

PROPOSAL SUMMARY
CITY OF MILPITAS HOUSING OPPORTUNITY ZONE

LOCAL INCENTIVES

The following represents local incentives that the proposed Housing Opportunity Zone is eligible for:

- Reduction of the city's park acreage requirements for residential projects
- Reduction of the city's parking standard for residential projects
- CEQA review paid for by city
- Use of existing RDA funds to subsidize infrastructure improvements and affordable housing
- Use of CDBG funds
- Fast track application process

ZONE CHARACTERISTICS

The proposed Housing Opportunity Zone has three hundred and six (306) acres of developable land. In order for the project to move forward, some areas of the proposed Zone need to be re-zoned.

There are several potential barriers to the completion of the project. First, there are some parcels in the proposed Zone that lie in a flood zone. Second, land is expensive to acquire and the return expected from the development of housing is far less than that of commercial development. Finally, there are a couple of noise generators that affect the proposed Zone – e.g. railroads and street traffic.

EXISTING JOBS/HOUSING IMBALANCE

The City of Milpitas has a jobs per household ratio of 3.00. This is the third highest jobs to household ratio in county. The impacts of this ratio can be seen in the extended periods of congestion on local roadways/highways, reduced air quality for the region, and hyper-inflated housing costs for residents.

DEVELOPMENT PROPOSAL

The Zone's development program provides for the potential new development of up to 4,860 new housing units along with 15,000 square feet of retail space, 720,000 square feet of Class A office space, and 48 acres of park and open space. The City anticipates that the majority of the development program will be completed within the next ten years, with the majority of the housing being completed within the next five years.

The Zone will be served by a viable multi-modal transportation network, including light and heavy rail transit, bus, bicycle, pedestrian, and automobile sections. As a result, the Zone will facilitate greater use of transit by locating new housing close to existing transit lines.

HOUSING IMPACT

Up to 4,860 new homes for 13,000 new residences could be built in the proposed Zone, with approximately 20% going to affordable housing.

EXISTING COMMITMENTS

The City of Milpitas has recently spent \$500,000 preparing the Midtown Specific Plan and its associated EIR. The proposed zone is contained within this planning area.

The City expects to invest about \$44 million dollars of redevelopment set-aside funds into affordable housing over the next ten years. The majority of this funding would go to the proposed Zone, as it would contain the majority of new housing units for the City.

The City of Milpitas has also included several projects intended to upgrade the Zones infrastructure in its current Capital Improvement Program (CIP). The projects identified in the CIP total \$15,396,100 and provide some of the necessary street, water, and sewage/wastewater infrastructure upgrades that are needed for the proposed Zone.

EXPERIENCE WITH SIMILAR PROGRAMS

The Milpitas Redevelopment Agency has been responsible for developing 668 units over the last 12 years, 1,200 residential units over the last six years, and \$235 million dollars worth of infrastructure improvements.

City Manager Tom Wilson has 25 years of municipal experience. Assistant City Manager Blair King has over 10 years experience as a City Manager and was instrumental in the success of an Enterprise Zone in Eureka, CA. The Director of the Planning, Recreation and Neighborhood Services Department, Valerie Barone, has been a professional planner for the past 15 years and a manager for the past 5 years. Finally, Tambri Heyden, the Planning Manager, has 16 years of experience as a professional planner and 8 years of experience as a manager.