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#### TRANSMITTED VIA EMAIL

June 30, 2023

Mayor Klein, Vice Mayor Din, Sunnyvale City Council, and Sunnyvale Planning Commission 456 West Olive Avenue Sunnyvale CA 94088-3707

Re: Moffett Park Specific Plan — July 11th, 2023 City Council Meeting

Dear Mayor Klein, Vice Mayor Din, and Sunnyvale City Council,

On behalf of SV@Home, we write regarding the Moffett Park Specific Plan (MPSP; the Plan). We appreciate and commend your leadership and Staff's hard work for creating a comprehensive plan that is dedicated to achieving sustainability, equitable transportation, economic prosperity, and housing affordability. This process has established a shared consensus around the transformation of Moffett Park into a vibrant, mixed-use community that will be accessible to the full diversity of people who live, work, and play in Sunnyvale. SV@Home has been engaged throughout this multi-year planning process and is excited to finally see the MPSP adopted to create 20,000 new homes in Moffett Park, with 15% to 20% being affordable. We have coordinated with both Staff and City Council in recent weeks in an effort to see our comments outlined in this letter reflected in the final Plan.

The flexibility and multiple paths to realizing housing and affordable housing opportunities within the Plan demonstrates a commitment to moving housing forward with deliberate speed. Given that the MPSP has been central to housing goals included in the Housing Element, we expect the City will continue to collaboratively and creatively work with developers. As development proposals are submitted to support housing creation, the City needs to meet both immediate and long term needs for housing that is affordable for Sunnyvale residents.

SV@Home believes the recommendations discussed below support our shared intent of integrating affordable homes into Moffett Park, they include:

- Supporting a community benefits prioritization structure by establishing a process for City Council input before development agreements are finalized.
- Establishing the expectation that 50% of Housing Mitigation Fees collected within the plan area will be dedicated for more and deeper levels of affordable housing in Moffett Park.
- Removing in-lieu fees and off-site affordable development outside the plan area as alternative compliance options for meeting the Inclusionary Below Market Rate (BMR) Rental Housing Ordinance requirements.

Date: June 30<sup>th</sup>, 2023

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### City Council Guidance for Prioritizing Community Benefits

The MPSP's Community Benefits Program is the primary mechanism to have Moffett Park reach its 20% affordable housing target. This program provides the opportunity to build more affordable homes at deeper levels of affordability, increasing access for everyone to Moffett Park. The Community Benefits tiering system does not provide the City Council with enough clarity on how affordable housing will be prioritized and incentivized. To provide more clarity, City Staff should come to the City Council before the benefits are negotiated to receive guidance on how the different affordable housing pieces should be prioritized and incentivized.

Integrate the Community Benefits Framework tiering structure presented at the January 31st City Council Study Session into Table 3 of the MPSP. Include the following language under Policy LU-5.1, within the second standard for bonus FAR developments (page 86, Chapter 4), and in the administrative guidelines: "Staff to publicly consult the City Council before Community Benefits are negotiated in order to receive direction on how the affordable housing benefits should be prioritized and incentivized."

# 50% Housing Mitigation Fees from Moffett Park, for Moffett Park

We have heard concerns from a number of Councilmembers that strict restrictions on these funds may unintentionally constrain the Council's ability to seize opportunities in other parts of the city. In the first phases of the Plan's buildout, significant local affordable housing development funds from multiple sources around the city will be directed to Moffett Park.

However, supporting affordable housing at deeper levels of affordability within the plan area is going to be an on-going challenge. To address this obstacle, the City should include language in the MPSP indicating that there is an expectation that at least 50% of the Housing Mitigation Fee collected within Moffett Park be allocated to affordable housing developments within the Plan area. We believe this language will strengthen the goals of the Plan by ensuring resources are available to support affordable developments within the plan area, without limiting City Council discretion.

Include the Housing Mitigation Fee as an example strategy on page 39 under the "Encourage affordable housing" subheading. Add the following language in Chapter 4: "At least 50% of Housing Mitigation Fee collected from non-residential development within Moffett Park is expected to be allocated to affordable housing developments within the Moffett Park Specific Plan area."

Date: June 30<sup>th</sup>, 2023

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## Removing In-Lieu Fees and Off-Site Development Options Outside of Moffett Park

The primary mechanism for affordable housing development in the MPSP is the Inclusionary BMR Housing Rental Ordinance — the plan is very clear that the 15% requirement will be met within proposed developments or master plans. The plan refers directly to the existing ordinance, however, which includes a list of alternative compliance options that would explicitly undermine this requirement. To address this potential conflict, we would recommend that two alternative compliance options be explicitly removed from the Plan. These include the in-lieu fee option and the option to build affordable housing in some other part of the city as an alternative to building onsite.

Our recommendation would be limited to the plan area. Specific plans allow the City to create or adjust policies to meet priorities of the plan area along with the accompanying rezoning and other expanded opportunities. We need to ensure Moffett Park has all the guardrails so that affordable housing will be built within the Plan area through its Inclusionary BMR Rental Housing Program.

Add the following language under Policy LU-2.3 and the fifth residential development standard on page 85 in Chapter 4: "Alternative compliance option 19.77.100(b) shall not be an option within the Moffett Park Specific Plan Area. Off-site affordable housing development as part of alternative compliance options 19.77.100(e) and 19.77.100(f) shall be considered only if said development is within the Moffett Park Specific Plan area."

SV@Home is thrilled to be reaching the end of this tremendous planning process. We appreciate the close coordination, attention to detail, and careful consideration of the Sunnyvale community's concerns over the years, including our own. The Plan is conscious of sustainability — protecting the local ecology, capitalizing on infill development, building homes near transit, and more. We are thankful for the City's dedication to ensuring everyone in Sunnyvale will have access to all these important qualities of the Plan. Moffett Park is going to serve as a regional model for inclusivity and accessibility.

For further background, <u>click here</u> to read SV@Home's previous letter, including <u>here</u> and <u>here</u> for joint coalition letters we sent with our partner organizations to the City.

Sincerely,

Regina Celestin Williams

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**Executive Director**