City Council has not yet amended the zoning ordinance to allow permanent emergency shelters in the BQ zone.
Program 31: Project MATCH (Senior Shared Housing). Place seniors in housing arrangements with other persons interested in shared housing. Place 5-10 households annually.	Project MATCH no longer exists.
Program 32: Catholic Charities (Single Parents). Catholic Charities provides help to place single parents in shared housing situations.	Catholic Charities continues to assist single-parents find shared-housing opportunities.
GOAL E: Equal access to housing opportunities	
Policy 3-12: Housing Discrimination	
Program 33: Santa Clara County Fair Housing Constortium. Constortium provides resources for residents with tenant/landlord mediation, housing discrimination, and fair housing concerns.	The Fair Housing Consortium continues to provide housing resources for Cupertino residents. The City contracts with Project Sentinel to provide tenant/landlord rental mediation. Project Sentinel serves approximately 200 residents annually.

Notes: (a) The total units permmitted between 2001 and 2006 differs from the total housing units produced during the previous RHNA period, which ran from 1999 to 2006.

Sources: City of Cupertino, 2008; BAE, 2008.

Table B.2: Residential Zoning to Meet 2001-2006 RHNA

Planning Area	General Plan Residential Allocation (a)	Number of Units allowed under Existing Zoning (b)	Comments
Monta Vista	142	62	Astoria Project built at 12 d.u./acre
Neighborhood Other Areas	400	400	Las Palmas has been constructed. Sufficient zoning exists at three apartment complexes which are constructed far below the max. density and are older. These property owners have inquired in the past about increasing the density at these complexes.
Vallco Park South	711	711	18 acres for Main Street site plus Metropolitan and Rose Bowl site had sufficient zoning to develop at 35 d.u./acre.
Heart of the City	332	332	Heart of the City has sufficient zoning for all the sites.
Homestead Road	300	300	Villa Serra Project developed 160 units. Furthermore, there is more than 8.6 acres with sufficient zoning for 35 d.u./acre.
Commercial Other Areas	300	0	Not Rezoned
City Center	437	437	Sufficient zoning for 12.5 acres at 35/units acre.
North De Anza	146	146	Oak Park Project built at 35 d.u./acre, the rest at 10 d.u./acre
Vallco Park North	300	135	Morley Bros. Site has sufficient zoning.
Bubb Road	94	0	Not Rezoned
Employment Other Areas	100	0	Not Rezoned
Total	**3,262**	**2,523**	

Notes: (a) The City of Cupertino General Plan controls development growth under through an "allocation" system that designates the number of new residential units and commercial and office square footage to be built by Planning Area. (b) The number of residential units allowed under existing zoning exceeded the City's remaining RHNA for 1999-2006.

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

11. APPENDIX C: LIST OF ORGANIZATIONS CONTACTED

Housing and Service Providers

Project Sentinel

Sunnyview West Senior Housing

West Valley Community Services
Tonya Clarke
Case Manager

Developers

BRIDGE Housing
Tom Earley
Director of Development

Hunter Properties
Deke Hunter
President

12. APPENDIX D: WINDSHIELD SURVEY

Windshield Survey Instrument

Address: _____

Mixed Use Bldg? Yes / No

Vacancy:
- _____ Yes
- _____ No
- _____ Partial (for multi family)

For Sale:
- _____ Yes
- _____ No

Construction Type:
- _____ Wood Frame
- _____ Masonry
- _____ Mobile
- _____ Modular
- _____ Other: _____

Structure Type:
- _____ Single Family w/ Detached Garage
- _____ Single Family w/ Attached Garage
- _____ Duplex
- _____ Multi Family # Units: _____
- _____ Other: _____

Frontage Improvements if Applicable:
- _____ Curbs
- _____ Gutters
- _____ Paved Street
- _____ Sidewalks
- _____ Driveway
- _____ Adequate Site Drainage

Building Conditions:

 # 1 - Foundation:

0	Existing foundation in good condition
10	Repairs needed
15	Needs a partial foundation
25	No foundation or needs a complete foundation

 # 2 - Roofing:

0	Does not need repair
5	Shingles missing
5	Chimney needs repair
10	Needs re-roofing
25	Roof structure needs replacement and re-roofing

 # 3 - Siding/Stucco:

0	Does not need repair
1	Needs re-painting
2	Needs to be patched and re-painted
10	Needs replacement and painting

 # 4 - Windows:

0	Does not need repair
1	Broken window panes
5	In need of repair
10	In need of replacement

Points based on criteria above:
- _____ # 1 - Foundation
- _____ # 2 - Roofing
- _____ # 3 - Siding/Stucco
- _____ # 4 - Windows
- _____ **TOTAL**

Structural Scoring Criteria:

Sound:	7 or less
Minor:	8 - 12
Moderate:	13 - 30
Substantial:	31 - 43
Dilapidated:	44 and over

SOUND - A unit that appears new or well maintained and structurally intact. The foundation should appear structurally undamaged and there should be straight roof lines. Siding, windows, and doors should be in good repair with good exterior paint condition. Minor problems such as small areas of peeling paint, and/or other maintenance items are allowable under this category.

MINOR - A unit that shows signs of deferred maintenance, or which needs only one major component such as a roof.

MODERATE - A unit in need of replacement of one or more major components and other repairs, such as roof replacement, painting, and window repairs

SUBSTANTIAL - A unit that requires replacement of several major systems and possibly other repairs (e.g. complete foundation work, roof structure replacement and re-roofing, as well as painting and window replacement.

DILAPIDATED - A unit suffering from excessive neglect, where the building appears structurally unsound and maintenance is non-existent, not fit for human habitation in its current condition, may be considered for demolition or at minimum, major rehabilitation will be required.

13. APPENDIX E. MAXIMUM AFFORDABLE SALES PRICE CALCULATIONS

Table E.1: Maximum Affordable Sales Price Calculator

	Household Income (a)	Sale Price	Down Payment (b)	Total Mortgage (b)	Monthly Payment	Monthly Property Tax (c)	Mortgage Insurance (d)	Insurance (e)	Total Monthly PITI (f)
Extremely Low-Income (30% AMI)									
4 Person HH	$31,850	$131,485	$26,297	$105,188	$671.79	$120.53	$0.00	$3.93	$796.25
Very Low-Income (50% AMI)									
4 Person HH	$53,050	$219,005	$43,801	$175,204	$1,118.95	$200.75	$0.00	$6.54	$1,326.25
Low-Income (80% AMI)									
4 Person HH	$84,900	$350,490	$70,098	$280,392	$1,790.75	$321.28	$0.00	$10.47	$2,122.50
Median-Income (100% AMI)									
4 Person HH	$97,800	$403,745	$80,749	$322,996	$2,062.84	$370.10	$0.00	$12.06	$2,445.00
Moderate (120% AMI)									
4 Person HH	$117,400	$484,659	$96,932	$387,727	$2,476.25	$444.27	$0.00	$14.48	$2,935.00

Notes:

(a) Published by California Tax Credit Allocation Committee and HUD. Income limits for Santa Clara County

(b) Mortgage terms:

Annual Interest Rate (Fixed)	*6.60%*	*Freddie Mac historical monthly Primary Mortgage Market Survey data tables. Ten-year average.*
Term of mortgage (Years)	*30*	
Percent of sale price as down payment	*20.0%*	
(c) Initial property tax (annual)	*1.10%*	
(d) Mortgage Insurance as percent of loan amount	*0.00%*	*Assumes 20% down payment.*
(e) Annual homeowner's insurance rate as percent of sale price	*0.04%*	*CA Dept. of Insurance website, based on average of all quotes, assuming $150K covergae*
(f) PITI = Principal, Interest, Taxes, and Insurance		
Percent of household income available for PITI	*30.0%*	

Sources: CA HCD 2008; Freddie Mac 2008; CA Department of Insurance, 2008; BAE 2008.

14. APPENDIX F: SUMMARY OF CITY ZONING STANDARDS

Table F.1: Cupertino Zoning Districts Allowing Residential Land Use

Zone District	Bldg. Ht. (ft)	Min. Lot Width (ft.)	Minimum Yard Setback			Min. Lot Area (sq. ft.)	Site Coverage	Minimum Parking per DU
			Front	Side	Rear			
A	18-28	50-60	30	20	25	215,000	N/A	4.0
A-1	20-28	200	30	20	20-25	43,000-215,000	40%	4.0
R-1	28	60	20-25	10-15	20-40	5,000-20,000	45%	4.0
R-2	15-30	60-70	20	6-12	10-20	8,500-15,000	40%	2.3
R-3	30	70	20	6-18	20	9,300	40%	2.0
RHS	30	70	20-25	10-15	25	20,000-400,000	45%	2.0
R-1C	30	N/A	N/A	N/A	N/A	N/A	N/A	2.0

Sources: Cupertino Municipal Code, 2009; BAE, 2009.

15. APPENDIX G: RESIDENTIAL SITE INVENTORY

Table G.1: Tier 1 Sites Inventory

Sites Do Not Require Rezoning or General Plan Amendment								
					Allowed under Current Zoning			
ID	APN	Site Address	Existing Use	Size (Acres)	Max. Density (DUA)	Max. Yield (Units)	Realistic Yield (Units) (a)	Rezoning
Heart of the City								
1	316 21 031	19875 Stevens Creek Blvd	Furniture 2000	1.78	25	44	37	SP amend
	316 21 032	19855 Stevens Creek Blvd	Yoshinoya	0.24	25	6	5	SP amend
2	316 23 093	20007 Stevens Creek Blvd	I-Restaurant	1.35	25	33	28	SP amend
3	326 32 041	10073 Saich Way	7-11 site behind Bombay Oven	0.77	25	19	16	SP amend
4a	369 03 004	20030 Stevens Creek Blvd	Grand Buffet/Boas	1.16	25	29	24	SP amend
	369 03 006	10071 S Blaney Ave	Lackey Prop. (Stevens Creek & Blaney)	0.37	25	9	7	SP amend
	369 03 007	10031 S Blaney Ave	Lackey Prop. (Stevens Creek & Blaney)	1.36	25	34	28	SP amend
4b	369 03 005	20010 Stevens Creek Blvd	Corner of Stevens Creek & Blaney	0.47	25	11	9	SP amend
5	369 05 009	19930 Stevens Creek Blvd	Arya	0.44	25	11	9	SP amend
	369 05 010	19936 Stevens Creek Blvd	Arya Parking Lot	0.52	25	12	10	SP amend
6	369 05 038	19900 Stevens Creek Blvd	SD Furniture	1.92	25	48	40	SP amend
7	369 06 002	10025 E Estates Dr	United Furniture Site	0.92	25	23	19	SP amend
	369 06 003	10075 E Estates Dr	United Furniture Site	0.53	25	13	11	SP amend
	369 06 004	10075 E Estates Dr	United Furniture Site	0.86	25	21	17	SP amend
8	375 07 001	19160 Stevens Creek Blvd	Barry Swenson Property	0.55	25	13	11	SP amend
9	375 07 045	10029 Judy Ave	Loree Center	0.43	25	10	8	SP amend
	375 07 046	19060 Stevens Creek Blvd	Loree Center	0.86	25	21	17	SP amend
Vallco Park North								
10	316 06 050	10500 Pruneridge	Morley Bros. / Industrial	2.80	25	70	59	No
	316 06 051	10400 Pruneridge	Morley Bros. / Industrial	5.69	25	142	120	No
Non Designated Areas - Existing Garden Apartments with Capacity for Additional Units (b)								
11	326 27 036	10160 Parkwood	Glenbrook Apartments	11.62	20			No
	326 27 037	21297 Parkwood	Glenbrook Apartments	19.72	20			No
				31.34	20	626		
					Less Existing Units	-517		
					Remaining Units to be Built	**109**	**92**	
12	326 09 040	20800 Valley Green Dr	The Villages at Cupertino	5.35	20			No
	326 09 041	20975 Valley Green Dr	The Villages at Cupertino	5.49	20			No
	326 09 053	20990 Valley Green Dr	The Villages at Cupertino	6.78	20			No
	326 09 054	20800 Valley Green Dr	The Villages at Cupertino	2.69	20			No
	326 09 064	20875 Valley Green Dr	The Villages at Cupertino	6.79	20			No
				27.10	20	542		
					Less Existing Units	-468		
					Remaining Units to be Built	**74**	**62**	
					Subtotal Units	**752**	**629**	

(continued from left page)

General Plan Amend-ment	Current General Plan Land Use	Overlay	Current Zoning	Recommend GP and Zoning Action
No	Commercial / Office / Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial/Office/Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial / Office / Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial / Office / Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial / Office / Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial/Office/Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial / Office / Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial / Office / Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial/Office/Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial/Office/Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial / Office / Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial/Office/Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial/Office/Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial/Office/Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial/Office/Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial/Office/Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Commercial/Office/Residential	Heart of City SP	Planned Development (P)	Ensure consistency with Heart of the City Specific Plan.
No	Industrial	Residential Overlay	P (Residential)	None
No	Industrial	Residential Overlay	P (Residential)	None
No	Res MH 10-20		R3	None
No	Res MH 10-20		R3	None
No	Res MH 10-20		R3	None
No	Res MH 10-20		R3	None
No	Res MH 10-20		R3	None
No	Res MH 10-20		R3	None
No	Res MH 10-20		R3	None

Sites Require Rezoning and/or General Plan Amendment								
					Allowed under Current Zoning			
ID	APN	Site Address	Existing Use	Size (Acres)	Max. Density (DUA)	Max. Yield (Units)	Realistic Yield (Units) (a)	Rezoning
North De Anza Boulevard								
13	326 10 046	20705 Valley Green Drive	Light Industrial	7.98	25	199	169	Yes
				Subtotal Units		199	169	
				TOTAL UNITS		951	798	

(continued from left page)

General Plan Amend-ment	Current General Plan Land Use	Overlay	Current Zoning	Recommend GP and Zoning Action
No	Office/Industrial/Commercial/ Residential		P(CG, ML, Res 4-10)	Amend zoning to P(CG, ML, Res).

Notes: (a) Realistic Capacity reduces the maximum capacity by 15 percent. (b) These garden apartment complexes are not built to the maximum density allowed and have large open spaces that exceed the City's open space requirement. Additional units could be built on the properties.

This type of expansion of garden apartment complexes was recently approved and completed at the Villa Serra and Biltmore developments.

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