



CITY OF MORGAN HILL

Regular Meeting Agenda

Planning Commission

Liam Downey - Chairman

Yvonne Martinez Beltran - Vice Chair

Mohammad Habib - Planning Commissioner

Juan Miguel Munoz Morris - Planning Commissioner

Joseph Mueller - Planning Commissioner

Wayne Tanda - Planning Commissioner

John McKay - Planning Commissioner

Tuesday, July 10, 2018 7:00 pm

Council Chamber

17555 Peak Avenue, Morgan Hill, CA 95037

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

Pursuant to Government Code Section 54954.2

PLEDGE OF ALLEGIANCE

OPEN PUBLIC COMMENT PERIOD

Members of the public are entitled to address the Planning Commission concerning any item within the Morgan Hill Planning Commission's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the Planning Commission is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

ORDERS OF THE DAY

MINUTES APPROVAL

1. APPROVE THE MARCH 27, 2018 MEETING MINUTES

Recommendation:

Approve Minutes.

CONTINUED PUBLIC HEARING

2. PLANNING COMMISSION TO CONSIDER ZONING AMENDMENT ZA2018-0003 TO REVISE THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDSC) COMPETITION MANUAL

Recommendation:

1. Recommend City Council adopt the revisions to the Residential Development Control System (RDSC) Competition Manual; and,
2. The proposed allotments for Fiscal Year 2020/21.

OTHER BUSINESS

DIRECTOR'S REPORT/ANNOUNCEMENTS

ADJOURNMENT

NOTICE

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act that are distributed to a majority of the legislative body less than 72 hours prior to an open session, will be made available for public inspection at the Office of the City Clerk at Morgan Hill City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 at the same time that the public records are distributed or made available to the legislative body. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the Commission concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Commission on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Commission Chambers, and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Commission, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the Commission on any other item of interest to the public, you may do so during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the Commission.

Persons interested in proposing an item for the Commission agenda should contact a member of the Commission who may plan an item on the agenda for a future Commission meeting. Should your comments require Commission action, your request may be placed on the next appropriate agenda. Commission discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the Commission at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the Commission, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of Commission Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting.

DRAFT



Meeting Minutes Planning Commission

John McKay - *Chairman*
Liam Downey - *Vice Chairman*
Joseph Mueller - *Planning Commissioner*
Wayne Tanda - *Planning Commissioner*
Yvonne Martinez Beltran - *Planning Commissioner*
Mohammad Habib - *Planning Commissioner*
Juan Miguel Munoz Morris - *Planning Commissioner*

Tuesday, March 27, 2018 7:00 pm

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

CALL TO ORDER

Chair McKay called the regular meeting to order at 7:02 p.m.

ROLL CALL ATTENDANCE

Attendee Name	Title	Status	Arrived
John McKay	Chairman	Present	
Liam Downey	Vice Chairman	Present	
Joseph Mueller	Planning Commissioner	Present	
Wayne Tanda	Planning Commissioner	Present	
Yvonne Martinez Beltran	Planning Commissioner	Present	
Mohammad Habib	Planning Commissioner	Present	
Juan Miguel Munoz Morris	Planning Commissioner	Present	

PLEDGE OF ALLEGIANCE

Minutes Acceptance: Minutes of Mar 27, 2018 7:00 PM (MINUTES APPROVAL)

DECLARATION OF POSTING AGENDA

Minutes Clerk Angie Gonzalez declared the posting of the agenda.

OPEN PUBLIC COMMENT PERIOD

Chair McKay opened the public comment at 7:04 p.m.

Hearing no requests to speak, the public comment was closed.

ORDERS OF THE DAY

MOTION

Moving item #2 to be heard as the first item of the agenda.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Mohammad Habib, Planning Commissioner
SECONDER:	Joseph Mueller, Planning Commissioner
AYES:	McKay, Downey, Mueller, Tanda, Martinez Beltran, Habib, Munoz Morris

ITEMS MOVED UP ON AGENDA

2. E. DUNNE-KYONO PROJECT

Recommendation:

1. Adopt a Resolution adopting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program prepared for the project (EA2016-0009);
2. Adopt a Resolution approving a Tentative Subdivision Map (SD2016-0009);
3. Adopt a Resolution approving Residential Development Control System Substitution of Commitments;
4. Adopt a Resolution recommending the City Council approve a Zoning Amendment (ZA2017-0007); and
5. Adopt a Resolution recommending the City Council approve a Development Agreement (DA2017-0003).

Principal Planner Gina Paolini presented the report.

Chair McKay opened the public hearing at 7:43 p.m. The following people were called to speak:

Dick Oliver

John Moniz

Craig Erb

Bob Benevento

Beau Geldie

Hearing no further requests to speak, the public hearing was closed.

Chair McKay opened public comment at 8:36 p.m.

Dick Oliver was called to speak.

Hearing no further requests to speak, public comment was closed.

Motion

Adopt a Resolution accepting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program prepared for the project (EA2016-0009).

RESULT: **ADOPTED [6 TO 1]**
MOVER: Wayne Tanda, Planning Commissioner
SECONDER: Liam Downey, Vice Chairman
AYES: McKay, Downey, Mueller, Tanda, Habib, Munoz Morris
NAYS: Martinez Beltran

MOTION

Adopt a Resolution approving a Tentative Subdivision map (SD2016-0009) with amendment under Air Quality Standards Conditions Site Development Management Plan, point #1, at the end of the sentence add the phrase "watering as needed".

RESULT: **ADOPTED [5 TO 1]**
MOVER: Wayne Tanda, Planning Commissioner
SECONDER: Liam Downey, Vice Chairman
AYES: McKay, Downey, Tanda, Habib, Munoz Morris
NAYS: Mueller
ABSTAIN: Martinez Beltran

MOTION

Adopt a Resolution approving Residential Development Control System Substitution of Commitments for the Dunne project with one change in the table shown in Exhibit A, to not approve the addition of the two discretionary points for a total of eight (8) points.

RESULT: **ADOPTED [UNANIMOUS]**
MOVER: Wayne Tanda, Planning Commissioner
SECONDER: Liam Downey, Vice Chairman
AYES: McKay, Downey, Mueller, Tanda, Martinez Beltran, Habib, Munoz Morris

MOTION

Adopt a Resolution recommending the City Council Approve a Zoning Amendment (ZA2017-0007).

RESULT: **ADOPTED [5 TO 2]**
MOVER: Mohammad Habib, Planning Commissioner
SECONDER: Juan Miguel Munoz Morris, Planning Commissioner
AYES: McKay, Downey, Tanda, Habib, Munoz Morris
NAYS: Mueller, Martinez Beltran

MOTION

Reconsider the motion of the Tentative Map Standard Conditions, Other Condition recording an Ingress Egress Easement.

RESULT: **ADOPTED [5 TO 2]**
MOVER: Joseph Mueller, Planning Commissioner
SECONDER: Yvonne Martinez Beltran, Planning Commissioner
AYES: McKay, Downey, Mueller, Martinez Beltran, Habib
NAYS: Tanda, Munoz Morris

MOTION

Commissioner Mueller motioned to approve the Tentative Map with the condition to remove the permanently recorded ingress egress easement.

RESULT: **LACK OF SECONDER**

MOTION

Adopt a Resolution approving a Tentative Subdivision Map (SD2016-0009) with amendment under Air Quality Standards Conditions Site Development Management Plan, point #1, at the end of the sentence add the phrase "watering as needed".

RESULT: **ADOPTED [6 TO 1]**
MOVER: Juan Miguel Munoz Morris, Planning Commissioner
SECONDER: Mohammad Habib, Planning Commissioner
AYES: McKay, Downey, Tanda, Martinez Beltran, Habib, Munoz Morris
NAYS: Mueller

MOTION

Commissioner Martinez-Beltran motioned to deny approval of the Development Agreement.

RESULT: **LACK OF SECONDER**

MOTION

Adopt a Resolution recommending the City Council approve a Development Agreement (DA2017-0003).

RESULT: **ADOPTED [6 TO 1]**
MOVER: Wayne Tanda, Planning Commissioner
SECONDER: Juan Miguel Munoz Morris, Planning Commissioner
AYES: McKay, Downey, Mueller, Tanda, Habib, Munoz Morris
NAYS: Martinez Beltran

PUBLIC HEARINGS

1. 2017 RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) COMPETITION: PUBLIC HEARING FOR DEVELOPMENT PROJECTS REQUESTING RESIDENTIAL DEVELOPMENT ALLOTMENTS PURSUANT TO THE CITY'S RDCS IN ACCORDANCE WITH CHAPTER 18.78 OF THE CITY OF MORGAN HILL MUNICIPAL CODE

Recommendation:

1. Continue the public hearing from March 13, 2018;
2. Adjust scores as necessary; and,
3. Award Project Excellence points and adopt a Resolution of final RDCS scores.

2.A. WATSONVILLE-BLACKROCK

Commissioner Liam Downey recused himself from item 2.A. and exited the dais.

Principal Planner Gina Paolini presented the report.

Chair McKay opened the public hearing at 9:50 p.m. The following people were called to speak:

Rocke Garcia
Bill McClintock
Bruce Schlegel
Vince Burges

Hearing no further requests to speak, the public hearing was closed.

MOTION:

Denying request for 9 points.

RESULT:	DENIED [6 TO 0]
MOVER:	Wayne Tanda, Planning Commissioner
SECONDER:	Yvonne Martinez Beltran, Planning Commissioner
AYES:	McKay, Mueller, Tanda, Martinez Beltran, Habib, Munoz Morris
ABSTAIN:	Downey

2.B. HILL- MORGAN HILL DEVCO

Commissioner Liam Downey resumed his seat at the dais.

Principal Planner Gina Paolini continued the staff report presentation on item 2 b. Hill-Morgan Hill Devco.

Chair McKay opened the public hearing at 10:49 p.m.

Rocke Garcia was called to speak.

Hearing no further requests to speak, the public hearing was closed.

Motion

Awarding 7 points for the excess parkland.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Yvonne Martinez Beltran, Planning Commissioner
SECONDER:	Mohammad Habib, Planning Commissioner
AYES:	McKay, Downey, Mueller, Tanda, Martinez Beltran, Habib, Munoz Morris

Minutes Acceptance: Minutes of Mar 27, 2018 7:00 PM (MINUTES APPROVAL)

Motion

Awarding 6 points for onsite recreational amenities.

RESULT: **APPROVED [4 TO 3]**
MOVER: Wayne Tanda, Planning Commissioner
SECONDER: Juan Miguel Munoz Morris, Planning Commissioner
AYES: Tanda, Martinez Beltran, Habib, Munoz Morris
NAYS: McKay, Downey, Mueller

Motion:

Awarding 2 points for amenities for age groups.

RESULT: **APPROVED [6 TO 1]**
MOVER: Joseph Mueller, Planning Commissioner
SECONDER: Yvonne Martinez Beltran, Planning Commissioner
AYES: McKay, Mueller, Tanda, Martinez Beltran, Habib, Munoz Morris
NAYS: Downey

3.D E. DUNNE- YOUNG

Chair McKay opened the public hearing at 10:59 p.m.
 Dick Oliver was called to speak.
 Hearing no further requests to speak, the public hearing was closed.

Vote:**Commissiners who felt this was an exceptional project:**

McKay, Munoz-Morris, Downey and Martinez-Beltran

Results:

Simple Majority, project gets 1 point.

RESULT: **AWARDED**

3.D. DIANA- HANAIEI

Chair McKay opened the public hearing at 11:04 p.m.
 Scott Murray was called to speak.
 Hearing no further requests to speak, the public hearing was closed.

Vote:**Commissiners who felt this was an exceptional project:**

McKay, Tanda, Martinez-Beltran, Munoz-Morris, Downey

Results:

Super Majority, project gets 2 points.

RESULT: **AWARDED**

3.B. HILL- MORGAN HILL DEVCO

Chair McKay opened the public hearing 11:09 P.M.
 Rocke Garcia was called to speak.
 Hearing no further requests to speak the public hearing was closed.

Vote:**Commissiners who felt this was an exceptional project:**

McKay, Tanda, Martinez-Beltran, Munoz-Morris, Habib

Results:

Super Majority, project gets 2 points.

RESULT:	AWARDED
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3.E. MONTEREY/CENTRAL-ECA

Chair McKay opened the public hearing at 11:11 p.m.
 Hearing no requests to speak, the public hearing was closed.

Vote:**Commissioners who felt this was an exceptional project:**

None.

Results:

No points awarded.

RESULT:	DENIED
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3.F. COCHRANE-MWEST PROP CO.

Chair McKay opened the public hearing at 11:12 p.m.
 Kerry Williams was called to speak.
 Hearing no further requests to speak, the public hearing was closed.

Vote:**Commissiners who felt this was an exceptional project:**

Munoz-Morris, Habib, Downey, Tanda, Martinez-Beltran.

Results:

Super Majority, project gets 2 points.

RESULT:	AWARDED
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3.A. WATSONVILLE-BLACKROCK

Commissioner Liam Downey recused himself from item 3.A. Watsonville-Blackrock and exited the dais.

Chair McKay opened the public hearing at 11:23 p.m.
Hearing no requests to speak, the public hearing was closed.

Vote:

Commissiners who felt this was an exceptional project:

Munoz-Morris, Tanda, Martinez-Beltran.

Results:

No additional points awarded.

RESULT:	DENIED
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Total scoring:

E Dunne- Young 176

Cochrane -Mwest 179

Monterey -Central169

Diana -Hanalei175

Watsonville- Blackrock 155

Hill- Morgan Hill Devco 182

MOTION

Adopting resolution.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Yvonne Martinez Beltran, Planning Commissioner
SECONDER:	Joseph Mueller, Planning Commissioner
AYES:	McKay, Downey, Mueller, Tanda, Martinez Beltran, Habib, Munoz Morris

The following are the 2017 RDCS competition applications:

A. RDCS2017-0016: WATSONVILLE – BLACKROCK Request for 13 residential building allotments.

This is a multi-year request. The proposal includes 13 custom lots at full build-out. The property, identified by Assessor Parcel Number 779-02-023, is located at Watsonville Road and Santa Teresa Boulevard (Blackrock LLC A Calif LLC, Owner).

B. RDCS2017-0017: HILL – MORGAN HILL DEVCO: Request for 22 residential building allotments.

The proposal includes 22 single family detached units at full build-out. The property, identified by Assessor Parcel Number 817-20-031, is located at Hill Road and Barrett Avenue (Lewis Morgan Hill LLC, Owner).

C. RDCS2017-0012: E. DUNNE - YOUNG ETAL: Request for 46 residential building allotments. This

is a multi-year request. The proposal includes 46 multi-family owner occupied units at full build-out. The property, identified by Assessor Parcel Number 726-02-007, is located on the

north side of E. Dunne Avenue, behind the Morgan Hill Kindercare Learning Center (Tsai Young H and So M et al, Owner).

D. RDSCS2017-0015: DIANA - HANAEL: Request for 23 residential building allotments. The proposal includes 24 single family detached units at full build-out. The property/properties, identified by Assessor Parcel Number(s) 726-09-001 and 726-09-002, is located at the north east corner of Diana Avenue and Lotus Way (Grossweiler Donald Trustee & et al, Owner).

E. RDSCS2017-0014: MONTEREY/CENTRAL - ECA: Request for 12 residential building allotments. The proposal includes 8 single-family detached units and 4 single-family attached units at full build-out. The property, identified by Assessor Parcel Number 726-23-020, is located along Monterey Road at E. Central Avenue (ECA Partners LLC, Owner).

F. RDSCS2017-0013: COCHRANE - MWEST PROP CO.: Request for 379 residential building allotments. This is a multi-year request. The proposal includes 389 multi-family rental units at full build-out. The properties, identified by Assessor Parcel Number(s) 726-25-078, 726-25-079, 726-25066 and 726-25-067, are located at the northeast corner of Jarvis Drive and Monterey Road (M West Propco XXIII LLC, Owner).

CONTINUED PUBLIC HEARING

2. ITEM HEARD AS FIRST ITEM ON AGENDA

PUBLIC HEARING

3. ZA2016-0006: ZONING CODE UPDATE

Recommendation:

1. Open public hearing to receive testimony and provide staff with comments on the Public Review Draft Final Zoning Code and Zoning Map Amendments.
2. Continue public hearing to April 10, 2018

Interim Principal Planner John Baty presented the staff report.

Chair McKay opened the public hearing at 11:48 p.m. The following people were called to speak:

Randy Toch
Nicole Grave
Bina Desai
Sofia
Matt Van Keulen
Dan

Anna on behalf of La Quinta

Hearing no further requests to speak, the public hearing was closed.

MOTION:

Continuing the Public Hearing to the April 10, 2018 Planning Commission Meeting.

RESULT:	CONTINUED [UNANIMOUS]	Next: 4/10/2018 7:00 PM
MOVER:	Joseph Mueller, Planning Commissioner	
SECONDER:	Yvonne Martinez Beltran, Planning Commissioner	
AYES:	McKay, Downey, Mueller, Tanda, Martinez Beltran, Habib, Munoz Morris	

ANNOUNCEMENTS

Community Development Director Jennifer Carman announced that the preliminary review will be at the next regularly scheduled meeting.

Commissioner Tanda thanked staff for their great work.

ADJOURNMENT

There being no further business, Chair McKay adjourned the meeting at 12:20 a.m.

MINUTES PREPARED BY

Angie Gonzalez, Minutes Clerk

Minutes Acceptance: Minutes of Mar 27, 2018 7:00 PM (MINUTES APPROVAL)



PLANNING COMMISSION STAFF REPORT

MEETING DATE: July 10, 2018

PREPARED BY: Gina Paolini, Interim Principal Planner
APPROVED BY: Jennifer Carman, Community Development Director

PLANNING COMMISSION TO CONSIDER ZONING AMENDMENT ZA2018-0003 TO REVISE THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) COMPETITION MANUAL

RECOMMENDATION(S)

1. Recommend City Council adopt the revisions to the Residential Development Control System (RDCS) Competition Manual; and,
2. The proposed allotments for Fiscal Year 2020/21.

RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS)

1. RDCS Competition Manual

The Planning Commission opened the public hearing regarding the final revisions to the RDCS Competition Manual (Attachment 3) and continued the hearing to July 10, 2018. The Planning Commission requested additional information regarding the changes proposed within the Affordable Housing Category and information regarding Accessory Dwelling Units (ADU's).

The proposed Affordable Housing Inclusionary Ordinance that will be considered by the City Council includes a 15 percent requirement. Considering the comments made by the Planning Commission, the 15 Percent Affordable Housing RDCS Proposal has been modified to allow a combination of building and contributing to the City's Affordable Housing Fund. Because the proposed Affordable Housing Inclusionary Ordinance would apply to all projects, only one table is needed for "Contribution to Affordable Housing Fund". Baseline would be established at 15 percent.

For constructing affordable units, point availability would differ based on the affordability levels provided within a project. In addition, the minimum score requirement within the Affordable Housing Category has been proposed for removal pending the adoption of an Inclusionary Ordinance. The RDCS Competition Manual would not require a project to provide a greater affordability than is required by the Ordinance. In addition, at this time the RDCS Competition Manual provides automatic points within this category for Downtown projects; however, the inclusionary requirement would apply city-wide. Downtown projects would be required to contribute at a 10 percent level. If the City does not adopt the proposed Ordinance, the requirement to provide 8 percent affordability within a project would remain unchanged.

The additional information regarding ADU's has been provided (Attachments 6 and 7).

2. 2018 RDCS Available Allotments

The Planning Commission did not begin the discussion regarding the available allotments for the 2018 RDCS competition. As provided in the June 26, 2018 Staff Report, based on a review of the stated findings and information, data does not suggest that a threat to the population ceiling is imminent, and therefore no reduction in the 2018 RDCS Measure S competition is warranted.

In addition, to assist in achieving the City's RHNA requirements, it is recommended that the set aside for affordable housing be increased beyond the required 20 percent. It is recommended that 97 allotments be set aside for this next competition to meet half the City's requirement and encourage an affordable housing developer to compete within the RDCS program.

2018 Competition for Fiscal Year 2020/21

<u>Competition Category</u>	<u>Number of Allotments</u>
Affordable Housing	97
Micro Projects	XX
Small Projects	XX
Multi-family Rental	XX
Open/Market	XX
Senior Housing	XX
Monterey Corridor	XX
Custom Lots	XX
On-going Projects	40
Unassigned	78
Prior Multi-year Commitment	<u>XX</u>
Total	215

Similar to last year, it is recommended that the remaining set asides be unassigned to encourage competition. This was a successful approach in the 2017 RDCS competition and promoted high quality projects.

California Environmental Quality Act (CEQA):

An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the RDCS Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074).

LINKS/ATTACHMENTS:

1. PC_Reso_-RDCS Manual
2. PC Resolution-Set-Asides
3. Competition Manual_07_10_18_Markup (2)
4. 15 Percent Affordable Public Benefit Commitment-Revised
5. June 26, 2018 Planning Commission Staff Report and Attachments
6. UnderstandingADUsImportance
7. FAQsADUs

RESOLUTION NO. 18-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF REVISIONS TO SECTION I – COMPETITION MANUAL OVERVIEW, SECTION II – COMPETITION CRITERIA SUMMARY, SECTION III- COMPETITION CRITERIA, STANDARDS, AND POINTS AND SECTION IV – IMPLEMENTATION POLICIES OF THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) COMPETITION MANUAL (FILE NO. ZA2018-0003)

WHEREAS, a comprehensive update of the City of Morgan Hill Residential Development Control System (RDCS) was approved by voters on November 8, 2016 (Measure S) and became effective on March 1, 2017 and codified in Chapter 18.78 of Title 18 (Zoning) of the Morgan Hill Municipal Code; and

WHEREAS, Section 18.78.100 of the RDCS ordinance requires that the City Council adopt and maintain an RDCS Competition Manual that establishes criteria and point values that the City will use to award allotments to competing residential projects; and

WHEREAS, RDCS Competition Manual Section I provides an overview of the RDCS Competition Manual and RDCS Competition Manual Section II summarizes the criteria that the City will use to award projects to competing projects, each of which were approved by City Council by Resolution; and

WHEREAS, RDCS Competition Manual Section III – Competition Criteria, Standards, and Points, was adopted by a separate City Council ordinance; and

WHEREAS, the RDCS Competition Manual (Section IV), approved by City Council by Resolution, contains policies to guide the implementation of the RDCS; and

WHEREAS, to promote long term consistency and reduce uncertainty for applicants, the competition criteria and point values within the RDCS Competition Manual can only be amended once a year.

WHEREAS, competition criteria and/or point values must be established no later than six months prior to the RDCS application submittal deadline.

WHEREAS, the Planning Commission on June 5, 2018 and June 19, 2018 held public workshops to review, consider input from the community, discuss, and provide feedback on revisions to the RDCS Competition Manual; and

WHEREAS, said revisions to the RDCS Competition Manual were considered by the Planning Commission at its regular meeting of June 26, 2018 and July 10, 2018 at which time the Planning Commission recommended approval by City Council Resolution of Sections I, II,

and IV and adoption by Ordinance of Section III for ZA2018-0003: Residential Development Control System (RDCS) Competition Manual; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and other materials have been considered in the review process.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL THAT:

- SECTION 1.** The proposed RDCS Competition Manual is consistent with the RDCS Ordinance (Chapter 18.78 of the Municipal Code), and the General Plan.
- SECTION 2.** An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the Residential Development Control System (RDCS) Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074)
- SECTION 3.** The RDCS Competition Manual shall consist of the sections I, II, and IV adopted by Resolution combined with Section III – Competition Criteria, Standards, and Points to be adopted by a separate City Council ordinance, and a copy of the RDCS Ordinance as an appendix.

PASSED AND ADOPTED THIS 10TH DAY OF JULY 2018, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: **COMMISSIONERS:**

NOES: **COMMISSIONERS:**

ABSTAIN: **COMMISSIONERS:**

ABSENT: **COMMISSIONERS:**

ATTEST:

 Jenna Luna, Deputy City Clerk

APPROVED:

 John McKay, Chair

RESOLUTION NO. 18-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING THE NUMBER OF FISCAL YEAR 2020/21 ALLOTMENTS AVAILABLE FOR THE 2018 RESIDENTIAL DEVELOPMENT CONTROL SYSTEM COMPETITION

WHEREAS, no later than six months prior to the RDCS application submittal deadline, the Planning Commission is required to provide a recommendation to the City Council regarding the total number of available building allotments for the competition year; and

WHEREAS, the Planning Commission has reviewed recommendations contained in the July 10, 2018 staff report on this item and has considered testimony received at the July 10, 2018 public hearing conducted for this item; and,

WHEREAS, 215 building allotments within the City's Residential Development Control System should be made available in the 2020/21 fiscal year, as a reduction in the available allotments is not warranted for the 2018 RDCS competition; and

WHEREAS, Section 18.78.090 of the RDCS Ordinance provides guidance regarding the establishment of RDCS Competition Categories and identification of the number of available allotments within each Category, including ensuring that an adequate number of allotments are available for affordable housing projects; and

WHEREAS, the City is deficient in affordable housing units based on the current Regional Housing Needs Allocation (RHNA) cycle (2015-2022) and the increased number of available allotments proposed within the affordable housing category would help to encourage affordable housing development within the City; and,

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL THAT:

SECTION 1: Pursuant to Section 18.78.110 of the Morgan Hill Municipal Code, the Planning Commission recommends the City Council authorize a Residential Development Control System (RDCS) competition to be conducted in 2018 with 215 residential building allotments.

SECTION 2. Pursuant to Section 18.78.090 of the Municipal Code, the Planning Commission recommends:

A. A portion of the residential allotments shall be reserved for affordable, unassigned, and on-going competition categories as outlined in "Exhibit A" attached hereto and incorporate herein by reference.

B. The Planning Commission shall award allotments based on scoring of projects using the criteria established in the RDCS Competition Manual and as deemed necessary to

Resolution No.

P a g e | 2

respond to changes in the housing market such as changes in the build-out rate for existing projects, lack of applications in competition categories, and increased demand for particular housing types, etc.

C. The RDCS Competition Manual, Section IV.E Competition Categories and Ongoing Projects, shall be modified to reflect the competition categories and distribution of building allotments as set forth in “Exhibit A”.

PASSED AND ADOPTED THIS 10TH DAY OF JULY 2018, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

Jenna Luna, Deputy City Clerk

APPROVED:

John McKay, Chair

Attachment: PC Resolution-Set-Asides [Revision 2] (1857 : RDCS Competition Manual)

Resolution No.

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EXHIBIT A

FISCAL YEAR 2020/21

<u>Competition Category</u>	<u>Number of Allotments</u>
Affordable Housing	97
Micro Projects	XX
Small Projects	XX
Multi-family Rental	XX
Open/Market	XX
Senior Housing	XX
Monterey Corridor	XX
Custom Lots	XX
On-going Projects	40
Unassigned	78
Prior Multi-year Commitment	XX
Total	215

Attachment: PC Resolution-Set-Asides [Revision 2] (1857 : RDCS Competition Manual)

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APPENDIX: RDCS Ordinance

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I. COMPETITION MANUAL OVERVIEW

This RDCS Competition Manual contains the criteria and standards that the City of Morgan Hill uses to award residential allotments to projects. These criteria and standards are consistent with the RDCS ballot measure approved by the voters in 2016, the RDCS Ordinance in Division IV of the Morgan Hill Development Code, and with the growth management goals and policies in the General Plan.

The RDCS Competition Manual is an official City policy document adopted by the City Council on June 7, 2017 (Section III by Ordinance No. 2248) and June 21, 2017 (Section I, II, and IV by Resolution No. 17-053). The Manual contains the specific rules to award points to competing projects, as well as examples of how these rules are applied and interpreted for sample projects. The Manual will be revised overtime to help the City identify projects that best meet the community's development objectives and award points to competing projects in a predictable and consistent manner. This manual is implementing Chapter 18.78; in the case of a conflict with Title 18 and this manual, the code shall take precedence.

Following this introduction, the RDCS Competition Manual presents the nine Objectives, which are categories of RDCS competition criteria established by the RDCS ordinance and lists the individual competition criteria within these nine Objectives. The manual then presents each individual standard and criteria with definitions of terms, rules for scoring projects, and example project scoring as needed. The final section of the manual establishes policies and procedures for administering the RDCS competition and award of allotments. The RDCS ordinance is attached to this manual as an appendix.

The Updated RDCS

The Residential Development Control System (RDCS) is Morgan Hill's voter-approved growth management system that limits the total amount and pace of new residential construction and encourages high-quality development that enhances residents' quality of life. The RDCS was first established in 1977 and has been extended and modified multiple times by voters since then.

In November of 2016 the voters approved the current version of the RDCS, known as Measure S. This updated RDCS establishes a maximum population limit of 58,200 in 2035 and a maximum of 215 allotments available each year. The updated RDCS continues the requirement that a residential development project compete for allotments each year, predicated upon the City awarding allotments to projects based on established scoring criteria. Unlike previous versions of the RDCS, the specific competition criteria isare contained in this Competition Manual, not in the RDCS Ordinance itself.

The RDCS Ordinance contains rules and requirements that may only be modified by the voters as well as content that may be modified by the City Council without voter approval. Content within the Competition Manual which may be modified only by the voters include the nine City Objectives and limitations regarding the number of points available underwithin these nine Objectives described in the next section. Other contents of this Competition Manual, including the specific competition criteria and standards and the specific point values for each, may be modified by the City Council without voter approval.

RDCS COMPETITION MANUAL

COMPETITION MANUAL OVERVIEW

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RDCS COMPETITION MANUAL

COMPETITION MANUAL OVERVIEW

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II. COMPETITION CRITERIA SUMMARY

A. Criteria and Points Overview

Section 18.78.100.A (Competition Criteria) of the RDCS Ordinance states that the Competition Manual must establish the criteria that the City will use to award ~~projects points~~ to competing projects, and these criteria must advance nine specific City Objectives. Table 1 below lists these nine Objectives, identifies the maximum number of points that may be awarded from criteria that advance the Objectives, and shows the percent of the maximum points that may be awarded for each.

TABLE 1: CRITERIA ADVANCING OBJECTIVES

Objective	Maximum Score	
	Points	Percent
1. Schools	12 10	65 %
2. Location	22	11%
3. Affordable Housing	32 34	16 17%
4. Housing Diversity	23	11.5%
5. Parks and Open Space	29	14.5%
6. Environmental Protection	22	11%
7. Transportation	15	7.5%
8. Municipal Infrastructure	10	5%
9. Project Quality	35	17.5%
Total	200	100%

Section 18.78.100.B (Points) of the RDCS Ordinance states that the cumulative total number of points for competition criteria that advance each of the nine Objectives shall be a minimum of 5 percent (i.e., 10 points) and a maximum of 20 percent (i.e., 40 points) of the maximum total number of RDCS competition points (i.e., 200 points). The City Council may adjust the number of points within each Objective by no more than 15 percent of the points available within the Objective the previous year. For purposes of the RDCS, the term “points available” is intended to mean the Objective maximum points. A 15 percent reduction or increase in points shall be rounded to the closest whole number (e.g. a 15 percent change that is equivalent to 1.8 points, shall be rounded to 2.0 points).

B. Specific Criteria and Available Points

Table 2 shows each of the competition criteria for the nine Objectives, the available points for each competition criteria, and the maximum number of points that may be awarded ~~under-within~~ each Objective. Within each Objective there are typically more *available* points than *maximum* points that may be awarded. For example, within the Location Objective there are 36 available points and 22 maximum points. A project may select any of the 36 available points to maximize its score, but may

not be awarded more than 22 points within the Objective. With total available points that exceed maximum points that may be awarded in each Objective, projects have multiple pathways to maximize their scores and may earn points from criteria that are most appropriate for the project type. Partial points may not be awarded unless specifically stated.

Points are intended to be awarded only for projects that provide for excellence in project design and provide a community benefit that exceeds minimum requirements of the City and other governmental agencies. All projects must comply with City standards established in the General Plan, Municipal Code, and other City rules and regulations together with other applicable laws.

To promote long term consistency and reduce uncertainty for applicants for residential development, the City Council may amend competition criteria and point values in the Competition Manual only when necessary and no more frequently than once per year. Annually the Planning Commission reviews and recommends to the City Council any revisions to the competition criteria and/or point values. If amended, competition criteria and/or point values must be established no later than six months prior to the RDCS application submittal deadline.

TABLE 2: RDCS COMPETITION CRITERIA

Criteria	Points Available	Objective Maximum Points
1. Schools	17	1210
1-A: Proximity to Schools	5 (6 Senior)	
1-B: Proximity to Schools with Capacity	2	
1-C: Student Transportation Improvements	10	
2. Location	4042	22
2-A: Central Core	12	
2-B: Infill Corridors	10	
2-C: Adjacent to Development	25	
2-D: Proximity to Daily Needs	5	
2-E: Proximity to Police and Fire Service	5	
2-F: Areas with Public Utility Capacity	5	
3. Affordable Housing	3234	3234
3-A: Affordable Housing Fund Contribution	22 34	
3-B: Development of Affordable Units	22 34	
4. Housing Diversity	3854	23
4-A: Accessory Dwelling Units	26	
4-B: Diversity of Housing Types	12	

4-C: Variation in Housing Size	8 12	
4-D: Small Units	8 12	
4-E: Housing Stock Diversity	8	
4-F: Single-Story Homes	3 4	
5. Parks and Open Space	5962	29
5-A: Park Fund Contribution	6	
5-B: Excess Park Land	5	
5-C: Agriculture Conservation or Open Space Easement	9 12	
5-D: Agriculture Buffer	4	
5-E: Agriculture Preservation or Open Space Fund Contribution	9	
5-F: On-Site Recreational Amenities	8	
5-G: Amenities for All Age Groups	2	
5-H: Public Gathering Places	3	
5-I: Proximity to Public Park	3	
5-J: Open Space Design	10	
6. Environmental Protection	54	22
6-A: Energy Efficiency	6	
6-B: On-Site Solar Energy Generation	10	
6-C: Indoor Water Use	4	
6-D: Outdoor Water Use	12	
6-E: Sustainable Site and Building Design	22	
7. Transportation	31	15
7-A: Bicycle and Pedestrian Improvements	6	
7-B: Transit Improvements	3	
7-C: Off-Site Roadway Improvements or Fund Contribution	6	
7-D: Transportation Demand Management	5	
7-E: Connections to Adjacent Property	3	
7-F: Internal Connections	4	
7-G: EV Charging Stations	4	
8. Municipal Infrastructure	18	10
8-A: Water Infrastructure	3	
8-B: Wastewater Infrastructure	3	
8-C: Storm Water Infrastructure	3	
8-D: Infrastructure and Services Fund Contribution	3	

8-E: Broadband Connectivity	6	
9. Project Quality	58 60	35
9-A: Exterior Building Design	13 15	
9-B: Building Placement and Massing	15	
9-C: Site Improvements	7	
9-D: Vehicle Parking and Access	13	
9-E: Public Art	3	
9-F: Smart Homes	4	
9-G: Project Excellence	3	
Total Points Available	347 372	200

C. Types of Criteria and Project Scoring Examples

There are four general types of RDCS competition criteria: 1) location criteria; 2) qualitative criteria; 3) off-site criteria; and 4) voluntary funding criteria.

Location Criteria

Location criteria award points based on the location of a property within the City of Morgan Hill. These points are awarded based on location and therefore cannot be “earned” through project features or contributions. ~~A total of 46 location-Location~~ points are ~~available~~, primarily within the Location Objective but also in the Schools and Parks and Open Space Objectives. Location criteria are intended to encourage and prioritize infill development and housing close to existing services and infrastructure.

Location Criteria Example: Criteria 2-A (Central Core)

~~Under-Within~~ Criteria 2-A (Central Core) a project receives 1 to 12 points depending on its distance from Morgan Hill’s central core. A project that is two miles from the central core would receive 1 point. Projects closer to the central core would receive more points, up to 12 points for projects within the central core. The central core boundaries are shown in Figure 2 in Part 3 of the Competition Manual. The distance from the central core is measured using the minimum distance between any portion of a parcel and the central core boundary measured in a straight line.

Qualitative Criteria

Qualitative criteria award points for improvements and design features located on the development site. ~~Up to 238 qualitative-Qualitative~~ points are available, ~~with point opportunities~~ in all Objectives except for Schools and Location. Qualitative points are awarded for project features such as diversity in housing types and sizes, parks and recreational amenities, on-site bicycle and pedestrian facilities, and excellence in site and building design. Qualitative criteria directly benefit project residents as well as the community at large.

Qualitative Criteria Example: Criteria 4-A (Accessory Dwelling Units)

~~Under-Within~~ Criteria 4-A (Accessory Dwelling Units) a project receives 1 to 3 points for incorporating accessory dwelling units on lots with detached single-family homes. An accessory dwelling unit is a secondary dwelling unit located on the same lot as a detached single-family dwelling and may be either attached or detached from the main home. ~~UnderWithin~~ this criteria projects receive 1 point for providing 10 to 20 percent of lots with accessory dwelling units, 2 points for 20 to 30 percent of lots with accessory dwelling units, and 3 points for more than 30 percent of lots with accessory dwelling units.

Off-Site Criteria

Off-site criteria award points for the construction of improvements outside of the project site that would provide a public benefit. ~~A total of 44 off-site p~~Points are available for constructing bicycle, pedestrian, and roadway improvements, establishing an agricultural conservation easement, and constructing public utility improvements. Points awarded for off-site improvements are typically based on the value of the improvement per number of units (e.g., 1 point for \$1,000 in improvement value per unit). In some ~~casescases~~, the City may accept a financial contribution in-lieu of constructing the improvement to better meet community needs.

Off-Site Criteria Example: Criteria 7-C (Off-Site Street and Parking Improvements)

~~Under-Within~~ Criteria 7-C (Off-Site Street and Parking Improvements) a project receives up to 6 points for constructing off-site street roadway improvements or providing funds for the construction of off-site street roadway improvements. A project receives 1 point for every \$1,000 in value of improvement per unit. For example, if a 10-unit project constructs off-site street improvements valued at \$20,000, the project would receive 2 points. To receive these points, the off-site improvement must be voluntary and not otherwise required by the City or any other public agency.

Voluntary Funding Criteria

~~Voluntary funding criteria awards points for financial contributions to City funds used to provide community services and infrastructure. Voluntary contributions are available for affordable housing, parks and open space, agricultural preservation, transportation improvements, infrastructure, and services. Points awarded for voluntary fund contributions are based on the value of the improvement per number of units (e.g., 1 point for \$1,000 in contribution per unit). Points are awarded only for contributions beyond minimum City fees and are separate from any required development impact fees. Voluntary Funding Criteria Example: Criteria 5-E (Agriculture Preservation or Open Space Fund Contribution)~~

~~Voluntary funding criteria awards points for financial contributions to City funds used to provide community services and infrastructure. A total of 41 points are available for contributions to City funds for affordable housing, parks and open space, agricultural preservation, transportation improvements, infrastructure, and services. Points awarded for voluntary fund contributions are based on the value of the improvement per number of units (e.g., 1 point for \$1,000 in contribution per unit). Points are awarded only for contributions beyond minimum City fees and are separate from any required development impact fees.~~

Voluntary Funding Criteria Example: Criteria 5-E (Agriculture Preservation or Open Space Fund Contribution)

~~Under-Within~~ Criteria 5-E (Agriculture Preservation or Open Space Fund Contribution) a project receives up to 9 points for contributing to the City's agriculture preservation or open space fund beyond the minimum requirement. Points awarded are based on amounts established through the City's Special Funds Ordinance (4 points for \$3,899.09 contributed per unit and 9 points for \$7,798.19 contributed per unit). Based on this a 10-unit project that contributes \$38,990.90 would receive 4 points and a 10-unit project that contributes \$77,981.90 would receive 9 points.

In most cases, a project feature or contribution may not earn a project point in more than one criteria. For example, a project that earns points for installing safe-routes-to-school pedestrian improvements ~~under-within~~ Criteria 1-C (Student Transportation Improvements) may not also receive points for the same improvement ~~under-within~~ Criteria 7-A (Bicycle and Pedestrian Improvements). However, there are cases where a project design feature may allow a project to receive points from multiple criteria. For example, a project that incorporates accessory dwelling units may earn points in criteria 4-A (Accessory Dwelling Units) and 4-B (Diversity of Housing Types). Points may be awarded in multiple criteria for a single project feature only where expressly identified in Section III of this manual.

D. Minimum Score

Section 18.78.080.B (Minimum Score) of the RDCS Ordinance states that a project may receive allotments only if it receives a score of at least 80 percent of the total maximum score in the RDCS competition criteria. As shown in Table 1, the total maximum score is 200, ~~so therefore~~, a project must receive at least 160 points (80 percent of 200) to receive allotments.

To receive allotments, a project must receive a minimum score of 18 points, except as provided for ~~under-within~~ Section III Objective 3 Affordable Housing. For all other Objectives, there is no minimum score to be eligible for allotments. However, to receive at least 160 points, a project would need to receive points from criteria ~~withinunder~~ at least six of the nine Objectives, if not more.

RDCS criteria and point values have been designed to provide a realistic pathway for all types of projects to achieve a minimum score through location and qualitative criteria points. ~~Based on previous RDCS competitions, it is~~ expected that many projects will elect to receive points from off-site and funding contribution in order to achieve a winning score and receive allotments.

III. COMPETITION CRITERIA, STANDARDS, AND POINTS

1. SCHOOLS

Intent: Support safe and convenient access to schools and promote high quality schools in Morgan Hill.

Points Available: See Table 3.

TABLE 3: SCHOOL POINTS AVAILABLE

Criteria	Points Available	
1-A: Proximity to Schools	5	
1-B: Proximity to Schools with Capacity	2	
1-C: Student Transportation Improvements	10	
Total	17	12-10 Maximum

Criteria 1-A: Proximity to Schools

Standard: The project is within walking distance of one or more Morgan Hill Unified School District (MHUSD) schools.

Points: See Table 4.

TABLE 4: POINTS FOR PROXIMITY TO SCHOOL

Project Location	Points
Walking distance from one school (elementary, middle, or high school)	2
Walking distance from two schools, each serving different grade levels (elementary, middle, or high school)	5

Total Available Points: 5

Senior Projects. Housing projects for senior citizens as defined in Section 51.2 of the State Civil Code will receive an automatic 6 points regardless of proximity to schools.

Scoring Instructions: A project is within walking distance of a school if it is 0.75 miles or less from an elementary school and 1.5 miles or less from a middle or high school.

To be eligible for points, students must be able to walk along a safe route from the project to the school as determined by the MHUSD. A safe route means a continuous sidewalk, pedestrian path, or trail with street crossings, intersection controls, and other physical improvements that reduce potential conflicts between pedestrians, bicyclists, and vehicles. A safe route must be in place at time of application submittal or established by the applicant within the first year of project construction.

The distance to a school is measured as the lineal distance a student would walk, from the project point of entrance nearest to the school to the nearest entrance point of the school grounds.

Schools eligible for points include any MHUSD school or charter school included on the MHUSD official list of existing and planned schools. MHUSD schools and programs which serve all students in the district and don't have specific boundaries (e.g., Community Adult School, Continuation High School) are not eligible for points.

Scoring Example: A project located within walking distance of an elementary school would receive two points. If the project is within walking distance of both an elementary and a middle school, the project would receive five points.

Criteria 1-B: Proximity to Schools with Capacity

Standard: The project is located within walking distance of one or more Morgan Hill Unified School District (MHUSD) schools with capacity to serve new students.

Total Available Points: 2 points

Scoring Instructions: To be eligible for points, the project must be located within walking distance of an elementary, middle, or high school that has capacity to house the number of students that the development would yield as determined by the MHUSD in writing prior to the RDCS competition application deadline.

For multi-year projects, the project shall retain the points received during the first phase.

The requirements for walking distance, safe routes to schools, rules of measurement, and eligible schools for Criteria 1-B above also apply to Criteria 1-C.

Criteria 1-C: Student Transportation Improvements

Standard: The project contributes funds or constructs off-site pedestrian, bicycle and/or vehicle access improvements for Morgan Hill Unified School District (MHUSD) schools within the Morgan Hill Sphere of Influence.

Points: 1 point for every \$1,000 of improvement value per unit; and/or 1 point for every \$1,000 in funds contributed per unit.

Total Available Points: 10 points

Scoring Instructions: A project may receive points if it constructs sidewalks, pedestrian paths, trails with street crossings, intersection controls, vehicle access enhancements, and other physical improvements that reduce potential conflicts between pedestrians, bicyclists, and vehicles. Improvements must facilitate a safe route to school for pedestrians and bicyclists from the project to a MHUSD school. A project may also receive points for contributing funds to the City's Safe Access to Schools Fund to be used by the City to construct physical improvements to enhance safe student access to MHUSD schools including a project that is not within walking distance of an eligible school as provided in Criteria 1-B.-

2. LOCATION

Intent: Encourage infill projects adjacent to existing development and close to existing community services and facilities.

Points Available: See Table 5.

TABLE 5: LOCATION POINTS AVAILABLE

Criteria	Points Available	
2-A: Central Core	12	
2-B: Infill Corridors	10	
2-C: Adjacent to Development	5	
2-D: Proximity to Daily Needs	5	
2-E: Proximity to Police and Fire Service	5	
2-F: Areas with Public Utility Capacity	5	
Total	42	22 Maximum

Criteria 2-A: Central Core

Standard: The project is in or near Morgan Hill's central core.

Points: See Table 6.

TABLE 6: POINTS FOR CENTRAL CORE

Project Distance from Central Core	Points
Within two miles	2
Within one mile	4
Within three-quarters mile	6
Within one-half mile	8
Within one-quarter mile	10
Within the Central Core	12

Total Available Points: 12

Scoring Instructions: Central core boundaries are shown in Figure 1. The distance from the central core is measured using the minimum distance between any portion of a parcel and the central core boundary measured in a straight line.

If any portion of a project is within a distance from the central core shown in Table 6, the project may receive the total number of points corresponding to that distance. For example, if any portion of the project area is within a half mile of the central core, the project may receive ~~4~~8 points.

FIGURE 1: CENTRAL CORE BOUNDARIES

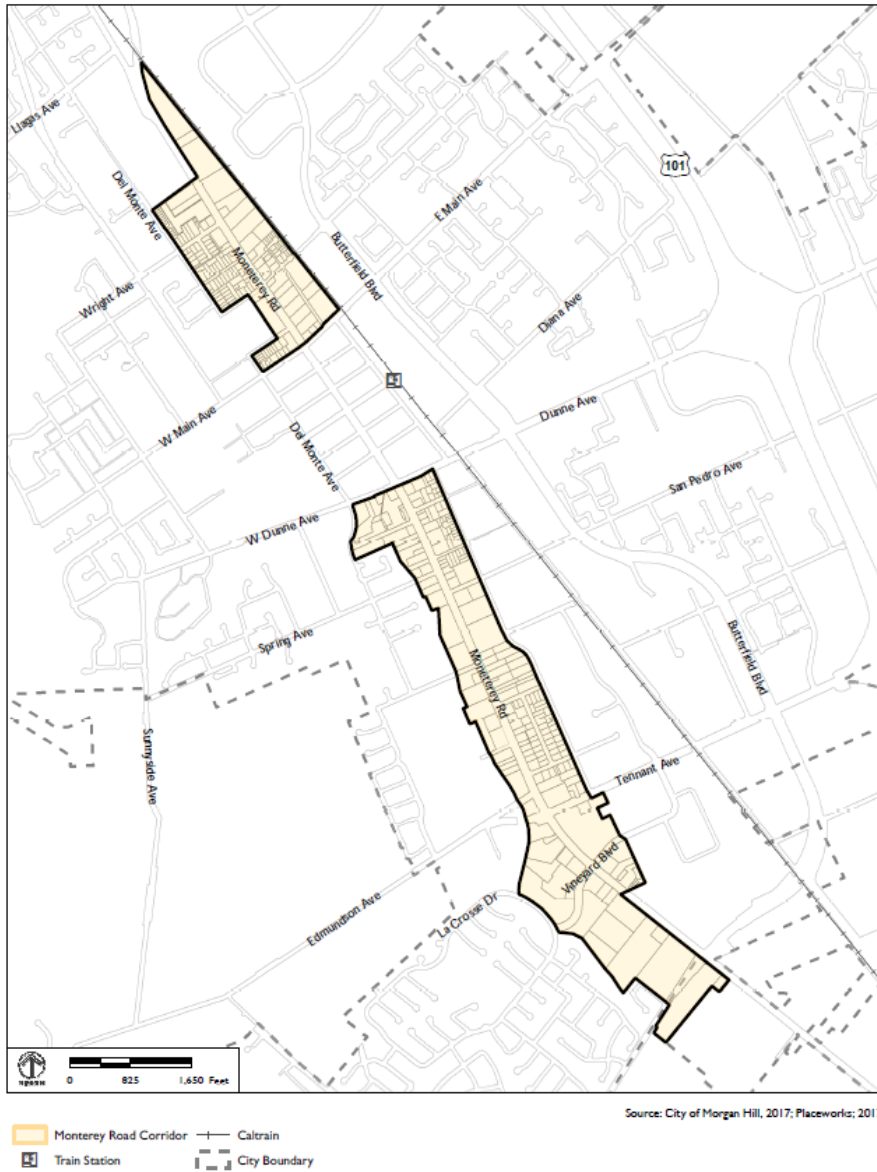
**Criteria 2-B: Infill Corridors**

Standard: The project is located in an infill corridor as shown in Figure 2.

Points: 10 points for projects located in the Monterey Road infill corridor.

Total Available Points: 10

FIGURE 2: INFILL CORRIDORS



Criteria 2-C: Adjacent to Development

Standard: The project is adjacent to land that is developed, utilized to its ultimate potential, or that requires no further discretionary approvals for development.

Points: See Table 7.

TABLE 7: POINTS FOR ADJACENT TO DEVELOPMENT

Percent of Project Boundary Adjacent to Existing Development	Points
25% to less than 50%	2
50% to less than 75%	3
75% to 100%	5

Total Available Points: 5

Scoring Instructions: A project boundary is adjacent to existing development if the project boundary abuts the property line of the adjacent development or is across a street from the existing development. Existing development means the following:

- Property in Morgan Hill's city limits with at least 95 percent of its contiguous land area developed or utilized to its ultimate potential use according to the General Plan or applicable zoning.
- Land in unincorporated Santa Clara County owned or under control (i.e., permanent easement) of a public agency that is developed or utilized to its ultimate potential use according to the County's General Plan or applicable zoning.
- Privately owned, non-agricultural (designated Rural County or greater) land in unincorporated Santa Clara County that is utilized to its ultimate potential according to the City's General Plan.
- Undeveloped property which by RDCS Application submittal deadline of the competition year has received final map approval, tentative map and development agreement approval for projects with previously completed phase(s), or for which building permits have been issued.

Criteria 2-D: Proximity to Daily Needs

Standard: The project is within walking distance of non-residential land uses that meet residents' daily needs.

Points: See Table 8.

TABLE 8: POINTS AVAILABLE FOR PROXIMITY TO DAILY NEEDS

Project Distance from Two or More Different Land Use Categories	Points
Within three-quarters mile	1
Within one-half mile	3
Within one-quarter mile	5

Total Available Points: 5

Scoring Instructions: Land use categories are as follows:

1. Community-serving retail, such as a supermarket, pharmacy, or convenience store.
2. Restaurants and cafes.
3. Personal services, such as bank, salons, and medical offices.
4. Public and quasi-public uses such as places of worship; community centers; and parks, trails and recreational facilities.
5. An existing or planned bus or rail transit stop or station.

A single establishment may not be counted in two categories (e.g., retail establishment may be counted only once even if it also contains a café). Establishments in a mixed-use building may each count if they are distinctly operated enterprises with separate exterior entrances. No more than two of the minimum number of land use categories can be situated in a single building or under a common roof.

The distance to a land use category is measured as the lineal distance a pedestrian would walk, from the average center point of housing in a project to the nearest entrance point of the land use category.

Criteria 2-E: Proximity to ~~Police and Fire Service~~Emergency Services

Standard: The project is located within the established response time ~~for emergency services of one or more fire stations.~~

Points: See Table 9.

TABLE 9: POINTS AVAILABLE FOR PROXIMITY TO ~~FIRE STATIONS~~EMERGENCY SERVICES

Standard	Points
The project is located within the established response time of the police station	2
The project is located within 5 minutes the established response time standard of one fire station	1
The project is located within 6 minutes of two fire stations	2
The project is located within the established response time standard of two or more 8 minutes of three fire stations	3

Total Available Points: 5

Scoring Instructions: Determinations of whether a project is located within an established response time and eligible for points ~~under within this criteria~~ these criteria shall be made by the Community Development Director in consultations with the City of Morgan Hill Police and Fire Departments.

Three fire stations serve Morgan Hill: the El Toro Fire Station (18300 Old Monterey Road) the Dunne Hill Fire Station, (2100 E. Dunne Avenue), and the CAL FIRE station (15670 Monterey Road). ~~The Fire Department's current response time is eight minutes.~~

The Morgan Hill Police Department headquarters is located at 16200 Vineyard Boulevard. The Police Department's aims to respond to Priority One calls within 5 minutes and Priority Two calls within 8 minutes.

Criteria 2-F: Areas with Public Utility Capacity

Standard: The project is located in areas with sufficient public utility capacity to serve the project.

Points: See Table 10.

TABLE 10: POINTS FOR PROXIMITY TO MUNICIPAL SERVICES AND FACILITIES

Standard	Points
Local water distribution lines are of sufficient size to serve the proposed project. The project does not require replacing existing local water distribution lines with larger diameter pipes. New water mains to serve the site do not need to be installed.	2
The existing wastewater collection system is sufficient to serve the proposed project. The project does not require extending or replacing existing sewer pipes or lift stations outside of the project site.	2
Existing off-site storm drainage facilities are sufficient to serve the project.	1

Total Available Points: 5

3. AFFORDABLE HOUSING

Intent: Increase the supply of affordable housing in Morgan Hill in the extremely low income (0-30% Area Median Income), very low income (30-50% Area Median Income), and the moderate category (81-120% Area Median Income).

The City is in its 5th Regional Housing Needs Allocation (RHNA) Housing Element Cycle. The current Housing Element "cycle" is for Housing Element Planning Period: January 31, 2015 to January 31, 2023. The City's Housing Element is in compliance until January 31, 2023. Permits issued on or before December 31, 2022 will be included in this reporting period. The California Department of Housing and Community Development (HCD) publishes official State maximum income limits which are based on surveys of local area AMI. The commonly used income categories for households in Santa Clara County are subject to variations for household size and other factors.

"AMI" means Area Median Income for Santa Clara County as established by the U.S. Department of Housing and Urban Development (HUD)

Santa Clara County AMI: The 2018 Median Income for a family of four in Santa Clara County is \$125,200, adjusted by household size.

HCD Income Limits (Published April 26, 2018)

Source: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/inc2k18.pdf>.

<u># of Persons in the Household</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
<u>Extremely Low</u>	<u>27,950</u>	<u>31,950</u>	<u>35,950</u>	<u>39,900</u>	<u>43,100</u>	<u>46,300</u>	<u>49,500</u>	<u>52,700</u>
<u>Very Low</u>	<u>46,550</u>	<u>53,200</u>	<u>59,850</u>	<u>66,500</u>	<u>71,850</u>	<u>77,150</u>	<u>82,500</u>	<u>87,800</u>
<u>Lower</u>	<u>66,150</u>	<u>75,600</u>	<u>85,050</u>	<u>94,450</u>	<u>102,050</u>	<u>109,600</u>	<u>117,150</u>	<u>124,700</u>
<u>Median</u>	<u>87,650</u>	<u>100,150</u>	<u>112,700</u>	<u>125,200</u>	<u>135,200</u>	<u>145,250</u>	<u>155,250</u>	<u>165,250</u>
<u>Moderate</u>	<u>105,200</u>	<u>120,200</u>	<u>135,250</u>	<u>150,250</u>	<u>162,250</u>	<u>174,300</u>	<u>186,300</u>	<u>198,350</u>

Points Available: See Table 11.

TABLE 11: AFFORDABLE HOUSING POINTS AVAILABLE

Criteria	Points Available
3-A: Affordable Housing Fund Contribution	22-24 or 32-34 depending on project type
3-B: Development of Affordable Units	32-34
Total	32-34 Maximum

Maximum minimum Score: ~~18 (for sale projects) and 10 (rental projects)~~ **34**

***Unlike other objectives, projects must receive a minimum score in the Affordable Housing Objective to be eligible for allotments.** The minimum score is 18 points for projects where individual units will be sold to buyers (for-sale projects) and 10 points for projects where individual units will be occupied by renters (rental projects).

Automatic Points – Rental Projects. ~~Rental projects shall receive an automatic 10 points within this Objective without contributing to the City's affordable housing fund or constructing BMR units. However, if the State adopts legislation specifically authorizing cities to establish inclusionary housing requirements for rental housing, rental projects will not receive automatic points and must contribute to the City's affordable housing fund and/or construct BMR units to receive points.~~

Automatic Points – Downtown Projects. ~~Consistent with the Downtown Specific Plan, for-sale projects within the Downtown shall receive an automatic 10 points and rental projects within the Downtown shall receive an automatic 18 points within this Objective.~~

Commented [GP2]: This requirement would be removed upon adoption of a City Inclusionary Ordinance.

Commented [GP3]: The proposed inclusionary ordinance would not exempt DT projects from the inclusionary requirement. The contribution would be 10%.

Criteria 3-A: Affordable Housing Fund Contribution

Standard: The project makes a voluntary contribution to the City's affordable housing fund.

Points: See the following tables:

- Table 12 for projects with 12 units or more, excluding single-family detached projects where all home lots are 12,000 square feet or more.
- See Table 13 for single-family detached projects with 12 units or more where all home lots are 12,000 square feet or more.
- See Table 14 for projects with 11 units or less, including single-family detached projects where all home lots are 12,000 square feet or more.

TABLE 12: POINTS FOR CONTRIBUTION TO AFFORDABLE HOUSING FUND – PROJECTS WITH 12 OR MORE UNITS EXCLUDING SINGLE-FAMILY DETACHED PROJECTS WHERE ALL HOME LOTS ARE 12,000 SQUARE FEET OR MORE

Contribution to Affordable Housing Fund	Points
20% of baseline contribution	2
30% of baseline contribution	4
40% of baseline contribution	6
50% of baseline contribution	8
60% of baseline contribution	10
70% of baseline contribution	12
80% of baseline contribution	14
90% of baseline contribution	16
Baseline contribution	18
110% of baseline contribution	20
120% of baseline contribution	22 24

TABLE 13: POINTS FOR CONTRIBUTION TO AFFORDABLE HOUSING FUND – SINGLE-FAMILY DETACHED PROJECTS WITH 12 UNITS OR MORE WHERE ALL HOME LOTS ARE 12,000 SQUARE FEET OR MORE

Contribution to Affordable Housing Fund	Points
20% of baseline contribution	2
30% of baseline contribution	4
40% of baseline contribution	6
50% of baseline contribution	8
60% of baseline contribution	10
70% of baseline contribution	12
Baseline contribution	18
150% of baseline contribution	28 32

TABLE 14: POINTS FOR CONTRIBUTION TO AFFORDABLE HOUSING FUND – PROJECTS WITH 11 UNITS OR LESS

Contribution to Affordable Housing Fund	Points
Baseline contribution	26 30
110% of baseline contribution	29 32
120% of baseline contribution	32 34

Total Available Points: ~~22~~24 for projects with 12 units or more, ~~32~~34 for projects with 11 units or less, ~~29~~32 for single-family detached projects with 12 or more units and all home lots 12,000 square feet or more.

Scoring Instructions: The baseline contribution to the City's affordable housing fund is set by the City Council and may change from year to year. In 2016, the City Council set the baseline contribution at \$12.92 per square foot of livable space of the entire project. A project with 12 or more units receiving points for contributing to the City's affordable housing fund may also receive points for incorporating BMR units within the projects from Criteria 3-B provided the total number of combined points awarded from both Criteria 3-A and 3-B does not exceed 24. A project with 11 units or less may receive points only from Criteria 3-A or 3-B, not both. The City uses 12 units as the threshold because a project with 12 units can build one on-site BMR unit (8 percent of total project units) whereas a project with 11 or fewer units cannot.

Project Scoring Example: A proposed project contains 56 units, each with 2,000 square feet of floor area, with 112,000 square feet total within the project. The baseline contribution would be \$1,447,000 (112,000 x \$12.92) or \$25,840 per unit. If the project contributes the baseline amount of \$1,447,000, the project would receive 18 points. If the project contributes 120 percent baseline contribution (\$1,736,000), the project would receive ~~22~~24 points.

Criteria 3-B: Development of Affordable Units

Standard: The project incorporates below market rate (BMR) units within the project for a mixed income community.

Points: See Tables 15, 16, 17, and ~~18~~.

TABLE 15: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, MARKET RATE FOR-SALE PROJECTS

Percent of Total Project Units			Points
70% AMI	80% AMI	90% - 120% AMI (see scoring instructions)	
-	4%	4%	20
4%	-	4%	24
-	6%	2%	28
8%	-	-	34

Commented [GP4]: These tables would be replaced consistent with a City Inclusionary Ordinance, if adopted. They would remain unchanged if the City does not adopt Ordinance and retains the 8 percent requirement.

TABLE 16: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, AFFORDABLE FOR-SALE PROJECTS

Percent of Total Project Units					Points
70% AMI	80% AMI	90% AMI	100% AMI	120% AMI	
-	-	20%	40%	40%	20
		20%	50%	30%	24
	10%	10%	40%	40%	28
20%	30%	30%	20%	-	34

TABLE 17: POINTS FOR DEVELOPMENT OF AFFORDABLE RENTAL UNITS, MARKET RATE PROJECTS

Percent of Total Project Units			Points
30% AMI	50% AMI	80% AMI	
-	-	8%	20
-	4%	4%	24
-	6%	2%	28
4%	4%	-	34

TABLE 18: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, AFFORDABLE RENTAL PROJECTS

Percent of Total Project Units			Points
30% AMI	50% AMI	80% AMI	
-	30%	70%	20
5%	35%	60%	24
10%	40%	50%	28
10%	50%	40%	34

Total Available Points: ~~32~~34

Scoring Instructions: Points shall be awarded and monitored consistent with the City of Morgan Hill's Below Market Rate Housing Program policies and procedures. When a calculation produces a fraction of a unit less than one-half, the applicant shall pay the corresponding fraction of the standard housing fee. A fraction of one-half or greater requires one additional BMR unit. If a project receives the maximum ~~32~~ 34 points for constructing BMR units and pays the corresponding fraction of the standard housing fee, the project does not receive additional points for the fractional housing fee. A project with 12 units or more receiving points for incorporating BMR units within the project may also receive points for contributing to the City's affordable housing fund from Criteria 3-A provided the total number of combined points awarded from both Criteria 3-A and 3-B does not exceed ~~32~~34.

Affordability levels to receive points for units affordable at the “90% to 120% AMI” level in a market rate for sale project (Table 13) depend on the unit type, as follows:

- Multi-Family (Condominiums): 90% AMI
- Attached Single-Family: 100% AMI
- Small Detached Single-Family (up to ~~2,000~~1,800 square feet): 110% AMI
- Large Detached Single-Family (up to ~~2,000~~000 square feet): 120% AMI

For market rate for-sale or rental projects (Tables 15 and 17) to be eligible for points, BMR units must comply with the City Council approved BMR unit policies, ~~including but not limited to the following:~~

~~BMR units must be distributed throughout project and integrated with the market rate units rather than separated from the market rate units and/or concentrated together within one location within the project.~~

~~The floor area of each BMR unit shall be no less than the floor area of the smallest market rate unit of the same housing type.~~

~~Housing type (e.g., detached single family home, multi-family) for the BMR units must be generally proportionate to the market rate housing type(s) within the project. For example, if two thirds of the units in a project are detached single family homes and one third are multi family, roughly two thirds of the BMR units must be located in the single family portion of the project.~~

~~BMR units for a detached single family project may be in the form of duets if duets are a permitted housing type in the applicable zoning district (e.g., R 1 7,000 and R 1 9,000). Triplex BMR units are allowed in zoning districts that permit duplex units. Only one BMR unit is allowed per duplex or triplex building.~~

* The City is in the process of preparing a 2018 Inclusionary Housing Ordinance. The points available in Tables 15 and 17 would provide an extra 10% affordability public benefit commitment within the project, pending City Council approval of the ordinance.

If a 20% inclusionary ordinance is approved, the entire project would have a 30% affordability public benefit commitment.

4. HOUSING DIVERSITY

Intent: Encourage a diverse housing stock in Morgan Hill.

Points Available: See Table 19.

TABLE 19: HOUSING DIVERSITY POINTS AVAILABLE

Criteria	Points Available	
4-A: Accessory Dwelling Units	36	
4-B: Diversity of Housing Types	812	
4-C: Variation in Housing Size	812	
4-D: Small Units	812	
4-E: Housing Stock Diversity	8	
4-F: Single-Story Homes	34	
Total	3854	23 Maximum

Criteria 4-A: Accessory Dwelling Units

Standard: The project incorporates accessory dwelling units on lots with detached single-family homes.

Points: See Table 20.

TABLE 20: POINTS FOR ACCESSORY DWELLING UNITS

Percentage of Detached Single-Family Lots with Accessory Dwelling Units	Points
10 to 20 percent	12
20-21 to 30 percent	24
More than 30 percent	36

Total Available Points: ~~36~~

Scoring Instructions: Accessory dwelling units are secondary dwelling units located on a lot occupied by a detached single-family dwelling. Accessory dwelling units must be a permanent structure and include provisions for living, sleeping, eating, cooking, and sanitation and have a private entry accessed from the exterior of the building. Accessory dwelling units may be either detached from or attached to the primary dwelling on the lot. To be eligible for points, accessory dwelling units must comply with development standards for new secondary units in Chapter 18.55 (Secondary Dwelling Units) in the Zoning Code.

Scoring Example: A project contains 10 single-family detached homes and 10 single-family attached (townhome) units. Two of the detached single-family homes feature an accessory dwelling unit on the same lot. The project would receive 2 points as twenty percent of the detached single-family lots contain accessory dwelling units.

Criteria 4-B: Diversity of Housing Types

Standard: The project contains a diversity of housing types.

Points: See Table 21 and 22.

TABLE 21: POINTS AVAILABLE FOR DIVERSITY OF HOUSING TYPES FOR PROJECTS WITH 16 OR MORE UNITS.

Number of Different Housing Types in the Project	Points
2	4
3	8

TABLE 22: POINTS AVAILABLE FOR DIVERSITY OF HOUSING TYPES FOR PROJECTS WITH UP TO 15 UNITS.

Number of Different Housing Types in the Project	Points
2	8
3	12

Total Available Points: 8 for projects with 16 or more units. 12 for projects with up to 15 units.

Scoring Instructions: To be eligible for points, a housing type must constitute at least 10 percent of total number of units in the project. Different housing types are defined as follows:

1. **Multiple-Story Detached Single-Family Home.** ~~A detached building that contains one single-family dwelling with~~ A residential structure on its own lot designed for occupancy by one household with two or more stories of living space.
2. **Single-Story Detached Single-Family Home.** ~~A detached building that contains one single-family dwelling~~ A residential structure on its own lot designed for occupancy by one household with one story of living space.
- ~~3. **Accessory Dwelling Unit.** A self-contained living unit, either attached to or detached from, and in addition to, the primary residential unit on the parcel. An accessory dwelling unit located on the same lot as a detached single-family home. Accessory dwelling units may be attached to or detached from the primary home on the lot.~~
- ~~3. **Single-Family Attached.** Three or more single-family dwelling units connected by common walls along the side property lines, sometimes called a townhouse or row house. Excludes "duplexes" and "duets." Single family homes attached to one or more other single family homes in a linear arrangement, either as multiple townhome units per parcel or one townhome unit per parcel.~~
- ~~4. **Courtyard Housing.** Detached or attached single-family homes with unit entrances oriented toward a shared common area communal courtyard (and not an interior corridor or street).~~
6. **Custom Lots.** Lots left undeveloped for future development by the lot buyer.

~~6-7.~~ **Duet.** A residential structure that contains two independent dwelling units, each with its own entrance that are separated by a property line along a shared building wall with each unit located on a separate lot.

~~8.~~ **Duplex or Duet.** A single residential structure on one lot that contains two independent dwelling units, each with its own entrance. ~~A building that contains two dwelling units, each with its own entrance.~~

~~7-9.~~ **Townhouse.** A series of three or more adjacent single-family dwelling units, each on an independent parcel, which are connected by common walls along the side property lines.

~~8-10.~~ **Triplex or Quadplex.** A single residential structure that contains three or four dwelling units, with each unit having its own entrance.

~~9-11.~~ **Multi-Family.** A building that contains three or more dwelling units, with each unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation. Includes multi-family senior housing limited to occupancy by persons 55 years of age or older for residents who are independent and do not require assistance with everyday living ("independent living"). ~~A structure that contains three or more dwelling units that share one or more common entries.~~

~~10-12.~~ **Vertical-Mixed Use Residential.** A development project with both residential and commercial/office uses which are either 1) located together in a single building; or 2) in separate buildings on a single site of one or more contiguous properties. ~~A building with commercial uses on the grounds floor and three or more multi-family or condominium units on the upper floors.~~

A unit may qualify as only one housing type even if it meets the definition for two or more housing types. For example, a single-story detached single-family home oriented towards a shared common area may ~~quality-qualify~~ only as courtyard housing (housing type number 5 above), not courtyard housing and single-story detached single-family home (housing type number 2 above).

Scoring Examples: A 100-unit project with 90 detached single-family homes and 10 townhome units would receive six points as both the detached single-family homes and townhome units constitute 10 percent or more of the total project units. A 100-unit project with 50 detached single-family homes, 25 duplex units, 25 townhome units, and 25 single-story detached single-family homes would receive 12 points as the three housing types each constitute 10 percent or more of the total project units.

Criteria 4-C: Variation in Housing Size

Standard: The project includes a diversity of housing sizes.

Points: See Tables 23 and 24.

TABLE 23: POINTS AVAILABLE FOR DIVERSITY OF HOUSING SIZE FOR PROJECTS WITH 16 OR MORE UNITS.

Number of Different Housing Size Categories in the Project	Points
2	3

3	6
4	8

TABLE 24: POINTS AVAILABLE FOR DIVERSITY OF HOUSING SIZE FOR PROJECTS WITH UP TO 15 UNITS.

Number of Different Housing Size Categories in the Project	Points
2	6
3	9
4	12

Total Available Points: 8 for projects with 16 or more units. 12 for projects with up to 15 units.

Scoring Instructions: Diversity of housing types is calculated by determining the percent of units that are in two or more housing size categories. Housing size categories for multi-family projects is based on the number of bedrooms. For all other housing types housing size categories are based on square footage of the unit. To be eligible for points, the number of units in a housing size category must constitute at least 10 percent of total number of units in the project.

Housing size categories for multi-family housing types are as follows:

1. Studio apartment
2. One-bedroom
3. Two-bedroom
4. Three-bedroom
5. Four-bedroom or more

For all other housing types (single-family detached, duplex, etc.) and for projects with both multi-family units and other housing types, a project shall be considered to have two or more different size categories only if there is a minimum 35 percent variation between the smallest and largest floor plan the project. In such a case, every floor plan that varies in size from another floor plan by 200 square feet or more shall be considered a different housing size category.

Scoring Example: A proposed project contains ten detached single-family homes with two different floor plans. The smaller floor plan is 2,000 square feet and the larger floor plan is 3,000 square feet. The project would receive six points because there is 50 percent variation in size between the smallest and largest floor plans and more than 200 feet in variation between the two floor plans.

Criteria 4-D: Small Units

Standard: The project includes small dwelling units.

Points: See Table 25.

TABLE 25: POINTS AVAILABLE FOR SMALL UNITS

Percent Small Units	Points
10	4
20	5 6
30	6 8
40	7 10
50 or more	8 12

Total Available Points: ~~8~~12

Scoring Instructions: Small units are defined as follows:

- **Detached Single-Family Home:** Less than 1,700 square feet
- **Single-Family Attached:** Less than 1,500 square feet
- **Duplex or Duet:** Less than 1,500 square feet
- **Triplex or Quadplex:** Less than 1,250 square feet
- **Multi-Family:** Less than 1,000 square feet (rental); 1,200 square feet (ownership)

Unit square footage means total livable building area excluding garages. Unit type definitions are the same as in Criteria 4-B.

Scoring Example: A 100-unit project with 10 detached single-family homes less than 1,700 square feet would receive 4 points. A 100-unit project with 10 detached single-family homes less than 1,700 square feet and 10 duplex units less than 1,250 square feet would receive ~~6~~8 points.

Criteria 4-E: Housing Stock Diversity

Standard: The project adds housing types that are underrepresented in Morgan Hill's citywide housing stock.

Points: See Table 26.

TABLE 26: POINTS AVAILABLE FOR HOUSING STOCK DIVERSITY

Housing Type	Points
Courtyard Housing	4
Multi-Family Owner Occupied	6
Market-rate Senior	8
Multi-Family Rental	8
Vertical Mixed Use (owner-occupied or rental)	8

Total Available Points: 8

Scoring Instructions: Unit type definitions are the same as in Criteria 4-B. To be eligible for points, the housing type must constitute 75 percent or more of the total project housing units.

Scoring Example: A 100-unit project with 25 detached single-family homes and 75 townhomes would receive 4 points. A 100-unit project with 40 detached single-family homes and 60 townhomes would not receive any points underwithin this criteria, but may be eligible for points underwithin Criteria 4-B.

Criteria 4-F: Single-Story Homes

Standard: The project includes single-story single-family homes.

Points: See Table 27.

TABLE 27: POINTS FOR SINGLE-STORY SINGLE-FAMILY HOMES

Percentage of Single-Story Single-Family Homes	Points
25 percent	1
50 percent	2
75 percent	3
100 percent	4

Total Available Points: 4

Scoring Instructions: Percentage is calculated by dividing the number of single-story single-family homes in the project by the total number of units (regardless of type) within the project. A story is defined in accordance with Zoning Code Section 18.04.415 (Story).

Scoring Example: A 100-unit project that includes 50 single-story detached single-family homes would receive 2 points. If all units within the project are single-story detached single-family homes, the project would receive 4 points.

5. PARKS AND OPEN SPACE

Intent: Provide high quality parks and recreational facilities, encourage publicly accessible outdoor amenities, and preserve open space and agricultural land.

Points Available: See Table 28.

TABLE 28: PARKS AND OPEN SPACE POINTS AVAILABLE

Criteria	Points Available	
5-A: Park Fund Contribution	6	
5-B: Excess Park Land	5	
5-C: Agriculture Conservation or Open Space Easement	9 12	
5-D: Agriculture Buffer	4	
5-E: Agriculture Preservation or OS Fund Contribution	9	
5-F: On-Site Recreational Amenities	8	
5-G: Amenities for All Age Groups	2	
5-H: Public Gathering Places	3	
5-I: Proximity to Public Park	3	
5-J: Open Space Design <u>and Outdoor Amenities</u>	10	
Total	62 9	29 Maximum

Criteria 5-A: Park Fund Contribution

Standard: The project contributes to the City's park fund beyond the minimum requirement.

Points: 1 points for every \$1,000 contributed per unit.

Total Available Points: 6

Scoring Instructions: To be eligible for points, the project must contribute funds in addition to the minimum required park impact fee and fees in lieu of park land dedication. Contributed funds may be used by the City to fund acquisition and maintenance of parks.

The required park impact fee is identified in the current City of Morgan Hill Fee Schedule as adopted by the City Council. Minimum requirements for payment of fees in lieu of park land dedication ~~are~~ is established in Chapter 17.28 (Land Dedications and Reservations) in Title 17 (Subdivisions) of the Morgan Hill Municipal Code. The Community Development Director shall estimate the minimum park land dedication in-lieu fee for competing projects using the standards and formula in Chapter 17.28 (Land Dedications and Reservations). Minimum in-lieu fee estimates are prepared only for the purpose of awarding points for the RDCS competition. Actual in-lieu fee requirements will be determined at the time of subdivision approval and may be different from these estimates.

Criteria 5-B: Excess Park Land

Standard: The project provides land for parks beyond the minimum City park land requirement.

Points: See Table 29.

TABLE 29: POINTS FOR EXCESS PARK LAND

	Points
Park Land Provided in Excess of Minimum City Requirement	16 or more units
10%	3 1
20%	4 2
30%	5 3
40%	6 4
50%	7 5

*Includes custom lot projects

Total Available Points: ~~7~~5

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive ~~7~~5 points ~~under~~within Criteria 5-B without dedicating any park land.

Scoring Instructions: Minimum park land dedication and private park requirements are in Chapter 17.28 (Land Dedications and Reservations) in Title 17 (Subdivisions) of the Morgan Hill Municipal Code. The Community Development Director shall estimate the minimum required park land for competing projects using the standards and formula in Section 17.28.060 (Acreage Required – Formula).

Minimum park land estimates are prepared only for the purpose of awarding points for the RDCS competition. Actual dedication requirements will be determined at the time of subdivision approval and may be different from these estimates.

To be eligible for points ~~under~~within this criteria, projects must comply with the following requirements:

- Park land must be either a) within the project boundaries; or a) adjacent to the project boundaries and owned or controlled by the project applicant.
- Land for parks shall be consistent with the City of Morgan Hill Parks, Facilities & Recreation Program Master Plan, the General Plan, and any other adopted City policy or ordinance concerning park and recreational facilities.
- Either: a) Dedicated park land shall be deeded to the City for public park purposes, or b) Private park land for use by residents shall be maintained by the home ~~owners~~owners' association or other similar maintenance entity.
- The calculation of park land may not include yards, court areas, setbacks and other open areas required by the Zoning Code, Building Code, or other City ordinances. Points may not be awarded to passive open space or landscape buffer areas deeded to a homeowners' association.

Project Scoring Example: Section 17.28.060 (Acreage Required – Formula) of the Subdivision Ordinance states that 0.01 acres of land per dwelling unit shall be provided as a park in a single-family subdivision. Assuming a 100-unit single-family subdivision, the minimum required dedication of park land would be 1.0 acres. Providing 1.5 acres of park land would exceed the minimum requirement by 50 percent and would receive 5 points.

Criteria 5-C: Agriculture Conservation or Open Space Easement

Standard: The project establishes an agriculture conservation easement consistent with the City's agriculture conservation easement policy or an open space easement.

Points: 9-12 points

TABLE 30: POINTS FOR EASEMENTS

<u>TYPE OF EASEMENT</u>	<u>POINTS</u>
<u>AGRICULTURE CONSERVATION</u>	<u>9</u>
<u>OPEN SPACE</u>	<u>9</u>
<u>Type of Easement</u>	<u>Points</u>
<u>Agricultural Conservation – Proposed easement is at least as large as the proposed project and is at least ten acres in size when combined with other adjacent land that is used for agricultural purposes</u>	<u>12</u>
<u>Agricultural Conservation – Proposed easement is at least as large as 75% of the proposed project and is at least ten acres in size when combined with other adjacent land that is used for agricultural purposes</u>	<u>9</u>
<u>Agricultural Conservation – Proposed easement is at least as large as 50% of the proposed project and is at least five acres in size when combined with other adjacent land that is used for agricultural purposes</u>	<u>6</u>
<u>Agricultural Conservation – Proposed easement is at least as large as 25% of the proposed project and is at least five acres in size when combined with other adjacent land that is used for agricultural purposes</u>	<u>3</u>
<u>Open Space– Proposed easement is at least as large as the proposed project</u>	<u>9</u>

Open Space– Proposed easement is at least 75% as large as the proposed project	6
Open Space– Proposed easement is at least 50% as large as the proposed project	3

Total Available Points: ~~9~~12

Scoring Instructions: Points may be awarded for projects that establish one of the following: an ~~agriculture-agricultural~~ conservation easement or an open space easement. Points are awarded only for one type of easement. A project may not receive points for establishing a second or third type of easement on the property unless the proposed easement is exclusively preserving land that is not otherwise preserved by an existing easement.

~~Agriculture-Agricultural Conservation Easement~~

Establishment of an ~~agriculture-agricultural~~ conservation easement shall occur in a manner consistent with Municipal Code Chapter 18.85 (Agricultural Lands Preservation Program). If a project is required to establish an ~~agriculture-agricultural~~ conservation easement to mitigate the loss of agricultural land pursuant to Chapter 18.85, points may be awarded only for establishing an agriculture conservation easement beyond the minimum 1:1 mitigation ratio required by Chapter 18.85.

To be eligible for points, an ~~agriculture-agricultural~~ conservation easement must be established within the Morgan Hill Sphere of Influence (SOI) and accepted by a land conservation entity or agency. The property subject to the easement must be of adequate size, configuration, and location to be viable for continued agricultural use and must meet the criteria for “eligible mitigation lands” as established in Municipal Code Section 18.85.090 (Eligible Mitigation Lands). Proposed conservation easement sites not adjacent to agricultural lands that are already permanently protected by an agricultural conservation easement shall be a minimum of ten acres. Proposed conservation easements adjacent to lands that are already permanently protected by an agricultural conservation easement shall be at least as large as the proposed project as long as the aggregate sum is at least 10 acres.

Open Space Easement

To be eligible for points, an open space easement must be established within the Morgan Hill Sphere of Influence (SOI). The property subject to the easement must be of adequate size, configuration, and location to protect and/or preserve open space and natural resources as identified in the General Plan. Natural resources include but are not limited to agricultural lands, undeveloped open space, scenic hillsides, habitat for sensitive species, and riparian areas and aquatic habitat as defined in the General Plan Natural Resources and Environment Element. Open space easements must be appropriately sized and located in order to enable the City to ~~There is no minimum size for the easement provided the City determines the easement appreciably preserves open space or protects natural resources. to be of adequate size, configuration, and location to preserve open space or protect natural resources. Land that is required to be set-aside for other reasons, such as project mitigation measure and required setbacks shall not be eligible to be counted as an open space easement or for points.~~

Project Scoring Example: A proposed project that converts five acres of agriculture land to non-agricultural use proposes the establishment of a five-acre agricultural conservation easement on ~~adjacent~~ agricultural land within the SOI to satisfy the agricultural mitigation requirement in Municipal Code Chapter 18.85. If the project establishes an additional ten-acre agricultural conservation easement on a property separate from the easement land used for mitigation, the project would receive ~~five-12~~ points. These points would only be awarded if the additional easement was at least five acres, if it is contiguous to existing agricultural lands, or ten acres, if it not contiguous to permanently preserved agricultural lands. There is no minimum size for the additional easement eligible for points provided the property subject to the easement meets the criteria for "eligible mitigation lands" as established in Municipal Code Section 18.85.090 (Eligible Mitigation Lands).

Criteria 5-D: Agriculture Buffer

Standard: The project establishes and agriculture buffer easement.

Points: 4

Scoring Instructions. To be eligible for points, a project shall establish an open space easement to provide a buffer between active agricultural operations that are adjacent to the proposed project and new development. To receive points, the City must determine that the agriculture buffer easement is needed in order to preserve the viability of the active agricultural operations and that the size and configuration of the buffer is adequate to minimize future conflicts between the new residential use and the existing agricultural operation.

Criteria 5-E: Agriculture Preservation or Open Space Fund Contribution

Standard: The project contributes to the City's agriculture preservation or open space fund beyond the minimum requirement.

Points: See Table 31.

TABLE 31: POINTS FOR AGRICULTURE PRESERVATION OR OPEN SPACE FUND CONTRIBUTION

Contribution Amount	Points
Single: \$3,899.094 <u>\$4,117.43</u> per unit*	4
Double: \$7,798.198 <u>\$8,234.86</u> per unit*	9

* Adjusts annually.

Total Available Points: 9

Scoring Instructions: Contribution to the City's agriculture preservation fund shall occur in a manner consistent with Municipal Code Chapter 18.85 (Agricultural Lands Preservation Program). If a project is required to pay an agricultural preservation in-lieu fee to mitigate the loss of agricultural land pursuant to Chapter 18.85, points may be awarded only for the amount of the contribution to the City's agriculture preservation fund in that exceeds the required in-lieu fee.

Project Scoring Example: A 10-unit project that converts one acre of agricultural land pays an in-lieu mitigation fee of \$14,960 to satisfy the minimum requirement in Chapter 18.85. If the project contributes an additional \$38,990.90 beyond the required mitigation fee, the project would receive 4 points.

Criteria 5-F: On-Site Recreational Amenities

Standard: The project provides on-site recreational amenities to serve residents.

Points: See Table 32. Points identified in Table 24 are for each individual amenity included in the project.

Total points. Total points awarded to a project underwithin this criteria will be the sum of points for each individual amenity up to a maximum of eight points.

TABLE 32: POINTS FOR ON-SITE RECREATIONAL AMENITIES

Project Size	Points for Each Amenity Provided			
	Tier 1	Tier 2	Tier 3	Tier 4
1 to 15 units	6	8		
16 to 50 units	2	3	4	-
51-100 units	1	2	3	4
101-150 units	0	1	2	3
151+ units	0	0	1	2
201+ units	0	0	1	1

Recreational amenities eligible for points are divided into the four tiers as follows:

Tier 1 amenities:

- Shuffleboard
- Horseshoes
- Bowling green w/artificial turf
- Passive recreation area and/or gardens
- Passive water feature (e.g., fountain)
- Picnic/barbeque area

Tier 2 amenities:

- Cabana or shade trellis area

- Two picnic/barbeque areas
- Clubhouse
- Volleyball court and/or Bocce ball court
- Outdoor racquetball/handball tilt-up wall
- Dog Park (add one point more with dog wash station)
- Sauna and/or Jacuzzi
- Tree grove as approved by the community development director or designated staff.
- Community garden plots (minimum one forty-eight-square-foot plot per each ten dwelling units with water service)
- ½ court basketball (one hoop)
- Bridle paths
- Bocce ball
- Artificial turf putting green
- Tot lots (age appropriate play equipment/minimum three activities; can be integrated in structure)

Tier 3 amenities:

- Softball field
- Sports court and/or 2 1/2-court basketball courts (two hoops)
- Restroom area
- ½ scale soccer field
- Tot lots (age appropriate play equipment/minimum ~~three~~ five activities; can be integrated in structure)
- Jacuzzi and separate child wading pool (for projects between twenty and fifty units zoned R-2, R-3 or higher density development)
- Tennis court
- Recreation hall
- Exercise room
- Clubhouse w/ kitchen

Tier 4 amenities:

- Swimming pool (for projects of fifty-one or more units zoned R-2, R-3 or higher density development)

Small and Micro Projects: Projects with up to 15 units with no usable common open space or shared recreational amenities, including custom lot projects, shall automatically receive 8 points ~~under~~within Criteria 5-F without providing on-site recreational amenities.

Scoring Instructions: Points awarded are based on the number and type of recreational amenities for different project sizes as shown in Table 30. Projects with 50 or fewer units may receive points for a maximum of one Tier 1 amenity. Projects with 50 to 150 units may receive points only for Tier 2, 3 and 4 amenities. To be eligible for points, projects with more than 150 units must provide at least two Tier 3 or Tier 4 amenities. For a project of more than 150 units, two Tier 2 amenities may count as one Tier 3 amenity if the project provides at least one Tier 3 amenity. Projects with between 201 and 300 units must provide two Tier 3 amenities before two Tier 2 amenities may be counted as one Tier 3 amenity. Projects over 300 units must provide three Tier 3 amenities before two Tier 2 amenities may be counted as one Tier 3 amenity.

The Planning Commission may award points for unlisted amenities that provide recreational amenities to a level similar to those described above.

Total Available Points: 8

Project Scoring Example: A 25-unit project includes common open space with shuffleboard court, horseshoe area, and a volleyball court. The project would receive a total of four points with one point awarded for the shuffleboard court, one point for the horseshoe area, and two points for the volleyball court.

Criteria 5-G: Amenities for Age Groups

Standard: The project provides on-site social and recreational amenities for various age groups.

Points: 2

Total Available Points: 1 or 2 (two age groups = 1; all age groups =2)

Scoring Instructions: To be eligible for points, a project must provide on-site social and recreational amenities ~~specifically-exclusively~~ designed to meet the unique needs of all age groups, including children, teens, adults, and seniors. Each proposed amenity can only be counted for one age group. Examples of amenities appropriate for different age groups include the following:

- **Children:** tot lots, children's wading pool
- **Teens:** Outdoor spaces for socializing, recreational equipment that provides physical challenge (e.g., skate park), indoor recreational amenities (pool tables, table tennis) that are highly attractive to teens
- **Adults:** Indoor gym, outdoor picnic/barbecue area
- **Seniors:** Walking paths, low-impact outdoor exercise equipment designed for seniors ("senior playgrounds")

Criteria 5-H: Public Gathering Places

Standard: The project provides publicly accessible outdoor gathering places and open space in higher density and more urban settings.

Points: 1 point per \$1,000 value of amenity per unit.

Total Available Points: 3

Scoring Instructions: To be eligible for points, a project must provide one or more outdoor public gathering places such as plazas, courtyards, and parks that exceed minimum City requirements. Points awarded for the criteria are primarily intended for projects located Downtown and in other higher intensity areas with pedestrian activity originating outside of the proposed development. To receive points, the public gathering place shall be open for use by the general public and -must comply with the following standards:

- **Location:** The public gathering places space must be located close to pedestrian activity, along streets, or where pathways intersect. Open spaces must support an integrated pedestrian network by providing on-site and off-site connections to the open space.
- **Activity:** For public gathering places incorporated into ~~to~~-mixed use development with ground commercial uses, the proposed public gathering place must be located along the edge of active ground-floor uses (e.g., retail or restaurants). ~~must be located uses along the edge of a courtyards and plazas.~~
- **Visibility and Access:** Plazas, courtyards, and other similar spaces must open to public sidewalks and building entrances to provide visibility and access opportunities along project frontages.
- **Seating:** Usable open spaces must include well-designed seating, such as seat walls, free-standing elements, fixed and moveable seating, and other seating options.
- **Year-Round Use:** Open space must be usable year-round with features such as awnings, wind breaks, and sun shades, umbrellas, or other similar features that provide shelter from the elements.

Criteria 5-I: Proximity to Public Parks

Standard: The project is within walking distance of a public park or recreational facility.

Points: See Table 33.

TABLE 33: POINTS AVAILABLE FOR PROXIMITY TO PUBLIC PARKS

Project Distance from Public Park	Points
Within three-quarters mile	1
Within one-half mile	2
Within one-quarter mile	3

Total Available Points: 3

Scoring Instructions: To be eligible for points, the project must be located within walking distance of a existing City of Morgan Hill or Santa Clara County park with recreational amenities available for public use without charge. The distance to the park is measured as the lineal distance a pedestrian would walk, from the average center point of housing in a project to the nearest entrance point of the park.

Criteria 5-J: Open Space Design and Outdoor Amenities

Standard: The project provides common open space and outdoor amenities that enhance project residents' quality of life and the overall project design quality.

Points: See Table 34.

TABLE 34: POINTS FOR OPEN SPACE

Open Space	Points
1. Outdoor Rooms. The project designs open spaces to function as “outdoor rooms” for common use of project residents. As outdoor rooms, open spaces feature amenities such as seating areas <u>and</u> , shade structures <u>and play equipment</u> to create inviting places that encourage resident activity and interaction.	2 1
2. Size. The project provides common open space areas of sufficient size for the use and enjoyment of residents. The project does not fulfill its minimum common open space requirement primarily through small patches of unconnected open space areas which individually are of insufficient size to serve as a useful recreational amenity for residents.	1
3. Edges. The project uses buildings, fences, walls, and landscaping to define the edges of common open space.	2
4-3. Visibility. The project locates open space area so that they can be viewed from individual units, preferably from the kitchen, living room, or dining room.	2
5-4. Adjacent Units. The project maximizes the number of units that are immediately adjacent to common open space. Units not immediately adjacent to common open space can access open space areas through pedestrian connections separate from drive aisles and vehicle parking lots.	2

6. Landscape. The project incorporates exceptional landscape design in common open space areas to create a unique and welcoming environment for residents.	2
7.5. Existing Trees. The project retains existing native trees on the property which, if removed, would require a tree removal permit in accordance with Municipal Code Chapter 12.32 (Restrictions on Removal of Significant Trees).	1
8.6. Rear Yard Open Space. For detached single family and duplex/duet projects, private rear-yard usable open space is 25 percent percent , or more than the minimum rear setback area required by the applicable zoning, or	2
9.7. Backyard Improvements. Finished (e.g., landscape, hardscape, irrigation) private backyard improvements are installed by the developer.	2 4
10.8. Private Open Space - Attached Projects. For attached projects, usable private open space for ground floor units is 25 percent or more than required by the applicable zoning and finished private open space improvements are installed by the developer.	3 2

Total Available Points: 10

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, with no common open space, shall automatically receive 6 points ~~under~~~~within~~ Criteria 5-J and can obtain additional points, up to the total maximum of ten, by installing the noted improvements in private open space areas.

6. ENVIRONMENTAL PROTECTION

Intent: Encourage protection of natural resource and promote the City's environmental sustainability goals.

Points Available: See Table 35.

TABLE 35: ENVIRONMENTAL PROTECTION POINTS AVAILABLE

Criteria	Points Available	
6-A: Energy Efficiency	6	
6-B: On-Site Solar Energy Generation	10	
6-C: Indoor Water Use	4	
6-D: Outdoor Water Use	12	
6-E: Sustainable Site and Building Design	22	
Total	54	22 Maximum

Criteria 6-A: Energy Efficiency

Standard: The project exceeds the minimum building energy efficiency required by the California Energy Code.

Points: See Table 36.

TABLE 36: POINTS FOR ENERGY EFFICIENCY

Energy Efficiency Beyond Minimum Requirement	Points
5%	2
10%	4
15%	6

Total Available Points: 6

Scoring Instructions: Energy use and efficiency is calculated as the aggregate of all buildings within a project. To receive points, a project must show a reduction in its energy budget compared to the standard design building, as calculated by Title 24, Part 6 Compliance Software certified by the California Energy Commission.

Criteria 6-B: On-Site Solar Energy Generation

Standard: The project incorporates on-site solar energy generation systems to provide energy for on-site use.

Points: See Table 37.

TABLE 37: POINTS FOR ON-SITE SOLAR ENERGY GENERATION

Project's annual electrical energy cost provided from an on-site solar energy generation system	Points
60%	4
70%	6
80%	8
90%	10

Total Available Points: 10

Scoring Instructions: Percentage of energy generated from on-site renewable sources must be demonstrated using a building energy performance simulation tool consistent with industry standards.

Criteria 6-C: Indoor Water Use

Standard: The project exceeds the minimum indoor water efficiency and conservation requirements of the California Green Building Standards Code (CalGreen).

Points: See Table 38.

TABLE 38: POINTS FOR INDOOR WATER EFFICIENCY AND CONSERVATION

Water Efficiency Beyond Minimum Requirement	Points
5%	2
10%	4

Total Available Points: 4

Scoring Instructions: Applicants shall demonstrate attainment of water efficiency standards utilizing methods consistent with CalGreen and industry standards.

Criteria 6-D: Outdoor Water Use

Standard: The project reduces outdoor water use through water efficiency landscaping and irrigation.

Points: See Table 39.

TABLE 39: POINTS FOR OUTDOOR WATER USE

Standard	Points
Less than 50% of landscaped area contains natural turf	2
The project contains no natural turf outside of common areas used for active play	4
The project exceeds outdoor water efficiency standards by 10 percent	2
The project exceeds outdoor water efficiency standards by 20 percent	4
The project exceeds outdoor water efficiency standards by 30 percent	6

The project installs subsurface irrigation for all natural turf areas	2
---	---

Total Available Points: 12

Scoring Instructions: The project's outdoor water efficiency shall be calculated in accordance with Morgan Hill Municipal Code Chapter 18.73 (Water Conservation in Landscaping). Standards (a) and (b) and standards (c) and (d) are mutually exclusive; points for all other standards may be combined.

Criteria 6-E: Sustainable Site and Building Design

Standard: The project incorporates sustainable building site design features beyond the minimum requirements of the California Green Building Standards Code (CalGreen).

Points: 1 point for every 2 Build It Green ~~Point~~ (BIG) Points over the minimum required by Chapter 15.65 of the City of Morgan Hill Municipal Code

Total Available Points: 22

Scoring Instructions: Applicants shall use the current Build It Green Checklist maintained by the City of Morgan Hill. A project may receive Build It Green Points only for measures beyond the minimum requirements of the California Green Building Standards Code adopted by the City of Morgan Hill. Consistent with Chapter 15.65 of the City of Morgan Hill Municipal Code, Community points in the Build It Green checklist are excluded from the sustainability standard and the project is required to meet minimum point requirements within the checklist categories (energy, water, resource, and indoor air quality).

If construction on a project has not commenced within 3 years of initial award of allotments, project must use Build It Green checklist in effect at the time of application for building permits.

7. TRANSPORTATION

Intent: Support a balanced and efficient transportation system for pedestrians, cyclists, public transit, and automobiles that maintains quality of life in residential neighborhoods.

Points Available: See Table 40.

TABLE 40: TRANSPORTATION POINTS AVAILABLE

Criteria	Points Available	
7-A: Bicycle and Pedestrian Improvements	6	
7-B: Transit Improvements	3	
7-C: Off-Site Roadway Improvements or Fund Contribution	6	
7-D: Transportation Demand Management	5	
7-E: Connections to Adjacent Property	3	
7-F: Internal Connections	4	
7-G: EV Charging Station	4	
Total	31	15 Maximum

Criteria 7-A: Bicycle and Pedestrian Improvements

Standard: The project constructs pedestrian and bicyclist improvements beyond the minimum requirement.

Points: 1 point for every \$1,000 in improvements constructed per unit.

Total Available Points: 6

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points underwithin Criteria 7-A without constructing pedestrian and bicyclist improvements.

Scoring Instructions: Improvements may be on-site or off-site consistent with the City's Bikeways Master Plan. Points may be awarded only for the construction of improvements that exceed improvements normally required as a condition of approval for a subdivision map or other project permit. For example, the City would not typically award points for the installation of a bikeway along the property frontage identified as a future bikeway in the City's Bikeways Master Plan as the installation of this bikeway would be a typical condition for the approval of a proposed subdivision.

To be eligible for points, bicycle improvements must be consistent with the City of Morgan Hill Bikeways Master Plan. Types of bicycle improvements may include construction of bicycle paths, lanes, and routes; repair of existing facilities, installation of bicycle racks and lockers, and installation of way-finding signs. Types of pedestrian improvements may include installation of new sidewalks, enhanced street crossings, ADA-compliant curb ramps, mid-block crossings, traffic calming measures, and curb extensions.

Points may be awarded for creative or innovative amenities that support bicycling and walking, including but not limited to secure indoor bicycle storage for each unit, shared bicycle repair facilities, and car sharing facilities.

Criteria 7-B: Transit Improvements

Standard: The project constructs bus stop or other bus transit improvements beyond the minimum requirement

Points: 1 point for every \$1,000 in value of improvement per unit.

Total Available Points: 3

Scoring Instructions: Points may be awarded only for the construction of improvements that exceed improvements normally required as a condition of approval for a subdivision map or other project permit. For example, the City would not typically award points for the installation of a bus turnout along the property frontage if the City's General Plan or other policy documents identify the location as requiring the turnout. The requirement to install the turnout or other similar improvement would be a typical condition for the approval of a proposed subdivision to comply with and achieve consistency with the General Plan.

Types of improvements eligible for points include bus shelters, benches, reinforced street sections or bus pullout areas, information signs and displays, enhanced pedestrian access, security enhancements, and landscaping. These improvements must be located on an approved or planned Valley Transportation Agency (VTA) transit route and accepted by the VTA for maintenance. A letter from the VTA must be submitted confirming VTA's acceptance and maintenance of the proposed bus stop. For planned bus routes, the VTA letter shall provide confirmation of the future bus route extension. This standard may apply to a bus stop constructed in the initial or previous phase that would serve subsequent phases of the same development.

There is no geographic requirement for improvements - points may be awarded for improvements located outside of the project boundary or away from the immediate vicinity of the project.

Criteria 7-C: Off-Site Street and Parking Improvements or Fund Contribution

Standard: The project constructs and/or funds off-site street roadway improvements.

Points: 1 point for every \$1,000 in value of improvement per unit.

Total Available Points: 6

Scoring Instructions: To be eligible for points, a project must provide for the dedication and/or improvement of extensions to existing streets and/or shared parking lots outside of the project boundaries. Shared parking must be subject to an agreement between property owners to ensure the continued availability of shared parking. Projects which offer to complete adjacent or nearby off-site street or parking improvements which were committed to be installed by another ~~previously project~~ ~~under a previously~~ approved application will not receive points for the same commitment. To be eligible

for points improvements must be voluntary and not otherwise required by the City or any other public agency.

After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the ~~Public Works Director~~City Engineer determines that the in-lieu funds will allow for street and parking improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 7-D: Transportation Demand Management

Standard: The project incorporates transportation demand management (TDM) measures

Points: See Table 41.

TABLE 41: POINTS FOR TRANSPORTATION DEMAND MANAGEMENT MEASURES

Building Design Feature and Construction Method	Points
The project contributes to the City's transportation fund to be used to provide city-wide TDM programs	1 per \$1,000 contributed per unit, up to 2
<u>For rental projects, a TDM program will be maintained for the life of the project incorporating identified TDM measures</u>	<u>1</u>
For rental projects, the project establishes a TDM program that incorporates three or more TDM measures	1 to 3 <u>2</u>

Total Available Points: 5

Scoring Instructions: To be eligible for points, TDM measure must be in excess of those required as environmental mitigation and may not be used to receive point ~~under~~within other competition criteria. Rental projects may receive one point for committing to maintain a TDM program for the life of the project ~~and two points for that~~ incorporating three or more of the following TDM measures:

- Free transit passes for residents.
- Free car share membership for residents.
- On-site cargo bicycle available for residents' use.
- Operation of a dedicated shuttle service during the peak period to a rail station.
- Operation of a commute assistance center, offering on site, one stop shopping for transit and commute alternatives information.
- Installation of shared office facilities for the use of residents to facilitate telecommuting and home-based employment. high bandwidth connections in employees' homes to the Internet to facilitate home telecommuting.
- Other similar measures as approved by the Planning Commission.

Criteria 7-E: Connections to Adjacent Property

Standard: The project maximizes connections to adjacent property for vehicles, bicyclists, and pedestrians.

Points: See Table 42.

TABLE 42: POINTS FOR CONNECTIONS TO ADJACENT PROPERTY

Connection to Adjacent Property	Points
For projects abutting developed land, the project aligns and connects streets intersecting the project boundary with all adjoining streets.	1
For projects abutting undeveloped land, the project extends streets to the adjoining undeveloped land to provide access to undeveloped land in the event of its future development.	1
The project provides off-street bicycle and pedestrian connections to adjacent destinations , including <u>private or public</u> parks, open space, transit facilities, and commercial areas. Connections must be established and maintained through an easement, dedication or other similar method to guarantee it remains accessible to the general public. <u>This is intended to implement Policy No. P2-4 "Encourage public accessibility of new privately-owned and developed parks through the RDCS process" from the Bikeways, Trails, Parks and Recreation Master Plan, as well as GP Policy CNF-11.5 Outside Connections and Policy CNF-11.6 Open Space Connections.</u>	1

Total Available Points: 3

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points ~~under~~within Criteria 7-E.

Criteria 7-F: Internal Connections

Standard: The project maximizes internal connections within the project with minimal physical barriers that provide continuous, safe, and convenient travel for vehicles, bicyclists, and pedestrians.

Points: See Table 43.

TABLE 43: POINTS FOR INTERNAL CONNECTIONS

Internal Connection	Points
The project incorporates <u>two or more design elements of "fully-compliant complete streets"</u> that meet the needs of multiple users, including motorists, bicyclists, pedestrians, transit users, and persons of different physical capabilities.	1

The project incorporates enhanced bicycle and pedestrian improvements such as bicycle storage facilities, traffic calming measures, intersection crossings, and wayfinding signage. <u>One improvement is required for one point.</u>	1
The project provides direct pedestrian connections <u>with minimal physical barriers</u> from units <u>all units</u> to common open space, recreational facilities, and other project amenities.	1
The project incorporates neighborhood traffic management techniques, such as traffic circles, narrow lanes, and bulbouts, to control vehicle speeds and increase the safety of bicycle and pedestrian travel.	1

Total Available Points: 4

Small and Micro Projects: Projects with up to 15 units, including custom lot projects, shall automatically receive 4 points under within Criteria 7-F.

Scoring Instructions: Complete Streets is a transportation policy and design approach, adopted as one of the transportation goals in the City's 2035 General Plan, that requires streets to be planned, designed, operated, and maintained to enable safe, convenient and comfortable travel and access for users of all ages and abilities regardless of their mode of transportation. Complete Streets allow for safe travel by those walking, cycling, driving automobiles, riding public transportation, or delivering goods.

The specific design elements of Complete Streets vary, based on context and project goals, but they may include the following, as approved by the City Engineer:

- a. Pedestrian infrastructure such as sidewalks; traditional and raised crosswalks; median crossing islands; Americans with Disabilities Act of 1990 compliant facilities including audible cues for people with low vision, pushbuttons reachable by people in wheelchairs, and curb cuts; and curb extensions.
- b. Traffic calming measures to lower speeds of automobiles and define the edges of automobile travel lanes, including a road diet, center medians, shorter curb corner radii, elimination of free-flow right-turn lanes, angled and face-out parking.
- c. Bicycle accommodations, such as protected or dedicated bicycle lanes, neighborhood greenways, wide paved shoulders, and bicycle parking.
- d. Public transit accommodations, such as bus pullouts, transit signal priority, bus shelters, and dedicated bus lanes.
- e. Green Streets, the natural systems approach (incorporates vegetation and/or permeable pavements) to enhance pedestrian safety, reduce stormwater flow and improve water quality. Green Streets are designed to capture rainwater at its source.

Criteria 7-G: Electric Vehicle Charging Stations

Standard: The project provides electric vehicle charging stations beyond minimum requirements.

Points: 1 point per charging station.

Maximum Points: 4

Scoring Instructions. Charging stations shall be ~~publicly~~ available for use by all project residents and visitors. Charging stations are not required to be available to the general public. The developer shall install all connections and equipment necessary for the charging stations to be ready to use by residents and visitors upon project completion. Technical specifications for charging stations and related improvements shall be as required by the Building Official upon time of installation.

8. MUNICIPAL INFRASTRUCTURE

Intent: Encourage the efficient use of public infrastructure and services.

Points Available: See Table 44.

TABLE 44: MUNICIPAL INFRASTRUCTURE POINTS AVAILABLE

Criteria	Points Available	
8-A: Water Infrastructure	3	
8-B: Wastewater Infrastructure	3	
8-C: Storm Water Infrastructure	3	
8-D: Infrastructure and Services Fund Contribution	3	
8-E: Broadband Connectivity	6	
Total	18	10 Maximum

Criteria 8-A: Water Infrastructure

Standard: The project constructs off-site water infrastructure improvements beyond minimum requirements.

Points: 1 point for every \$1,000 in improvements constructed per unit

Total Available Points: 3

Scoring Instructions: Off-site water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the ~~Public Works Director~~City Engineer, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the ~~Public Works Director~~City Engineer determines that the in-lieu funds will allow for water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-B: Wastewater Infrastructure

Standard: The project constructs off-site wastewater infrastructure improvements beyond minimum requirements.

Points: See Table 45.

TABLE 45: POINTS AVAILABLE FOR WASTEWATER INFRASTRUCTURE

Standard	Points
The project provides off-site extensions or replacement of wastewater collection pipes and lift stations beyond minimum requirements.	1 point for every \$1,000 in improvements constructed per unit

Total Available Points: 3

Scoring Instructions: Off-site waste water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the ~~Public Works Director~~City Engineer, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the ~~Public Works Director~~City Engineer determines that the in-lieu funds will allow for waste water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-C: Storm Water Infrastructure

Standard: The project utilizes low impact development (LID) techniques and/or constructs storm water improvements beyond minimum requirements.

Points: See Table 46.

TABLE 46: POINTS AVAILABLE FOR STORM WATER INFRASTRUCTURE

Standard	Points
The project reduces the volume of off-site storm water flows beyond minimum requirements using low impact development (LID) techniques.	2 points
The project provides off-site stormwater infrastructure improvements beyond minimum requirements.	1 point for \$1,000 in improvements constructed

Total Available Points: 3

Scoring Instructions: Low-Impact Development (LID) is a stormwater management approach that manages rainfall on the site through landscape features that infiltrate, filter, store, evaporate and detain stormwater at the source. LID techniques integrate green space, native landscaping, natural hydrologic functions, and other techniques to generate less runoff from developed land. City LID requirements can be found in the City's Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements (2015). The applicant is required to demonstrate that the LID techniques specifically proposed will result in water quality and flood control benefits to the project site and community. Projects shall show the location and preliminary dimensions/outline of the stormwater facility in their RDCS plan submittal. A stormwater note will not be acceptable.

Off-site storm water infrastructure improvements must be consistent with the City's Infrastructure Master Plan, approved by the ~~Public Works Director~~City Engineer, and constructed consistent with the City's standard specification for water infrastructure improvements. After a project receives entitlements and before the completion of construction, the City may allow the applicant to contribute in-lieu funds equal to the value of the improvements for which points were awarded. The City may allow the contribution of in-lieu funds only if the ~~Public Works Director~~City Engineer determines that the in-lieu funds will allow for storm water infrastructure improvements with a greater community benefits than could be provided by the construction of improvements by the project developer.

Criteria 8-D: Infrastructure and Services Fund Contribution

Standard: The project contributes water, sewer, storm drain funds greater than the minimum required.

Points: 1 point for every \$1,000 contributed.

Total Available Points: 3

Criteria 8-E: Broadband Connectivity

Standard: The project provides advanced broadband connectivity.

Points: See Table 47.

TABLE 47: POINTS AVAILABLE FOR COMMUNICATION TECHNOLOGY

Standard	Points
The project installs broadband conduit in the public right-of way.	2
The project installs broadband conduit from the public right-of-way to each home or occupied building in the project.	1
The project pre-installs indoor conduit, wiring and other necessary infrastructure so that broadband service may be provided to each unit.	1
The project provides primary broadband service to each unit from a competitive telecommunications company (i.e., a company other than Frontier or Charter)	6

Total Available Points: 6

Scoring Instructions: Broadband means telecommunications service capable of supporting digital data transmission at minimum download speeds of 25 Mbps. To be eligible for points, projects must install conduit each with at least two pull cables and of sufficient size and quality to accommodate multiple future broadband providers in all the public right-of ways fronting the project site. At least one conduit shall remain empty and reserved for use by a potential future broadband service provider. Points for providing broadband service from a competitive telecommunications company may not be combined with points for installing conduit pathways within the right-of way, from the right-of-way to buildings, and within buildings.

The RDCS submittal shall provide a schematic location of the broadband conduit. A note demonstrating broadband compliance will not be acceptable.

9. PROJECT QUALITY

Intent: Encourage exceptional project design at the neighborhood, site, and building scale.

Points Available: See Table 48.

TABLE 48: PROJECT QUALITY POINTS AVAILABLE

Criteria	Points Available	
9-A: Exterior Building Design	13 15	
9-B: Building Placement and Massing	15	
9-C: Site Improvements	7	
9-D: Vehicle Parking and Access	13	
9-E: Public Art	3	
9-F: Smart Homes	4	
9-G: Project Excellence	3	
Total	58 60	35 Maximum*

*The maximum score for Criteria 9-A through 9-F is 32. The Planning Commission may award an additional 3 points for Criteria 9-G for a total maximum score of 35.

Criteria 9-A: Exterior Building Design

Standard: Exterior architectural elements support walkable and attractive neighborhoods.

Points: See Table 49.

TABLE 49: POINTS FOR EXTERIOR BUILDING DESIGN

Building Design Features	Points
1. Front Porches. A minimum of 50 percent of homes facing a street or common interior courtyard include a front porch. Porches must be part of the home's primary entrance, connected to the front yard or common interior courtyard, a minimum of 6 feet by 5 feet, and in full view of the street or common interior courtyard. Multi-family projects may earn points if 50 percent of ground floor units with exterior entrances include a porch.	1 (attached) 3 (detached)
2. Balconies Facing Street or Courtyard. A minimum of 25 percent of homes facing a street or common interior courtyard include a balcony overlooking a public	1

space. Balconies must provide usable private outdoor space for residents, be in full view of a street or common interior courtyard, and face away from neighbors' yards to maintain privacy. Multi-family projects may earn points if 25 percent of upper floor units facing a street or common interior courtyard include a balcony.	
3. Balconies Facing Alleys. A minimum of 25 percent of homes abutting a shared alley include a balcony overlooking the alley, parking area, or drive aisle. Multi-family projects may earn points if 25 percent of upper floor units facing an alley, parking area, or drive aisle include a balcony.	1
4. Façade Articulation and Finishes – Front building facades feature quality façade articulation and finishes to break up blank, flat walls and provide visual interest. Example façade articulation include but are not limited to windows, shutters, awnings, balconies, bay windows, and stone enhancements.	1 (attached) 3 (detached)
5. 360-degree Architecture. The project features full and consistent articulation and design detail on all building facades.	1 (attached) 3 (detached)
6. Corner Treatments. For projects where the side or rear of a home faces a street or common courtyard street, the project incorporates enhanced treatments of these side and rear facades to support a welcoming and visually interesting public realm.	1
7. Colors and Materials. The project incorporates a mix of exterior finish materials and colors that is compatible with the architecture of the homes and enhances visual interest.	1 (attached) 3 (detached)
8. Multi-family Ground Level Entrances. For multi-family residences, the project provides as many private, exterior ground-level entries to individual units as possible.	1
9. Individual Residences – Attached Projects. Large buildings are architecturally subdivided so that they appear as individual residences or small groups of units. Buildings incorporate features such as window bays, balconies, porches and entrance vestibules, varied color schemes, and individual roof volumes to define individual units.	4
10. Residential-Scale Design Elements – Attached Projects. Buildings incorporate design details, including but not limited to porches, projections, eaves, bay windows, and other similar architectural elements, that provide residential scale and help to break up the building mass.	1

Total Available Points: 13 (attached); 15 (detached)

Criteria 9-B: Building Placement and Massing

Standard: The placement of buildings on lots, orientation of units to the street, and configuration of building height and volume supports a high-quality design environment.

Points: See Table 50.

TABLE 50: POINTS FOR BUILDING PLACEMENT AND MASSING

Building Placement and Massing Features	Points
1. Entrance Orientation – Collector and Residential Streets. The primary entrance of homes face streets along the project perimeter for projects: - Fronting an existing residential or collector street; or - Located Downtown or in the Monterey Road corridor.	2
2. Entrance Orientation – Single-Family Detached Projects/Arterial Streets. The primary entrances of detached single-family homes outside of Downtown or the Monterey Road corridor do not face an arterial street. Project perimeters along arterial streets feature landscaping, fences, walls, and other improvements that create visual interest and support a pedestrian-friendly environment.	2
3. Variation in Building Height. The project incorporates variation in building heights to minimize monotony and enhance visual interest.	2
4. Variation in Building Placement. The project incorporates variation in building front setbacks and placement on lots to minimize monotony and enhance visual interest.	2
5. Roof Line Variation. Variation in roof lines through changes in roof height and form break of building massing and create visual interest.	2
6. Upper Floor Set Back – Detached Homes. A minimum of 50 percent of detached single-family homes feature second stories stepped back a minimum of 10 feet from the street-facing ground floor building wall.	2
7. Upper Floor Set Back – Attached Homes. Upper floors of attached housing types facing a street are stepped back a minimum of 10 feet from the street-lower floor building wall.	1
8. Height and Project Edge – Attached Projects. The project minimizes building heights along the project edge and locates larger buildings towards the interior of the site.	1

9. Separate Structures – Attached Projects. Large projects divide units into multiple separate structures. Maximum number of units per structure is as follows: - Attached single-family (townhomes): 5 units maximum per structure - Multi-family: 10 units maximum per structure	4
10. Adjacent Building Types– Attached Projects. The project matches building types along project edge with adjacent land that is developed to its ultimate potential use according to the General Plan or applicable zoning. For example, the project locates detached single-family homes along the project perimeter when facing existing detached single-family homes in an area zoned for detached single-family homes.	1

Total Available Points: 12 (detached); 15 (attached)

Criteria 9-C: Site Improvements

Standard: Landscaping and other site improvements contribute to a high-quality design environment.

Points: See Table 51.

TABLE 51: POINTS FOR SITE IMPROVEMENTS

Site Improvements	Points
1. Landscaping – Parkway Design. The project provides a landscape parkway along the street 50 percent wider than the minimum required for the street type. Street trees and pedestrian-scale lighting within or adjacent to the parkway exceed minimum requirements and help create a distinctive and memorable design environment. For private streets with no minimum parkway standard, projects may receive points for exceed the width of an equivalent public street standard.	2
2. Landscaping – Visual Relief. Landscaping is placed and designed to minimize the appearance of building bulk and mass and to emphasize building features that create visual interest and support a pedestrian-friendly environment.	1
3. Exterior Lighting. Exterior lighting fixtures are architecturally integrated with the primary building's design, style, material, and colors.	1
4. Entrance Pathways. The project provides a direct pathway connection from a public sidewalk to the primary entrance of each unit or building adjacent to the sidewalk. For buildings and units oriented towards interior common open space, points may be awarded if direct pathway connection is provided from the open space to each unit or building facing the open space.	1
5. Public/Private Transitions. The project includes transition zones between private and public spaces along the street frontage through the use of landscaping, fences, trellises, walls, or a change in floor elevation.	1

6. Mechanical Equipment. All mechanical equipment is screened from the public right-of-way and common areas enclosed with an architecturally compatible structure. Equipment closures are screened through landscaping.	1
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Total Available Points: 7

Criteria 9-D: Vehicle Parking and Access

Standard: The project minimizes visual impacts from on-site vehicle access and parking facilities.

Points: See Table 52.

TABLE 52: POINTS FOR VEHICLE PARKING AND ACCESS

Vehicle Parking and Access Features	Points
1. Garage Door Orientation. Garage doors do not face the front street. All g Garages are configured on the site such that garage doors face either the side or rear of the property, <u>or sufficient screening by buildings or landscaping is provided to avoid a direct line of sight to garage doors from public spaces.</u>	3

2. Garage Door Design – Minimizing Visual Dominance. For garage doors that face the front street, garage doors and entrances are designed to be visually subservient to other building elements through methods such as increasing garage door setbacks, incorporating greenery within the driveway, and other methods.	1	Total
3. Garage Door Design - Detailing. Garage doors feature enhanced windows or architectural detailing consistent with the main dwelling.	1	
4. Garage Configuration. No more than 50 percent of single-family homes feature an identical garage configuration. Garage configuration may include front loaded attached, front loaded detached, side loaded, and rear loaded garages.	1	
5. Parking – Attached Projects. The project locates parking lots serving attached residential units at the rear or side of the site to allow a majority of dwelling units to front on the street or an internal courtyard. Parking is not located between a building and any public sidewalk or street.	1	
6. Screening. Parking visible from a public street is screened with fences, walls, and/or landscaping to the greatest extent possible.	1	
7. Landscaping – Attached Projects. The project incorporates landscaping to soften the appearance of off-street parking areas and private drive aisles in attached single family and multi-family projects	1	
8. Setback Areas. For detached single-family projects, paved areas and hard surface for vehicle access and parking occupies not more than 50 percent of the front and street-side setback area.	1	
9. Pavement Design. Areas for vehicle parking and circulation feature enhanced paving finishes such as stone, brick, and colored and textured concrete that complement the architectural style of buildings.	2	
10. Clustered Units. Parking for clustered single-family units use a shared driveway that minimizes the amount of overall hardscape and maximizes the amount of landscaping to screen driveway.	1	

Available Points: 13

Criteria 9-E: Public Art

Standard: The project incorporates public art to create a livable and visually stimulating environment.

Points: 1 point for every \$1,000 in artwork cost per unit.

Total Available Points: 3

Scoring Instructions: Public art means privately funded, constructed, and maintained artwork located on private property, but which also provides a public benefit, or on public property pursuant to City approval. The public art must be located in areas on the site clearly visible from the public street or sidewalk or in publicly accessible outdoor areas. Public art must be displayed in a manner that will enhance its enjoyment by the general public.

Artwork costs include all costs associated with the selection, acquisition, purchase, commissioning, design, fabrication, placement, installation, or exhibition of the public art. Public art may include sculpture, murals, photography and original works of graphic art, earthworks, fiber works, waterworks, neon, glass, mosaics, or any combination of forms of media, furnishing or fixtures permanently affixed to the building or its grounds, and may include architectural features of the building or elements of landscape design. The creator of public art shall be a practitioner in the visual arts who is not a member of the project engineering, architecture or landscape architecture firm.

Criteria 9-F: Smart Homes

Standard: The project accommodates or provides home automation devices that are connected to and controlled through a digital network.

Points: See Table 53.

TABLE 53: POINTS AVAILABLE FOR SMART HOMES

Standard	Points
The project installs home automation devices within units.	1 per \$1,000 in device value per unit
The project installs home automation devices within units that reduce energy consumptions, such as devices that automatically adjust lighting, heating, and air conditioning.	1 per \$1,000 in device value per unit

Total Available Points: 4

Scoring Instructions: A home automation device means a household device, appliance, or fixture that is connected to a digital network and controlled remotely by the resident. Example home automation devices include, but are not limited to major homes appliances (refrigerators, freezers, ovens washers/dryers), heaters and air conditions, thermostats, lighting systems, locks and home security, doorbells, and home theatre and entertainment systems.

Criteria 9-G: Project Excellence

Standard: The project incorporates exceptional features as determined by the Planning Commission.

Points: See Table 54

TABLE 54: POINTS AVAILABLE FOR PROJECT EXCELLENCE

Planning Commission Vote	Points
Majority	1
Super-Majority	2

Unanimous	3
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Total Available Points: 3

Scoring Instructions: Points may be awarded to projects that demonstrate exceptional consistency with policies underwithin Goal CNF-11 in the General Plan City and Neighborhood Form Element as determined by the Planning Commission. Points for Planning Commission votes (majority, super-majority, unanimous) are based on Planning Commissioners present. Super-majority means one vote more than a majority vote. When making its decision the Planning Commission will consider information provided by staff.

IV. RDCS IMPLEMENTATION POLICIES

A. Schedule for ~~2017-2018~~ Competition

All of the following dates, excluding the RDCS application submittal deadline, are tentative and subject to adjustment.

~~March 14~~June 26 Planning Commission Evaluation and Recommendation of Available Allotments (18.78.110B)

~~April 19~~July 18 City Council Determination on Possible Reduction to Available Allotments (18.78.110B)

~~September 4~~August 27 Pre-Competition Orientation (18.78.120A)

~~November 3~~September 10 Pre-Application Review (18.78.130)

~~December 5~~October 12 Pre-Application Review Letter (18.78.130F)

January 4~~December 19~~ Applicant Response to Pre-Application Review Letter (18.78.130G)

January 4 RDCS Application Submittal Deadline (18.78.120C)

January ~~18-21~~ General Plan and Zoning Consistency Determination (18.78.120D)

February 5 Deadline to file General Plan and Zoning Consistency Appeal to City Council

February ~~2022~~ Staff Scoring of Applications/Recommendation to Planning Commission (18.78.120E)

~~February 28~~March 6 Appeals of General Plan and Zoning Consistency Heard by City Council

March ~~6~~12 Planning Commission Hearing - Project Scores (18.78.120F)

~~March 24~~April 10 Deadline to File Scoring Appeal to City Council

~~April 25~~May 1 Scoring Appeal Heard by City Council

~~April 30~~May 22 Staff Recommendation - Award of Allotments (18.78.120G)

May ~~22~~28 Planning Commission Hearing - Award of Allotments (18.78.120H)

June ~~6~~12 Deadline to File Allotment Appeal to City Council

~~June 27~~July 17 Allotment Appeal Heard by City Council

* All decisions of the Planning Commission may be appealed to the City Council (18.78.120J)

B. Exemptions

The following types of residential projects may be developed without first receiving any allotments:

1. One single-family home on a lot existing as of March 1, 2017;
2. Secondary dwelling units;
3. The conversion of an existing single-family home into a duplex provided that a new detached primary structure is not constructed on the lot or lots;
4. Assisted living/nursing homes (reference Zoning Ordinance for definition); and
5. The annexation of existing dwelling units outside of City limits into the City.

Projects may receive credit for legal residences that exist on the project site at the time of an RDCS application.

C. Application Submittal Requirements

See RDCS Process and Filing Requirements section on RDCS Process web page:

<http://www.morgan-hill.ca.gov/109/RDCS-Process>

The following additional submittal requirements shall also apply:

- When evaluating and scoring applications, the City may not consider any additional information submitted by the applicant after the application filing date. However, staff may request and consider additional information (calculations, tables, graphics, etc.) to clarify the applicant's submittal.
- For projects requesting points for an activity on property not owned by the applicant or developer, the applicant must submit a written approval from the property owner consenting to the activity.
- For projects requesting points to provide access to public parks and open space areas outside the project boundary, the applicant must submit written approval from the agency in control of the facilities to allow access between the project and the facilities.
- In cases of conflict between a written project narrative and plans, the narrative shall take precedent over plans.

D. General Plan and Zoning Consistency

After deeming an RDCS application complete, the Community Development Director or the Director's designee shall evaluate each application for consistency with the City's General Plan and Zoning Code and reject any applications which are found to be inconsistent with either the City's General Plan or Zoning Code. The Community Development Director's determination is appealable to the City Council. The City Council may direct the applicant to make modifications to the application and if these modifications bring the application into compliance with the General Plan and Zoning Code the application may continue to compete for allotments.

A proposal is consistent with the General Plan when:

1. The subject site's General Plan Land Use designation allows the proposed use at the proposed density; and
2. The proposal meets the overall intent of the Goals and Policies of applicable elements of the General Plan.

A proposal is consistent with the Zoning Code when the base Zoning District or PD Zoning for the site allows the proposed use; and the proposal meets the zoning regulations (e.g., setbacks) of the subject site's base Zoning District or PD Zoning, or the proposal only includes minor deviations from zoning regulations that, at the entitlement stage, could either be modified to be fully consistent with zoning regulations or the applicant would secure approval of a PD Zoning to establish modified development standards.

Minor deviation means an adjustment to the development standard in the project's base zoning district not to exceed the percentages in Table 55. For example, if a project is in a zoning district with a minimum front setback of 25 feet and proposes front setbacks of no less than 20 feet through PD Zoning, the project would be consistent with the Zoning Code. If a project in a zoning district with a maximum height of 30 feet proposed a height of 35 feet (more than a 10 percent deviation from the zoning district standard), the project would not be considered consistent with the Zoning Code. In this example, no structure within the project may have a height of more than 35 feet for the project in its entirety to be considered consistent with the Zoning Code.

TABLE 55: MAXIMUM DEVIATIONS FOR ZONING CONSISTENCY

Standard	Maximum Deviation
Setbacks, Front and Rear	20 percent decrease
Setbacks, Side	30 percent decrease
Lot Coverage and FAR	10 percent increase
On-site Parking (number of spaces)	10 percent decrease
Building Height	10 percent increase
Lot Size	15 percent decrease

Any proposed minor deviation(s) must be clearly identified with justification for the deviation(s) provided in writing as part of the required Pre-Application Review process, per Section 18.78.130 of the RDCS Ordinance. Proposed deviations shall not unreasonably affect abutting sites.

The Community Development Director may allow greater deviations from the percentages shown in Table 55 if the applicant can demonstrate that the greater deviation would produce a public benefit that cannot be provided without the greater deviation.

E. Competition Categories and Ongoing Projects

Each year the City Council may establish competition categories for certain types of projects. Projects within a competition category will compete for allotments only with other projects in the same competition category. For each competition category, the City Council shall identify the number of allotments available for projects competing within the competition category. Examples of competition categories may include, but are not limited to, projects within the Monterey Road Corridor, small projects (less than 15 units), senior housing, vertical mixed use, custom lots, and multi-family rental.

<u>20187 Competition for Fiscal Year 20192020/201</u>	
<u>Competition Category</u>	<u>Number of Allotments</u>
Affordable Housing	39 97 (20% of total allotments)
Micro Projects	XX
Small Projects	XX
Multi-family Rental	XX
Open/Market	XX
Senior Housing	XX
Monterey Corridor	XX
Custom Lots	XX
On-going Projects	40 59
Unassigned	78
Prior Multi-year Commitment	0
Total	195 215

Affordable Housing: The City Council shall ensure that an adequate number of allotments are available for affordable housing projects consistent with the City's Regional Housing Needs Allocation (RHNA) and adopted Housing Element.

Micro Projects: A Micro Project consists of a maximum of six (6) dwelling units on a site with an ultimate development potential of no more than six (6) units.

Small Projects: A Small Project consists of between seven (7) and 15 dwelling units on a site with an ultimate development potential of no more than 15 units.

Multi-family Rental: A Multi-family Rental project is a development of any size providing market rate rental housing.

Open/Market: The Open/Market category applies to housing of any type typically consisting of more than 15 units at build-out.

Senior Housing: Senior Housing projects are any market-rate housing type for persons 55 and older. For RDCS purposes Senior Housing must meet the following minimum requirements: 1) Must be 25 units or more; 2) Lot sizes shall not exceed an average 9,000 square feet (unless a single lot multi-family

development); 3) Must have an HOA to maintain all common amenities and front yard landscaping; 4) Seventy-five percent or more of the units must be single story in projects proposed in single-family zoning districts (or single level flats in multi-family zoning districts) with the exception of R-1 4,500 Zoning District where fifty percent or more shall be single story; 5) All 2-story units shall be designed and prewired for elevators or stair lifts; 6) All units within the project must meet visitability and adaptability standards. The Planning Commission has the discretion to waive or allow variation from the above definition for multifamily senior projects that are found to be in substantial conformance with the above definition.

Custom Lot: A Custom Lot is defined as a project which includes the opportunity for individuals to purchase lots. Custom lots shall be defined as follows: 1) Minimum lot size shall be based on the underlying zoning (no RE or large lot minimums); 2) The original developer can retain ownership of up to 50% of the lots with the balance made available for purchase by individual builders who wish to construct homes; 3) Of the "for sale lots", no more than 2 lots may be purchased by any one person; 4) Exterior elevations should vary throughout the project and floor plans may not be repeated, but can be reversed if elevation is varied.

On-going Projects: In addition to the competition categories, allotments may also be given to on-going projects. These are projects that were awarded building allotments in previous competitions, but were not fully allocated. Each on-going project can receive allotments without submitting a new application. See Section N below for additional details.

Prior Multi-Year Commitment: The number of allotments in a given competition year that were previously awarded to multi-year/phased projects.

F. Scoring

Scoring Errors: After the Planning Commission approval of final points no point adjustments are allowed.

Changes to Approved Projects/Substitution of Points/Criteria: Changes will be considered on a case-by-case basis with any changes resulting in the project receiving the same or higher score within each Objective and the change would maintain or improve the quality of the project and would result in the same or greater value to the City or its project's future residents. If project is refined, allow points to be made up in a different Objective only if it is not possible to make-up in Objective where loss of points occurred.

Substitution of Commitments within the same objective may be allowed in limited circumstances, with approval of the Community Development Director documented through an Administrative Amendment. No changes which would degrade the quality of the project, lower the value of commitments or lower the total point score in the RDCS evaluation, or would subject the Project to further environmental review pursuant to CEQA, shall be approved. In circumstances in which substitution within the same Objective is not possible, substitution may be allowed only by resolution of the Planning Commission.

Point Opportunities for Project Feature Under-Within Multiple Criteria. In most cases, a project feature or contribution may not earn a project points in more than one criteria. For example, a project that earns points for installing safe-routes-to-school pedestrian improvements underwithin Criteria 1-C (Student Transportation Improvements) may not also receive points for the same improvement underwithin Criteria 7-A (Bicycle and Pedestrian Improvements). However, there are cases where a project design

feature may allow a project to receive points from multiple criteria. For example, a project that incorporates accessory dwelling units may earn points in criteria 4-A (Accessory Dwelling Units) and 4-B (Diversity of Housing Types). Points may be awarded in multiple criteria for a single project feature only where expressly identified in Section III of this manual.

G. Multi-year Allotments

Section 18.78.140 Project Phasing allows the Planning Commission to distribute allotments awarded to a single project over multiple years to support a fair and efficient RDCS process by allowing high quality projects constructed over multiple years to compete one time for allotments.

The Planning Commission has discretion to determine which projects are eligible for multi-year allotments and may award multi-year allotments over a period of up to: 1) Three years for projects with less than 100 units; and 2) Five years for projects with 100 or more units. How well a project scores will be one factor Planning Commission will consider when awarding multi-year allotments.

The Planning Commission may award multi-year allotments to projects only upon finding that:

1. The multi-year allotments will support a steady rate of growth and help to avoid a sudden spike in construction of new housing;
2. The multi-year allotments will help the City to plan for adequate public services and infrastructure to accommodate new development;
3. The City will benefit from requiring the applicant to compete only once to receive allotments for all project phases; and
4. An adequate number of allotments will remain in future years to accommodate a range of housing types to meet Morgan Hill's housing needs.

The Planning Commission will strive to ensure that a sufficient number of allotments are available each year for non-multi-year allotted projects, in addition to affordable allotments, to allow for a yearly competition.

Multi-year projects are not eligible to compete for additional allotments within the years awarded.

H. ~~RDCS~~ Development Agreement

An Applicant must enter into a Development Agreement as stated within Chapter 18.78 (RDCS) of the Municipal Code ~~shall mean RDCS Agreement~~. A project's RDCS commitments and deadline to commence construction ~~under~~within the fiscal year building allotment shall be incorporated into the Development ~~an RDCS~~ Agreement approved by City Council ordinance. Future minor amendments, such as time extensions and allotment adjustments, shall be approved by Planning Commission resolution. Planning Commission decisions are appealable to the City Council.

I. Tentative Subdivision Map

The City will allow for the processing of tentative subdivision maps which exceed the number of allotments currently assigned to a development if the following criteria are met:

- The overall project must be consistent with the Zoning Code.

- The Tentative Map shall be non-vesting.
- The recordation of a Final Map will not be permitted until allotments are secured ~~under~~within the RDCS and a Development Agreement has been recorded.
The Tentative Map approval would expire after two years (or sooner as specified by the Planning Commission) and the Tentative Map approval period will not be automatically extended through the filing of a Final Map, but may be extended through separate application and approval by the Planning Commission.

J. Exercise of Allotments

Allotments must be exercised within 30 months of approval or by an alternative date specified in the RDCS Agreement. An allotment is considered exercised with the recordation of a Final Map, issuance of a grading permit, or the commencement of construction if no Final Map or grading permit is required.

A project shall be deemed to have physically commenced construction upon issuance of a building permit for the lot (or each building for multi-family/mixed-use projects) and completion of the following improvements: Installation of on-site and off-site improvements including grading and certification of the building pad by the Building Division and completion of one or more of the following: a) Excavation of the footings and foundations for the dwelling units; b) Installation of water or sewer laterals to the relevant units.

Issuance of a grading permit means the issuance of a Grading and On-Site Development Permit by the City's Building Division. The Grading and On-Site Development Permit may not be issued until the project secures all required Planning entitlements.

Allotments granted to a project ~~under~~within the previous RDCS (e.g., Measure C) may, with the approval of an amendment to the project's development agreement, change when the allotments are considered exercised pursuant to Section 18.78.160.A of the RDCS Ordinance (Measure S).

K. Early Start of Construction

An early start of construction date is possible as long as the units are not completed and occupied until after the start of the fiscal year in which the allotments must be used. The construction schedule incorporated into the project development schedule shall ensure that dwelling units are not completed before the start of the fiscal year in which the allotments must be used.

L. Extensions

For Projects that received allotments ~~under~~within the previous RDCS, but have not secured a Development Agreement, the Community Development Director may issue a (single) six (6) month extension based on current Measure S criteria.

Extension requests shall be submitted in writing to the Community Development Department a minimum of 60 days prior to the allotment expiration date and shall describe how the project meets the extension eligibility criteria listed below and in Section ~~17~~18.78.170F of the Zoning Code.

In addition to receiving an Administrative Extension and/or prior extensions ~~under~~within the previous RDCS, a project, for each allocation year, may receive no more than one (1) extension for a maximum one

additional year period for reasons due to delay by the City or public agency. On-going projects and projects that re-compete for allotments in future allocation years may receive subsequent extensions each allocation year subject to these same limitations.

Phased projects, including multi-year projects, may only receive one, one-year extension. For phased projects, the commencement date of successive phases may, at the discretion of the Planning Commission, be extended at the time of granting the one extension.

Eligibility Criteria

1. The Planning Commission may approve an extension only when the City or other public agency is responsible for a delay (evaluated on a case-by-case basis) in the issuance of permits or granting approvals required to exercise the allotments, or due to an earthquake, flood, fire, or other severe act of nature outside of the applicant's control. It is the applicant's responsibility to provide evidence that the request is consistent with this requirement. (Note: This may include governmental requirements related to soil contamination or archaeological finds)
2. The Planning Commission may not approve an extension for any reason other than in the above paragraph, including but not limited to difficulties obtaining financing, changes to the project not required by the City or other public agencies, applicant delays responding to requests from the City or other public agency, personal circumstances of the applicant, or changes in property ownership. (Note: Public financed affordable housing projects are exempt from this requirement.)

M. Transfer of Allotments

In order to expedite the completion of projects awarded allotments underwithin the RDCS, the transfer of fiscal year allotments between and within projects that meet the following criteria, may occur:

1. The receiving project has sufficient lead time to exercise the transferred allotment prior to the deadline.
2. The transfer must work as a trade between two developments or within a project.
3. The transfer may apply to partially allotted and fully allotted projects.
4. Both on-going and recently allotted first time projects may transfer allotments.

A transfer only changes the year the units may be built. A transfer does not alter in any way project commitments.

N. On-Going Allotments

Each on-going project can receive up to 15 allotments (up to 25 for projects that are transitioning from Measure C to Measure S) each year without submitting a new application. Projects are required to submit a letter by the RDCS Application filing date requesting on-going allotments. Projects that have previously competed and are partially allotted shall be considered on-going and may receive allotments from the on-going category. To be eligible to receive an allotment, the following criteria must be met:

1. A project has completed all planning entitlements (Tentative Map, Development Agreement, and Site Review).
2. A project is in compliance with their development schedule.
3. A project will pay additional fees for Development Agreement compliance related to the additional award and any fees for processing and administration of on-going allotments should they be established and required.
4. ~~Finally, for the unique 2017 RDCS competition, the three Measure C transitional projects, Laurel Tri Pointe, San Pedro Presidio Evergreen, and Toll Brothers (formerly Borello) will be entitled to receive a combined maximum of 59 allotments.~~

Projects that were awarded, but do not use on-going allotments will lose their eligibility to be considered on-going and must re-compete.

O. CEQA

An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the RDCS Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074). The City of Morgan Hill must conduct environmental analysis before a project is approved. Award of allotments is not considered approval of a project, but rather authorizes an applicant to apply for entitlements. Environmental analysis shall be completed and considered by the appropriate decision-making body prior to granting of any entitlements, including but not limited to a tentative subdivision map, design review, a Development Agreement, or a building or grading permit.

APPENDIX: RDCS ORDINANCE ([MORGAN HILL MUNICIPAL CODE CHAPTER 18.78](#))

15 Percent Affordable Public Benefit Commitment

This version assumes a 15 percent Inclusionary Housing Ordinance on all units (rental and ownership), pending City Council's action on an Inclusionary Ordinance. A project would receive points for providing the required 15 percent and points would be based on the level of affordability proposed. A project could also receive additional points by contributing to the City's Affordable Housing Fund.

An applicant has the option to pay, build or a combination of both.

Note: Currently the 8% affordable housing fee is \$12.92 per square foot. If the City's inclusionary requirement is increased to 15 percent, the City would increase the fee to create an equivalent situation where building or paying is similar. Keyser Marston (KMA) is currently doing a proforma to determine what the equivalent 15 percent fee would be.

3. AFFORDABLE HOUSING

Intent: Increase the supply of affordable housing in Morgan Hill in the extremely low income (0-30% Area Median Income), very low income (30-50% Area Median Income), and the moderate category (81-120% Area Median Income).

The City is in its 5th Regional Housing Needs Allocation (RHNA) Housing Element Cycle. The current Housing Element "cycle" is for Housing Element Planning Period: January 31, 2015 to January 31, 2023. The City's Housing Element is in compliance until January 31, 2023. Permits issued on or before December 31, 2022 will be included in this reporting period. The California Department of Housing and Community Development (HCD) publishes official State maximum income limits which are based on surveys of local area AMI. The commonly used income categories for households in Santa Clara County are subject to variations for household size and other factors.

"AMI" means Area Median Income for Santa Clara County as established by the U.S. Department of Housing and Urban Development (HUD)

Santa Clara County AMI: The 2018 Median Income for a family of four in Santa Clara County is \$125,200, adjusted by household size.

HCD Income Limits (Published April 26, 2018)

Source: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/inc2k18.pdf>.

# of Persons in the Household	1	2	3	4	5	6	7	8
Extremely Low	27,950	31,950	35,950	39,900	43,100	46,300	49,500	52,700
Very Low	46,550	53,200	59,850	66,500	71,850	77,150	82,500	87,800

Lower	66,150	75,600	85,050	94,450	102,050	109,600	117,150	124,700
Median	87,650	100,150	112,700	125,200	135,200	145,250	155,250	165,250
Moderate	105,200	120,200	135,250	150,250	162,250	174,300	186,300	198,350

Points Available: 64

TABLE 11: AFFORDABLE HOUSING POINTS AVAILABLE

Criteria	Points Available	
3-A: Affordable Housing Fund Contribution	30	
3-B: Development of Affordable Units	34	
Total	64	34 Maximum

Maximum Score: 34

Baseline Defined: Baseline shall be the City's required percentage of inclusionary housing specified within the Morgan Hill Municipal Code.

Criteria 3-A: Affordable Housing Fund Contribution

Standard: The project makes a voluntary contribution to the City's affordable housing fund.

Points: 30

TABLE 12: Points for Contribution to Affordable Housing Fund

Contribution to Affordable Housing Fund	Points
20% of baseline contribution	2
30% of baseline contribution	4
40% of baseline contribution	6
50% of baseline contribution	8
Baseline contribution	18
5% above baseline contribution	30

Total Available Points: 30

Scoring Instructions: Points shall be awarded consistent with the City of Morgan Hill's Inclusionary Housing Ordinance. A project may receive points for incorporating BMR units within the project and for contributing to the City's Affordable Housing Fund provided the total number of combined points awarded from both Criteria 3-A and 3-B does not exceed 34.

Criteria 3-B: Development of Affordable Units

Standard: The project incorporates below market rate (BMR) units within the project for a mixed income community in accordance with the City's Inclusionary Housing Ordinance.

Points: See Tables 13, 14, 15, and 16.

TABLE 13: Points for Development of Affordable Units, **Market Rate For-Sale Projects***

Percent of Total Project Units available at an affordable AMI level (to be included in State HCD annual report)			Points
Total	81% AMI (Moderate)	90% - 120% AMI (Moderate) (see scoring instructions)	
15%	6%	9%	20
15%	7%	8%	22
15%	8%	7%	26
15%	9%	6%	30
15%	10%	5%	34

Project Scoring Example: A proposed project contains 56 units. The project provides 15% of the total units within the project as affordable, 6% of the project at the 81% AMI moderate level, and 9% percent of the project at the 90%-120% moderate level for a total of 15%. The project would receive 20 points for providing 8.4 affordable units within the project.

TABLE 14: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, **100% AFFORDABLE FOR-SALE PROJECTS**

100% Affordable For-Sale Projects with various Moderate affordability levels within the project					Points
	81% AMI Moderate	90% AMI Moderate	100% AMI Moderate	120% AMI Moderate	
100% Affordable	25%	25%	25%	25%	26
100% Affordable	30%	24%	23%	23%	28
100% Affordable	35%	22%	22%	21%	32
100% Affordable	40%	20%	20%	20%	34

TABLE 15: Points for Development of **deed restricted Affordable Rental Units in Market Rate Projects***

	Percent of Total Project Units			Points
Total	30% AMI ELI	50% AMI VLI	81-120% AMI Moderate	
15%	3%	3%	9%	20

15%	4%	4%	7%	26
15%	5%	5%	5%	30
15%	6%	6%	3%	34

TABLE 16: POINTS FOR DEVELOPMENT OF AFFORDABLE UNITS, **100% AFFORDABLE RENTAL PROJECTS**

Total	Percent of Total Project Units			Points
	30% ELI AMI	50% VLI AMI	80% LI AMI	
100%	20%	45%	35%	22
100%	30%	40%	30%	26
100%	40%	35%	25%	30
100%	50%	30%	20%	34

Total Available Points: 34

Scoring Instructions: Points shall be awarded and monitored consistent with the City of Morgan Hill's Below Market Rate Housing Program policies and procedures. When a calculation produces a fraction of a unit less than one-half, the applicant shall pay the corresponding fraction of the standard housing fee. A fraction of one-half or greater requires one additional BMR unit. If a project receives the maximum 34 points for constructing BMR units and pays the corresponding fraction of the standard housing fee, the project does not receive additional points for the fractional housing fee. A project with 12 units or more receiving points for incorporating BMR units within the project may also receive points for contributing to the City's affordable housing fund from Criteria 3-A provided the total number of combined points awarded from both Criteria 3-A and 3-B does not exceed 34.

For market rate for-sale or rental projects (Tables 13 and 15) to be eligible for points, BMR units must comply with the City Council approved BMR unit policies.

* The City is in the process of preparing a 2018 Inclusionary Housing Ordinance. The points available in Tables 15 and 17 describe how the 15% affordability public benefit commitment will be distributed within the project, pending City Council approval of the ordinance.

If a 15% inclusionary ordinance is approved, the entire project would have a 15% affordability public benefit commitment.

Understanding Accessory Dwelling Units and Their Importance



Courtesy of Karen Chapple, UC Berkeley

California's housing production is not keeping pace with demand. In the last decade less than half of the needed housing was built. This lack of housing is impacting affordability with average housing costs in California exceeding the rest of the nation. As affordability becomes more problematic, people drive longer distances between a home that is affordable and where they work, or double up to share space, both of which reduces quality of life and produces negative environmental impacts.

Beyond traditional market-rate construction and government subsidized production and preservation there are alternative housing models and emerging trends that can contribute to addressing home supply and affordability in California.

One such example gaining popularity are Accessory Dwelling Units (ADUs) (also referred to as second units, in-law units, or granny flats).

What is an ADU

An ADU is a secondary dwelling unit with complete independent living facilities for one or more persons and generally takes three forms:

- *Detached*: The unit is separated from the primary structure
- *Attached*: The unit is attached to the primary structure
- *Repurposed Existing Space*: Space (e.g., master bedroom) within the primary residence is converted into an independent living unit
- *Junior Accessory Dwelling Units*: Similar to repurposed space with various streamlining measures

ADUs offer benefits that address common development barriers such as affordability and environmental quality. ADUs are an affordable type of home to construct in California because they do not require paying for land, major new infrastructure, structured parking, or elevators. ADUs are built with cost-effective one- or two-story wood frame construction, which is significantly less costly than homes in new multifamily infill buildings. ADUs can provide as much living space as the new apartments and condominiums being built in new infill buildings and serve very well for couples, small families, friends, young people, and seniors.

ADUs are a different form of housing that can help California meet its diverse housing needs. Young professionals and students desire to live in areas close to jobs, amenities, and schools. The problem with high-opportunity areas is that space is limited. There is a shortage of affordable units and the units that are available can be out of reach for many people. To address the needs of individuals or small families seeking living quarters in high opportunity areas, homeowners can construct an ADU on their lot or convert an underutilized part of their home like a garage

into a junior ADU. This flexibility benefits not just people renting the space, but the homeowner as well, who can receive an extra monthly rent income.

ADUs give homeowners the flexibility to share independent living areas with family members and others, allowing seniors to age in place as they require more care and helping extended families to be near one another while maintaining privacy.

Relaxed regulations and the cost to build an ADU make it a very feasible affordable housing option. A UC Berkeley study noted that one unit of affordable housing in the Bay Area costs about \$500,000 to develop whereas an ADU can range anywhere up to \$200,000 on the expensive end in high housing cost areas.

ADUs are a critical form of infill-development that can be affordable and offer important housing choices within existing neighborhoods. ADUs are a powerful type of housing unit because they allow for different uses, and serve different populations ranging from students and young professionals to young families, people with disabilities and senior citizens. By design, ADUs are more affordable and can provide additional income to homeowners. Local governments can encourage the development of ADUs and improve access to jobs, education and services for many Californians.

Frequently Asked Questions: Accessory Dwelling Units

Should an Ordinance Encourage the Development of ADUs?

Yes, ADU law and recent changes intend to address barriers, streamline approval and expand potential capacity for ADUs recognizing their unique importance in addressing California's housing needs. The preparation, adoption, amendment and implementation of local ADU ordinances must be carried out consistent with Government Code Section 65852.150:

(a) The Legislature finds and declares all of the following:

- (1) Accessory dwelling units are a valuable form of housing in California.*
 - (2) Accessory dwelling units provide housing for family members, students, the elderly, in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods.*
 - (3) Homeowners who create accessory dwelling units benefit from added income, and an increased sense of security.*
 - (4) Allowing accessory dwelling units in single-family or multifamily residential zones provides additional rental housing stock in California.*
 - (5) California faces a severe housing crisis.*
 - (6) The state is falling far short of meeting current and future housing demand with serious consequences for the state's economy, our ability to build green infill consistent with state greenhouse gas reduction goals, and the well-being of our citizens, particularly lower and middle-income earners.*
 - (7) Accessory dwelling units offer lower cost housing to meet the needs of existing and future residents within existing neighborhoods, while respecting architectural character.*
 - (8) Accessory dwelling units are, therefore, an essential component of California's housing supply.*
- (b) It is the intent of the Legislature that an accessory dwelling unit ordinance adopted by a local agency has the effect of providing for the creation of accessory dwelling units and that provisions in this ordinance relating to matters including unit size, parking, fees, and other requirements, are not so arbitrary, excessive, or burdensome so as to unreasonably restrict the ability of homeowners to create accessory dwelling units in zones in which they are authorized by local ordinance.*

Are Existing Ordinances Null and Void?



Courtesy of Karen Chapple, UC Berkeley

Yes, any local ordinance adopted prior to January 1, 2017 that is not in compliance with the changes to ADU law will be null and void. Until an ordinance is adopted, local governments must apply “state standards” (See Attachment 4 for State Standards checklist). In the absence of a local ordinance complying with ADU law, local review must be limited to “state standards” and cannot include additional requirements such as those in an existing ordinance.

Are Local Governments Required to Adopt an Ordinance?

No, a local government **is not required** to adopt an ordinance. ADUs built within a jurisdiction that lacks a local ordinance must comply with state standards (See Attachment 4). Adopting an ordinance can occur through different forms such as a new ordinance, amendment to an existing ordinance, separate section or special regulations within the zoning code or integrated into the zoning code by district. However, the ordinance should be established legislatively through a public process and meeting and not through internal administrative actions such as memos or zoning interpretations.

Can a Local Government Preclude ADUs?

No local government cannot preclude ADUs.

Can a Local Government Apply Development Standards and Designate Areas?

Yes, local governments may apply development standards and may designate where ADUs are permitted (GC Sections 65852.2(a)(1)(A) and (B)). However, ADUs within existing structures must be allowed in all single family residential zones.

For ADUs that require an addition or a new accessory structure, development standards such as parking, height, lot coverage, lot size and maximum unit size can be established with certain limitations. ADUs can be avoided or allowed through an ancillary and separate discretionary process in areas with health and safety risks such as high fire hazard areas. However, standards and allowable areas must not be designed or applied in a manner that burdens the development of ADUs and should maximize the potential for ADU development. Designating areas where ADUs are allowed should be approached primarily on health and safety issues including water, sewer, traffic flow and public safety. Utilizing approaches such as restrictive overlays, limiting ADUs to larger lot sizes, burdensome lot coverage and setbacks and particularly concentration or distance requirements (e.g., no less than 500 feet between ADUs) may unreasonably restrict the ability of the homeowners to create ADUs, contrary to the intent of the Legislature.

Requiring large minimum lot sizes and not allowing smaller lot sizes for ADUs can severely restrict their potential development. For example, large minimum lot sizes for ADUs may constrict capacity throughout most of the community. Minimum lot sizes cannot be applied to ADUs within existing structures and could be considered relative to health and safety concerns such as areas on septic systems. While larger lot sizes might be targeted for various reasons such as ease of compatibility, many tools are available (e.g., maximum unit size, maximum lot coverage, minimum setbacks, architectural and landscape requirements) that allows ADUs to fit well within the built environment.

Can a Local Government Adopt Less Restrictive Requirements?

Yes, ADU law is a minimum requirement and its purpose is to encourage the development of ADUs. Local governments can take a variety of actions beyond the statute that promote ADUs such as reductions in fees, less restrictive parking or unit sizes or amending general plan policies.

Santa Cruz has confronted a shortage of housing for many years, considering its growth in population from incoming students at UC Santa Cruz and its proximity to Silicon Valley. The city promoted the development of ADUs as critical infill-housing opportunity through various strategies such as creating a manual to promote ADUs. The manual showcases prototypes of ADUs and outlines city zoning laws and requirements to make it more convenient for homeowners to get information. The City found that homeowners will take time to develop an ADU only if information is easy to find, the process is simple, and there is sufficient guidance on what options they have in regards to design and planning.

The city set the minimum lot size requirement at 4,500 sq. ft. to develop an ADU in order to encourage more homes to build an ADU. This allowed for a majority of single-family homes in Santa Cruz to develop an ADU. For more information, see <http://www.cityofsantacruz.com/departments/planning-and-community-development/programs/accessory-dwelling-unit-development-program>.

Can Local Governments Establish Minimum and Maximum Unit Sizes?

Yes, a local government may establish minimum and maximum unit sizes (GC Section 65852.2(c)). However, like all development standards (e.g., height, lot coverage, lot size), unit sizes should not burden the development of ADUs. For example, setting a minimum unit size that substantially increases costs or a maximum unit size that unreasonably restricts opportunities would be inconsistent with the intent of the statute. Typical maximum unit sizes range from 800 square feet to 1,200 square feet. Minimum unit size must at least allow for an efficiency unit as defined in Health and Safety Code Section 17958.1.

ADU law requires local government approval if meeting various requirements (GC Section 65852.2(a)(1)(D)), including unit size requirements. Specifically, attached ADUs shall not exceed 50 percent of the existing living area or 1,200 square feet and detached ADUs shall not exceed 1,200 square feet. A local government may choose a maximum unit size less than 1,200 square feet as long as the requirement is not burdensome on the creation of ADUs.

Can ADUs Exceed General Plan and Zoning Densities?

An ADU is an accessory use for the purposes of calculating allowable density under the general plan and zoning. For example, if a zoning district allows one unit per 7,500 square feet, then an ADU would not be counted as an additional unit. Minimum lot sizes must not be doubled (e.g., 15,000 square feet) to account for an ADU. Further, local governments could elect to allow more than one ADU on a lot.

New developments can increase the total number of affordable units in their project plans by integrating ADUs. Aside from increasing the total number of affordable units, integrating ADUs also promotes housing choices within a development. One such example is the Cannery project in Davis, CA. The Cannery project includes 547 residential units with up to 60 integrated ADUs. ADUs within the Cannery blend in with surrounding architecture, maintaining compatibility with neighborhoods and enhancing community character. ADUs are constructed at the same time as the primary single-family unit to ensure the affordable rental unit is available in the housing supply concurrent with the availability of market rate housing.

How Are Fees Charged to ADUs?

All impact fees, including water, sewer, park and traffic fees must be charged in accordance with the Fee Mitigation Act, which requires fees to be proportional to the actual impact (e.g., significantly less than a single family home).

Fees on ADUs, must proportionately account for impact on services based on the size of the ADU or number of plumbing fixtures. For example, a 700 square foot new ADU with one bathroom that results in less landscaping should be charged much less than a 2,000 square foot home with three bathrooms and an entirely new landscaped parcel which must be irrigated. Fees for ADUs should be significantly less and should account for a lesser impact such as lower sewer or traffic impacts.

What Utility Fee Requirements Apply to ADUs?

Cities and counties cannot consider ADUs as new residential uses when calculating connection fees and capacity charges.

Where ADUs are being created within an existing structure (primary or accessory), the city or county cannot require a new or separate utility connections for the ADU and cannot charge any connection fee or capacity charge.

For other ADUs, a local agency may require separate utility connections between the primary dwelling and the ADU, but any connection fee or capacity charge must be proportionate to the impact of the ADU based on either its size or the number of plumbing fixtures.

What Utility Fee Requirements Apply to Non-City and County Service Districts?

All local agencies must charge impact fees in accordance with the Mitigation Fee Act (commencing with Government Code Section 66000), including in particular Section 66013, which requires the connection fees and capacity charges to be proportionate to the burden posed by the ADU. Special districts and non-city and county service districts must account for the lesser impact related to an ADU and should base fees on unit size or number of plumbing fixtures. Providers should consider a proportionate or sliding scale fee structures that address the smaller size and lesser impact of ADUs (e.g., fees per square foot or fees per fixture). Fee waivers or deferrals could be considered to better promote the development of ADUs.

Do Utility Fee Requirements Apply to ADUs within Existing Space?

No, where ADUs are being created within an existing structure (primary or accessory), new or separate utility connections and fees (connection and capacity) must not be required.

Does “Public Transit” Include within One-half Mile of a Bus Stop and Train Station?

Yes, “public transit” may include a bus stop, train station and paratransit if appropriate for the applicant. “Public transit” includes areas where transit is available and can be considered regardless of tighter headways (e.g., 15 minute intervals). Local governments could consider a broader definition of “public transit” such as distance to a bus route.

Can Parking Be Required Where a Car Share Is Available?

No, ADU law does not allow parking to be required when there is a car share located within a block of the ADU. A car share location includes a designated pick up and drop off location. Local governments can measure a block from a pick up and drop off location and can decide to adopt broader distance requirements such as two to three blocks.

Is Off Street Parking Permitted in Setback Areas or through Tandem Parking?

Yes, ADU law deliberately reduces parking requirements. Local governments may make specific findings that tandem parking and parking in setbacks are infeasible based on specific site, regional topographical or fire and life safety conditions or that tandem parking or parking in setbacks is not permitted anywhere else in the jurisdiction. However, these determinations should be applied in a manner that does not unnecessarily restrict the creation of ADUs.

Local governments must provide reasonable accommodation to persons with disabilities to promote equal access housing and comply with fair housing laws and housing element law. The reasonable accommodation procedure must provide exception to zoning and land use regulations which includes an ADU ordinance. Potential exceptions are not limited and may include development standards such as setbacks and parking requirements and permitted uses that further the housing opportunities of individuals with disabilities.

Is Covered Parking Required?

No, off street parking must be permitted through tandem parking on an existing driveway, unless specific findings are made.

Is Replacement Parking Required When the Parking Area for the Primary Structure Is Used for an ADU?

Yes, but only if the local government requires off-street parking to be replaced in which case flexible arrangements such as tandem, including existing driveways and uncovered parking are allowed. Local governments have an opportunity to be flexible and promote ADUs that are being created on existing parking space and can consider not requiring replacement parking.

Are Setbacks Required When an Existing Garage Is Converted to an ADU?

No, setbacks must not be required when a garage is converted or when existing space (e.g., game room or office) above a garage is converted. Rear and side yard setbacks of no more than five feet are required when new space is added above a garage for an ADU. In this case, the setbacks only apply to the added space above the garage, not the existing garage and the ADU can be constructed wholly or partly above the garage, including extending beyond the garage walls.

Also, when a garage, carport or covered parking structure is demolished or where the parking area ceases to exist so an ADU can be created, the replacement parking must be allowed in any “configuration” on the lot, “...including, but not limited to, covered spaces, uncovered spaces, or tandem spaces, or...” Configuration can be applied in a flexible manner to not burden the creation of ADUs. For example, spatial configurations like tandem on existing driveways in setback areas or not requiring excessive distances from the street would be appropriate.

Are ADUs Permitted in Existing Residence or Accessory Space?

Yes, ADUs located in single family residential zones and existing space of a single family residence or accessory structure must be approved regardless of zoning standards (Section 65852.2(a)(1)(B)) for ADUs, including locational requirements (Section 65852.2(a)(1)(A)), subject to usual non-appealable ministerial building permit requirements. For example, ADUs in existing space does not necessitate a zoning clearance and must not be limited to certain zones or areas or subject to height, lot size, lot coverage, unit size, architectural review, landscape or parking requirements. Simply, where a single family residence or accessory structure exists in any single family residential zone, so can an ADU. The purpose is to streamline and expand potential for ADUs where impact is minimal and the existing footprint is not being increased.

Zoning requirements are not a basis for denying a ministerial building permit for an ADU, including non-conforming lots or structures. The phrase, “within the existing space” includes areas within a primary home or within an attached or detached accessory structure such as a garage, a carriage house, a pool house, a rear yard studio and similar enclosed structures.

Are Owner Occupants Required?

No, however, a local government can require an applicant to be an owner occupant. The owner may reside in the primary or accessory structure. Local governments can also require the ADU to not be used for short term rentals (terms lesser than 30 days). Both owner occupant use and prohibition on short term rentals can be required on the same property. Local agencies which impose this requirement should require recordation of a deed restriction regarding owner occupancy to comply with GC Section 27281.5

Are Fire Sprinklers Required for ADUs?

Depends, ADUs shall not be required to provide fire sprinklers if they are not or were not required of the primary residence. However, sprinklers can be required for an ADU if required in the primary structure. For example, if the primary residence has sprinklers as a result of an existing ordinance, then sprinklers could be required in the ADU. Alternative methods for fire protection could be provided.

If the ADU is detached from the main structure or new space above a detached garage, applicants can be encouraged to contact the local fire jurisdiction for information regarding fire sprinklers. Since ADUs are a unique opportunity to address a variety of housing needs and provide affordable housing options for family members, students, the elderly, in-home health care providers, the disabled, and others, the fire departments want to ensure the safety of these populations as well as the safety of those living in the primary structure. Fire Departments can help educate property owners on the benefits of sprinklers, potential resources and how they can be installed cost effectively. For example, insurance rates are typically 5 to 10 percent lower where the unit is sprinklered. Finally, other methods exist to provide additional fire protection. Some options may include additional exits, emergency escape and rescue openings, 1 hour or greater fire-rated assemblies, roofing materials and setbacks from property lines or other structures.

Is Manufactured Housing Permitted as an ADU?

Yes, an ADU is any residential dwelling unit with independent facilities and permanent provisions for living, sleeping, eating, cooking and sanitation. An ADU includes an efficiency unit (Health and Safety Code Section 17958.1) and a manufactured home (Health and Safety Code Section 18007).

Health and Safety Code Section 18007(a) “**Manufactured home,**” for the purposes of this part, means a structure that was constructed on or after June 15, 1976, is transportable in one or more sections, is eight body feet or more in width, or 40 body feet or more in length, in the traveling mode, or, when erected on site, is 320 or more square feet, is built on a permanent chassis and designed to be used as a single-family dwelling with or without a foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein. “Manufactured home” includes any structure that meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification and complies with the standards established under the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, and following).

Can an Efficiency Unit Be Smaller than 220 Square Feet?

Yes, an efficiency unit for occupancy by no more than two persons, by statute (Health and Safety Code Section 17958.1), can have a minimum floor area of 150 square feet and can also have partial kitchen or bathroom facilities, as specified by ordinance or can have the same meaning specified in the Uniform Building Code, referenced in the Title 24 of the California Code of Regulations.

The 2015 International Residential Code adopted by reference into the 2016 California Residential Code (CRC) allows residential dwelling units to be built considerably smaller than an Efficiency Dwelling Unit (EDU). Prior to this code change an EDU was required to have a minimum floor area not less than 220 sq. ft unless modified by local ordinance in accordance with the California Health and Safety Code which could allow an EDU to be built no less than 150 sq. ft. For more information, see HCD’s Information Bulletin at <http://www.hcd.ca.gov/codes/manufactured-housing/docs/ib2016-06.pdf>.

Does ADU Law Apply to Charter Cities and Counties?

Yes. ADU law explicitly applies to “local agencies” which are defined as a city, county, or city and county whether general law or chartered (Section 65852.2(i)(2)).

Do ADUs Count toward the Regional Housing Need Allocation?

Yes, local governments may report ADUs as progress toward Regional Housing Need Allocation pursuant to Government Code Section 65400 based on the actual or anticipated affordability. See below frequently asked questions for JADUs for additional discussion.

Must ADU Ordinances Be Submitted to the Department of Housing and Community Development?

Yes, ADU ordinances must be submitted to the State Department of Housing and Community Development within 60 days after adoption, including amendments to existing ordinances. However, upon submittal, the ordinance is not subject to a Department review and findings process similar to housing element law (GC Section 65585)