

MEMORANDUM

Building and Housing



DATE: March 1, 2019

TO: Mayor and City Council

THROUGH: Julie Edmonds-Mares, City Manager

FROM: Sharon Goei, Director of Building and Housing

SUBJECT: **New Hope Village Proposal on Milpitas Site**

The Santa Clara County Board of Supervisors considered New Hope Village, a temporary housing program that included a Milpitas site proposal, at its Board meeting on Tuesday, February 26, 2019. As the City of Milpitas just learned of the item when the agenda packet was published on Thursday, February 21, City staff submitted a letter that was incorporated into the record and attended the Board meeting to express comments in person.

Although the Milpitas City Council shared the urgency and priority of affordable housing, we requested not taking any action on the New Hope Village proposal currently under consideration in Milpitas. Staff asked the Board to direct County staff not to proceed on the Milpitas site proposal until the Milpitas City Council can conduct public outreach, engage the community, and complete adequate due process. The City gave recent examples to demonstrate the valuable partnership opportunities that we have been having with the County to serve our joint mission to produce new affordable housing solutions. It is premature to take any action on the Milpitas site proposal until County representatives have coordinated with the Milpitas so that we may work toward a collaborative solution with robust community outreach and input. Please refer to the attached letter for reference.

After considering testimony from residents of the current Hope Village in San Jose and the request from the City of Milpitas for community outreach prior to proceeding on the Milpitas site proposal, the Board of Supervisors provided direction to County staff to work with the City of San Jose and the Water District on the proposal for the Water District property. The Board will continue discussion to explore the Milpitas site at a later time and noted the Milpitas proposal as premature at this time. City of Milpitas leadership will remain in contact with County representatives to engage in any discussions regarding the Milpitas site and keep the Milpitas community informed.

If you have any questions, please contact Sharon Goei at (408) 586-3260 or Robert Musallam at (408) 586-3275.

Attachment:

City Comment Letter to County on New Hope Village (Item No. 16) on February 26, 2019 Board Meeting Agenda



CITY OF MILPITAS

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February 26, 2019

County of Santa Clara
Board of Supervisors
County Executive, Jeffrey V. Smith
Office of Supportive Housing, Ky Le

Dear Supervisors Simitian, Cortese, Chavez, Wasserman, and Ellenberg, Mr. Smith and Mr. Le,

Thank you for the opportunity to comment on your proposal of New Hope Village, which is to be considered on your February 26, 2019 Board meeting agenda (Item No. 16). While the Milpitas City Council and staff would have preferred to have had discussions on this item before it appeared on your agenda, this letter is being sent to be incorporated into the record, as we just learned of the item when the agenda packet was published late last week.

With the housing crisis in this region, the City of Milpitas fully supports ongoing efforts to address the significant needs of the homeless in our area and the County of Santa Clara's efforts towards providing much needed services and housing options. Although the Milpitas City Council shares the urgency and priority of affordable housing, we oppose taking any action today on the New Hope Village proposal currently under consideration in Milpitas. In addition to land use and local standards for temporary housing concerns, this project has not been coordinated with the Milpitas City Council nor the Milpitas community, so it is premature to take any action on this proposal at this time. Mayor Richard Tran, on behalf of the City of Milpitas, respectfully requests that this item be deferred until County representatives have coordinated with the City of Milpitas leadership so that we may work towards possible solutions collaboratively and with robust community outreach and input.

The City of Milpitas values the partnership opportunities that we have with the County of Santa Clara to serve our joint mission to produce new affordable housing solutions. The Milpitas City Council initiated and approved multiple affordable housing policies and projects in the recent months. In June of 2018, the City approved a new Affordable Housing Ordinance, increasing the inclusionary requirement from 5% to 15% affordable units in new residential development. In June 2018 and January 2019, the City Council approved a loan restructure for MonteVista Apartments that will result in 50 new affordable units and rehabilitate 163 existing affordable units. The equivalent valuation for the City's investment to increase, rehabilitate, and preserve affordable housing at MonteVista Apartments is approximately \$4.2 million.

In 2018, Milpitas City Council also entitled 355 Sango Court, a 100% affordable project with 101 affordable units. The City has contributed \$150,000 for a predevelopment loan and provided nearly \$300,000 to support the acquisition of the site in January 2019. At an upcoming Council meeting, the City Council will consider a commitment of \$6.5 million for the construction of the project. As the County Office of Supportive Housing is providing \$16 million of Measure A funding, the project is a good example of how the City of Milpitas and County share successful collaboration and community engagement on affordable housing projects. For two properties owned by Milpitas, the City has also initiated discussions and negotiations with the County Office of Supportive Housing to develop a joint affordable housing project that has the potential

to produce over 200 affordable units to serve the most vulnerable households in our community and region.

With regard to land use, the proposed Commercial Parcel #4 site is located on Thompson Court within the Milpitas Midtown Specific Plan area. The Midtown Specific Plan, adopted in 2002 and updated in 2010, provides a General Commercial land use designation for the proposed site and encourages larger-scale retail commercial or office development due to its high visibility from the adjacent I-880 Freeway. Two adjacent parcels to the south have similar General Commercial designations and support successful automobile dealerships (Piercey Honda and Piercey Toyota). An update to the Midtown Specific Plan is currently underway, and preliminary analysis identifies the proposed Commercial Parcel #4 site as a key economic development site.

Further, the City of Milpitas contends that existing land uses and the localized street grid in the area surrounding the proposed Commercial Parcel #4 site are not compatible with the development of a temporary shelter facility for the homeless. Access to this area from nearby arterial streets (South Abel Street and Great Mall Parkway/Tasman Drive) is limited, and access to the proposed site from the north via Abbott Street is similarly constrained. Medium-density townhomes (approximately 20 units/acre) overlook the proposed site from the east, and a large linear park (Tom Evatt Park) runs along the south side of the townhomes between Abel Street and Thompson Court. This public park features a children's playground, shaded picnic tables, two tennis courts, basketball hoops, a paved walking trail, and a narrow lawn area. Direct access to the park by any potential residents on Commercial Parcel #4 would have an immediate impact on existing residents in the neighborhood and we are unaware of any outreach to the potentially impacted Milpitas residents. The Elmwood Correction Facility is located further south across Machado Avenue.

The Milpitas City Council is committed to implementing affordable housing solutions; however, the focus of recent Council actions have been to support permanent, viable housing, rather than temporary, short-term housing options. The concept of temporary housing has not been thoroughly analyzed by the Milpitas City Council so sufficient time to review such a model is needed. Further, as stated above, there has not been any discussion surrounding this proposal in an open, public process with the Milpitas City Council, community or stakeholders. The Commercial Parcel #4 proposal at the Milpitas site is located on Thompson Drive at the County-owned 6.46-acre site just east of Interstate 880 between the Great Mall Parkway and Calaveras Boulevard. This is a highly visible location, serving as a gateway to the City of Milpitas. It is a predominantly commercial zone with a lack of resources and services for this area. This includes the lack of power and sanitation services for the site. The County has estimated a cost of \$3 million to develop and operate the site for 16 months. This funding may be better utilized to support other permanent supportive housing solutions.

It is critically important for the Milpitas City Council to create space and process for public outreach and for our community to fully engage in any land use decision, including the Santa Clara County proposal under consideration today at the site in Milpitas. We request the County Board of Supervisors to direct County staff not to proceed on the Milpitas site proposal until the Milpitas City Council can conduct public outreach, engage the community, and complete adequate due process.

Respectfully,



Julie Edmonds-Mares
City Manager