CITY OF MORGAN HILL

Regular Meeting Agenda

Planning Commission

WAYNE TANDA	-	*CHAIR*
LIAM DOWNEY	-	*VICE-CHAIR*
MOHAMMAD HABIB	-	*PLANNING COMMISSIONER*
PAUL LAKE	-	*PLANNING COMMISSIONER*
MALISHA KUMAR	-	*PLANNING COMMISSIONER*
JAMES WILSON	-	*PLANNING COMMISSIONER*
JOSEPH MUELLER	-	*PLANNING COMMISSIONER*

Tuesday, June 25, 2024 7:00 PM

Council Chamber Building
17555 Peak Avenue, Morgan Hill, CA 95037

MEETING PARTICIPATION

Morgan Hill Planning Commission meetings are held in person. The community may attend in person or via Zoom (video/teleconference). The meetings are also live-streamed on the City's website, Facebook page, and Channel 17.

Those wishing to participate in the meetings remotely must register in advance at https://bit.ly/PlanningCommissionMtg. Additionally, Zoom participants must be running the latest version or will be required to update to the latest version before being able to join the meeting remotely.

Remote participation is also available by calling (669) 900-9128 and entering webinar id: 862 0324 6251#. Dial *9 to raise your hand, and be called upon to speak for up to 3 minutes. Dial *6 to unmute.

PUBLIC COMMENT

Public comment may be offered verbally at the meeting or in writing before the meeting. Those attending remotely may only offer public comment for items on the agenda in any of these four categories:

- Consent Calendar
- Other Business
- Public Hearings
- Closed Session

Public comment will be heard from those attending in person first with the submission of a speaker card. Once that is complete, we will move to those on Zoom that have their hand raised. Following public comment from Zoom, we will close the public comment period for that item.
Remote public comment for items not on the agenda will not be accepted.
Written public comment may be submitted to the Planning Office:

- In person at the Planning Commission Meeting;
- Via email to pcpubliccomment@morganhill.ca.gov; or
- Hand delivered or mailed to the Planning Division at 17575 Peak Avenue, Morgan Hill, CA 95037

Please email your comments to the Planning Office no later than 3:00 p.m. on Monday (the day before the Planning Commission meeting) so that your comments can be submitted to the members of the Planning Commission with sufficient time to review them. You may continue to provide written comments up to noon on Tuesday (the day of the meeting), although Planning Commissioners may not have sufficient time to review them before the meeting. Public comments submitted to the Planning Division after noon (12:00 p.m.) the day of the meeting will be provided to the Planning Commission as time allows.

Written comments WILL NOT be read aloud during the Planning Commission Meeting. Please note that written comments are posted on the City's website. It is recommended that you do not include any personal information that you do not want to be posted on the web. Please be advised that communications directed to the Planning Commission are public records and are subject to disclosure pursuant to the California Public Records Act and Brown Act unless exempt from disclosure under the applicable law. Communications will NOT be edited for redactions and will be printed/posted as submitted.

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 Planning Office at (408) 310-4709 or by email at planning@morganhill.ca.gov. Requests must be made as early as possible and at least two full business days before the start of the meeting.

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION Of POSTING
Pursuant to Government Code Section 54954.2

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

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 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

CONSENT AGENDA

1. APRIL 23, 2024 MEETING MINUTES

Recommendation:

1. Accept Meeting Minutes

PUBLIC HEARINGS

None

OTHER BUSINESS

2. SELECTION OF PLANNING COMMISSION CHAIRPERSON AND VICE CHAIR

Recommendation:

1. Planning Commission to select a Chairperson and Vice Chair

3. REVIEW OF AB1033 AND RECENT IMPLEMENTATION ACTIONS IN OTHER CITIES

Recommendation:

1. Review and provide feedback.

4. ELEVATE MORGAN HILL ECONOMIC MOBILITY PROJECT PRESENTATION

Recommendation:

1. Receive presentation.

DIRECTOR'S REPORT/ANNOUNCEMENTS

ADJOURNMENT

NOTICE

Any documents produced by the City and distributed to the majority of the Planning Commission less than 72 hours prior to an open meeting, will be made available for public inspection at the front counter at City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 and at the Morgan Hill Public Library located at 660 West Main Avenue, Morgan Hill, California, 95037 during normal business hours. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the Planning 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 Planning Commission on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Council 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 Planning Commission, but it is very helpful. When you are called, proceed to the podium and the Chair will recognize you. If you wish to address the Planning 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 Planning Commission.

Persons interested in proposing an item for the Planning 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 Planning's action, your request may be placed on the next appropriate agenda. Planning 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 cityclerk@morganhill.ca.gov.

CITY OF MORGAN HILL

Meeting Minutes

Planning Commission

WAYNE TANDA - CHAIR
LIAM DOWNEY - VICE-CHAIR
MOHAMMAD HABIB - PLANNING COMMISSIONER
PAUL LAKE - PLANNING COMMISSIONER
MALISHA KUMAR - PLANNING COMMISSIONER
JAMES WILSON - PLANNING COMMISSIONER
JOSEPH MUELLER - PLANNING COMMISSIONER

Tuesday, April 23, 2024 7:00 PM

Council Chambers
17555 Peak Avenue, Morgan Hill, CA 95037

CALL TO ORDER

Vice Chair Downey called the meeting to order at 7:01 p.m.

ROLL CALL ATTENDANCE

Minutes Clerk Luna called the attendance at 7:01 p.m.

PRESENT	Joseph Mueller, Mohammad Habib, Liam Downey, Paul Lake, Malisha Kumar, James Wilson
EXCUSED	Wayne Tanda

DECLARATION Of POSTING

Minutes Clerk Luna declared the posting of the agenda at 7:02 p.m.

PLEDGE OF ALLEGIANCE

Planning Commissioner Kumar led the Pledge of Allegiance at 7:03 p.m.

PUBLIC COMMENT

Vice Chair Downey opened the Public Comment Period at 7:03 p.m. The following individuals addressed the Planning Commission:

- Eli Robles

Hearing no further request to speak, the Public Comment Period was closed.

ORDERS OF THE DAY

There were no changes made.

CONSENT AGENDA

MOTION:
Accept the March 26, 2024, meeting minutes.

RESULT:	Passed
MOVER:	Planning Commissioner Mueller
SECONDER:	Planning Commissioner Lake
AYES:	Downey, Mueller, Wilson, Habib, Kumar, Lake
NAYS:	None
ABSTAIN:	None
ABSENT:	Tanda

1. MARCH 26, 2024 MEETING MINUTES

Recommendation:

1. Accept Meeting Minutes

PUBLIC HEARINGS

2. UP2023-0002/SR2023-0009: COCHRANE - RAISING CANE'S

Recommendation:

1. Open/close public hearing,
2. Adopt a Resolution approving a Conditional Use Permit for an

approximately 3,000-square-foot restaurant with a drive-through; and
3. Adopt a Resolution approving a Design Permit for an approximately 3,000-square-foot restaurant with a drive-through.

Associate Planner Joey Dinh presented the Staff Report at 7:09 p.m.

Planning Commission Mueller announced at 7:22 p.m. he had an ex-parte communication with the applicant before the hearing.

Vice Chair Downey opened the Public Hearing at 7:26 p.m. The following individuals addressed the Planning Commission:

- Jay Higgins
- Kristen Roberts
- Daniel Crawl
- Landon Sabol

Hearing no further request to speak, the Public Comment period was closed.

The Planning Commission meeting recessed at 8:01 p.m.
The Planning Commission meeting reconvened at 8:05 p.m.

Vice Chair Downey re-opened the Public Hearing at 8:08 p.m. The following individual addressed the Planning Commission:

- Zach Lauterbach

Hearing no further requests to speak, Vice Chair Downey closed the Public Hearing.

MOTION:
Adopt a resolution approving the Conditional Use Permit with the added condition that delivery trucks shall not use compressing breaking when making deliveries.

RESULT:	Passed
MOVER:	Planning Commissioner Mueller
SECONDER:	Planning Commissioner Lake
AYES:	Downey, Mueller, Habib, Lake, Kumar, Wilson,
NAYS:	None
ABSTAIN:	None
ABSENT:	Tanda

MOTION:
Adopt a resolution approving the Design Permit with one added condition that gives the City a role in the approval of the mural that is installed onto the building.

RESULT:	Passed
MOVER:	Planning Commission Mueller
SECONDER:	Planning Commission Lake
AYES:	Downey, Mueller, Habib, Lake, Kumar, Wilson
NAYS:	None
ABSTAIN:	None
ABSENT:	Tanda

3. UP2024-0001: CONDIT-FIFTH ELEMENT FITNESS

Recommendation:

1. Open/close public hearing; and
2. Adopt a Resolution approving a Conditional Use Permit for an approximately 10,000-square-foot indoor commercial recreation facility.

Senior Planner Rich Buikema presented the Staff Report at 8:32 p.m.

Vice Chair Downey opened the Public Hearing at 8:39 p.m. The following individuals addressed the Planning Commission:

- Jeff Layne – Applicant

Hearing no further requests to speak, the Public Hearing was closed.

MOTION:
Adopt a resolution approving a Conditional Use Permit with an added option for the applicant to provide a Parking Management Plan as a condition of approval in lieu of a Parking Demand Study and or providing a letter from the adjacent landowner.

RESULT:	Passed
MOVER:	Planning Commissioner Mueller
SECONDER:	Planning Commissioner Lake
AYES:	Downey, Habib, Lake, Kumar, Wilson, Mueller
NAYS:	None

ABSTAIN:	None
ABSENT:	Tanda

DIRECTOR'S REPORT/ANNOUNCEMENTS

Development Services Director Jennifer Carman made an announcement at 8:50 p.m.

ADJOURNMENT

With no further business to discuss, Vice Chair Downey adjourned the meeting at 8:58 p.m.

MINUTES PREPARED BY:
Jenna Luna, Minutes Clerk

CITY OF MORGAN HILL

Memorandum

Date: June 25, 2024

To: Chair and Planning Commission

From: Jennifer Carman, Development Services Director

Subject: Selection of Planning Commission Chairperson and Vice Chair

Pursuant to City Council Policy CP-96-02, the Planning Commission must select a Chairperson and Vice Chair to serve one-year terms. City Council Policy CP-18-04 allows for the term of the Chairperson and Vice Chair to be extended for one year if there is a need to extend the term due to special circumstances. The term of service for these offices shall be one year, beginning at the first meeting in July of each year. No Planning Commissioner shall serve more than two consecutive full terms as Chairperson.

City Council Policy CP-96-02 provides that the member serving the longest on the Commission without having previously served as Chairperson within the prior 4 years will serve as the Chairperson. The member second in seniority who has not yet served during the previous four years as Chairperson will serve as Vice Chair. The policy further states that if the member serving as Vice Chair is on the Commission at the time the next Chairperson is selected, he or she will become Chairperson the following year. Prior to serving as Chairperson, a member must have been on the Commission at least one year.

Commission Member	Date of Appointment
Joseph Mueller	January 28, 1989
Wayne Tanda	April 25, 2007
Liam Downey	August 5, 2015
Mohammad Habib	May 3, 2017
Malisha Kumar	April 17, 2019
Paul Lake	March 2, 2022
James Wilson	August 3, 2022

Planning Commission Chair (prior 4 years)	
2020/21	Mohammad Habib
2021/22	Malisha Kumar
2022/23	Joseph Mueller
2023/24	Wayne Tanda

Commissioner will be eligible to serve another term as Chairperson and Vice Chair provided at least four years have transpired since having previously served as Chairperson or Vice Chair. The period may be reduced by one-year increments if no other Commissioner is eligible or declines the position.

Based on City Council policy, unless the Commission chooses to extend the term of Commissioner Tanda, Commissioner Downey should be selected to serve as Chairperson being the most senior member of the Commission not having served in the prior years. Commissioner Lake would serve as Vice Chair being the next in seniority who has not yet served during the previous four years. The Chairperson and Vice Chair terms are for one-year, until July 1, 2025.

CITY OF MORGAN HILL
CITY COUNCIL POLICIES AND PROCEDURES

CP 96-02

SUBJECT: **POLICY REGARDING TERM AND SELECTION OF CHAIR AND VICE CHAIR OF CITY BOARDS AND COMMISSIONS**

DATE: **APRIL 17, 1996**

REVISION DATE: **DECEMBER 15, 1999, REVIEWED JUNE 27, 2007; AMENDED APRIL 16, 2008**

ORIGINATING DEPT: **CITY CLERK**

In order to provide an efficient method for the selection of Chair and Vice-Chair from the members of the Boards and Commissions, it shall be the policy of the City Council of Morgan Hill to have these officers serve a one (1) year term beginning the first regular meeting date when the Boards and Commissions reorganize; following City Council appointments. A rotation system shall be followed in the selection of the Chair and Vice-Chair. The member who has served the longest on the Board or Commission without serving as Chair during the previous four (4) years shall be selected for the position of Chair. The member second in seniority who has not yet served during the previous four (4) years as Chair shall become Vice-Chair. If the member selected as Vice-Chair is on the Board or Commission at the time the next Chair is selected he/she shall become Chair.

Prior to selection as Chair, a Board or Commission member must serve a minimum of twelve (12) months on the Board or Commission. Each member's seniority shall begin upon the effective date of that member=s appointment to the Board or Commission. If two (2) or more members have equal seniority, the Board or Commission shall make the selection. In the event a member otherwise eligible for selection declines the position, the member next in seniority shall be selected. A Board or Commission member will be eligible to serve another term as Chair and Vice Chair provided at least four (4) years have transpired since having previously served as Chair or Vice Chair respectively. Such period may be reduced by one year increments if no other Board or Commission member is eligible to serve due to a recent appointment or because a member otherwise eligible for selection declines the position. If two or more members are eligible to serve another term as Chair, the member who has served the longest on the Board or Commission since having previously served as Chair shall be first in seniority to serve another term as Chair and Vice Chair.

This policy shall remain in effect until modified by the City Council.

APPROVED: _____
STEVE TATE, MAYOR

CITY OF MORGAN HILL
CITY COUNCIL POLICIES AND PROCEDURES

CP-18-04

SUBJECT:	**Rules for the Conduct of Planning Commission Meetings**
EFFECTIVE DATE:	**July 18, 2018**
ORIGINATING DEPARTMENT:	**Community Development Department**

SECTION 1. SCOPE

1.1 These rules shall establish the procedures for the conduct of all meetings of the Planning Commission of the City of Morgan Hill. The purpose of these rules is to provide procedures consistent with the Ralph M. Brown Act, establish procedures which will be convenient for the public, be fair to all Commissioners and contribute to the orderly conduct of City business.

SECTION 2. MEETINGS

2.1 Open to Public. All meetings of the Planning Commission, whether regular or special, shall be open to the public, unless a closed session is scheduled as authorized by law.

2.2 Regular Meetings. The Planning Commission shall conduct its regular meetings at the time and place established by ordinance or resolution if specified in the ordinance. Regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority vote of the Planning Commission pursuant to Section 5.2 of this policy.

2.3 Special Meetings. A special meeting may be called at any time by the Community Development Director or by four Commissioners. Written notice of any such meeting must specify the purpose of the meeting. Notice of the meeting must be made in accordance with the law.

2.4 Quorum. Four (4) Commissioners shall constitute a quorum and shall be sufficient to transact business. If less than four Commissioners appear at a regular meeting, the Chair, Vice Chair in the absence of the Chair, any Commissioner, or in the absence of all Commissioners, the Minutes Clerk, shall adjourn the meeting to a stated day and hour.

2.5 Adjourned Meetings. The Planning Commission may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment and permitted by law.

2.6 Attendance. Any commissioner who will be absent from a meeting shall communicate to the Chair and to the Community Development Director in advance of the meeting the date(s) of the meeting(s) that will be missed.

SECTION 3. POSTING NOTICE AND AGENDA

3.1 Posting of Notice and Agenda. For every regular or special meeting, the Minutes Clerk or other authorized person, shall post a notice of the meeting, specifying the time and place at which the meeting will be held, and an agenda containing a brief description of all items of business to be discussed at the meeting. This notice and agenda may be combined in a single document.

3.2 Location of Posting. The notice and agenda shall be posted on the City's website and in a place to which the public has unrestricted access during at least normal business hours and where the notice and agenda are not likely to be removed or obscured by other posted materials.

3.3 Posting for Regular Meetings. For any regular meeting of the Planning Commission, the notice and agenda shall be posted no later than seventy-two (72) hours prior to the time set for the meeting.

3.4 Posting for Special Meetings. For any special meeting of the Planning Commission, the notice and agenda shall be posted no later than twenty-four (24) hours prior to the time set for the meeting.

SECTION 4. AGENDA CONTENTS

4.1 Description of Matters. All items of business to be discussed at a meeting of the Planning Commission shall be briefly described on the agenda. The description of the item and the proposed action to be considered should be set forth as clearly as practical so that members of the public will know the nature of the action under review and consideration.

4.2 Availability of the Agenda to the Public. The agenda for any regular or special meeting shall be made available to the general public as soon as is practical after delivery to the Commissioners.

4.3 Limitation to Act on Only Items on the Agenda. No action shall be taken by the Planning Commission on any item not on the posted agenda.

SECTION 5. ORDER OF BUSINESS

5.1 The order of business at meetings of the Planning Commission shall be as follows:

A. CALL TO ORDER

B. ROLL CALL ATTENDANCE

C. DECLARATION OF POSTING AGENDA

D. WORKSHOP (as deemed appropriate)

E. PLEDGE OF ALLEGIANCE

F. PUBLIC COMMENT

This item refers to those matters not scheduled on the agenda where a member of the public wants to address a matter of importance to the Planning Commission. Since the matter is not one on the agenda, no action by Commission can be taken. If a Commissioner so desires, the matter may be placed on the agenda of a future Commission meeting for review and consideration pursuant to Section 9.

G. CHANGE IN ORDER OF BUSINESS.

The Chair may entertain a motion by a majority request of Commissioners present to take matters listed on the agenda out of the prescribed order.

H. CONSENT CALENDAR

These are items of a routine or generally uncontested nature. Any Commissioner or member of the public may request to have an item pulled from the Consent Calendar and acted on individually by the Commission. Items pulled will be discussed after action is taken on the balance of the Consent Calendar· and before moving on to public hearings.

I. PUBLIC HEARINGS

These matters are ones that are duly noticed and published in a newspaper of general circulation and, where required by Law, written notice is given to the affected residents who have the opportunity to speak in favor or against a matter or ask questions about the matter. Public hearings shall be conducted pursuant to City Council Policy CP-03-01.

J. OTHER BUSINESS

These are other matters of City business which are not appropriately placed on the consent calendar and do not require published notices and require Commission action and direction.

K. DIRECTOR'S REPORT/ANNOUNCEMENTS

These are communication items from the Director, including future agenda items. Director will take input from Commissioners on items of interest. Examples of a Director's report or announcement include notice of cancellation of meetings, reminders of scheduled workshops, report back to the Commission, and pending agenda items.

L. ADJOURNMENT

5.2 Review Status of Agenda at 11:00 p.m. If, at 11:00 p.m., the Planning Commission has not concluded its business, it shall review the status of the agenda and determine by majority vote whether to extend the meeting beyond 11:00 p.m., continue any remaining items, or adjourn the meeting to another date and time.

SECTION 6. PUBLIC COMMENT

6.1 Public Comment. Persons present at meetings of the Planning Commission may comment on individual items on the agenda at the time the items are scheduled to be heard. In addition, comments may be offered on items not on the agenda under that portion of the agenda.

6.2 Limitations. The public comment period may be 3 minutes for items on the agenda or items not listed on the agenda. Speakers are called in the order the speaker cards are submitted. Project applicants or appellants will be allowed more than the designated 3 minutes in accordance with City Council Policy 03-01. Consistent with this policy, the Chair or Presiding Officer may recall an applicant or appellant to address questions after the public comment is heard. The Chair or Presiding Officer may allow more time and/or allow speakers to concede their time to a designated speaker of a group unless a majority of the Planning Commission objects. Speakers that wish to designate a group speaker shall notify the Minutes Clerk before discussion on the item begins.

6.3 Procedure. To address the Planning Commission, each speaker is requested to fill out a Speaker Card and turn it in to the Minutes Clerk before discussion on the agenda item begins. The speaker is requested to provide their name and contact information and the subject or subjects upon which the speaker wishes to address the Planning Commission. Speakers who do not wish to provide their name should provide an alternative designation so that they can be recognized by the Minutes Clerk.

SECTION 7. APPOINTMENT OF OFFICERS

7.1 In June of each year, the selection of chair and vice chair shall be pursuant to City Council Policy CP 96-02, except that if a majority of the Commissioners see the need to extend the term due to special circumstances, the term of the Chair and Vice Chair may be extended for one year. The term of service for these offices shall be one year, beginning at the first meeting in July of each year. No commissioner shall serve more than two consecutive full terms as chairperson. The Chair may resign at any time during his or her role as chair, at which time the Vice Chair may serve the remining term.

SECTION 8. PROCEDURES FOR THE CONDUCT OF MEETINGS

8.1 Role of the Chair/Presiding Officer

A. The Presiding Officer of the Planning Commission, who shall be the Chair or in the Chair's absence shall be the Vice Chair, or in their absence any other designated Commissioner, shall be responsible for maintaining the order and decorum of meetings. It shall be the duty and responsibility of the Presiding Officer to ensure that the rules of operation and decorum contained herein are observed. The Presiding Officer shall maintain control of communication between Commissioners and between the Commission, staff, and public.

B. Communication with Commissioners

1. Commissioners should request the floor from the Presiding Officer before speaking.

2. When one Commissioner has the floor and is speaking, other Commissioners shall not interrupt or otherwise disturb the speaker.

3. With the concurrence of the Chair, a Commissioner holding the floor may address a question to another Commissioner. The Commissioner being questioned may or may not respond while the floor is still held by the Commissioner asking the question. The reply shall be limited to the question asked.

C. The Chair/Presiding Officer may declare that an item within the meeting will be conducted in "workshop" format, which means that the procedures described in section 8.1B do not strictly apply. This is to allow for a more open discussion without strict formalities.

D. Communication with Members of the Public Addressing the Commission

1. The Chair shall open the floor for public testimony (typically referred to as public comment) as appropriate.

2. Commissioners may question a person addressing the Commission at the conclusion of the person's comments or upon expiration of the person's time to speak. Such questions should be directed to the person through the Presiding Officer unless the Presiding Officer grants the Commissioner permission to directly question the person.

3. Staff shall be a resource to the Planning Commission to answer questions arising during discussions between Commissioners and between Commissioners and members of the public. Communications in this regard shall be through the Presiding Officer.

4. Members of the public shall direct their questions and comments through the Presiding Officer.

8.2 Rules of Order. The Planning Commission adopts no specific rules of order except those listed herein. The Planning Commission shall refer to *The Standard Code of Parliamentary Procedure* by Alice Sturgis (McGraw Hill) as a guide for the conduct of meetings. The Sturgis guideline regarding not requiring seconds for governmental bodies' motions, resolutions or ordinances is not adopted as the rule in the City. The Chair has the discretion to impose reasonable rules at any particular meeting based upon facts and circumstances found at any particular meeting. These latter rules will be followed unless objected to by a majority of the Commissioners present.

8.3 Motions. The Chair or any Commissioner may bring a matter of business on the agenda before the Commission by making a motion. Before the matter can be considered or debated it must be seconded. Once the motion has been properly made and seconded, the Presiding Officer shall open the matter for full debate offering the first opportunity to debate to the moving party and, thereafter, to any Commissioner recognized by the Chair or Presiding Officer. Debate shall be closed upon consent of a majority of the Commission.

8.4 Reconsideration. Immediately after a vote on a matter, any Commissioner may request to have his/her vote changed on a matter before the Commission moves on to the next item. Such a request will be granted by the Chair unless a majority of the Commission objects.

A matter may be reconsidered by the Planning Commission if a Commissioner on the prevailing side of the vote requests reconsideration. Such a motion may be made at a meeting where such action is taken or at a subsequent meeting of the Commission, however, nothing in this policy precludes the majority of Commissioners from requesting reconsideration of any item.

8.5 Debate.

A. The discussions and deliberations at meetings of the Planning Commission are to secure the informed judgement of Commissioners on proposals submitted for decision. This purpose is best served by the exchange of thought through discussion and debate.

Debate is regulated by these rules in order to assure every Commissioner a reasonable and equal opportunity to be heard.

B. Obtaining the Floor for Debate.

As soon as a debatable motion has been stated to the Commission by the Chair, any Commissioner has a right to discuss it after obtaining the floor. The Commissioner obtains the floor by seeking recognition from the Chair. A Commissioner who has been recognized is entitled to be heard so long as he/she observes the rules of debate.

C. Speaking More Than Once.

To encourage the full participation of all of the Commissioners, no Commissioner or Commissioners shall be permitted to monopolize the discussion of the question. If a Commissioner has already spoken and other Commissioners wish to speak, the latter Commissioners should be recognized in preference to the Commissioner who has already spoken. However, if no other Commissioners seek recognition, the Chair may recognize the Commissioner who has already spoken.

D. Relevancy of Debate.

All discussion must be relevant to the motion before the Planning Commission. A Commissioner is given the floor only for the purpose of discussing the pending question; discussion which departs is out of order. The Chair should then direct the speaker to limit discussion to the question before the Planning Commission.

A motion-its nature or consequences-may be attacked vigorously. But, it is never permissible to attack the motives, character, or personality of a Commissioner, City staff, or any member of the public either directly or by innuendo or implication. It is the duty of the Chair instantly to stop any Commissioner who engages in personal attacks. It is the motion, not its proposer, that is the subject of debate. Meetings must

discuss measures and ideas, not people.

Arguments, for or against a measure, should be stated as concisely as possible.

Debate must be fundamentally impersonal. All discussion is addressed to the Chair and must never be directed to any individual.

E. Chair's Duties During Debate.

The Chair has the responsibility of controlling and expediting debate. A Commissioner who has been recognized to speak on a question has a right to the undivided attention of the Commission.

It is the duty of the Chair to keep the subject clearly before the Commissioners, to rule out irrelevant discussion, and to restate the question whenever necessary.

SECTION 9. ITEMS TO BE PLACED ON THE AGENDA

9.1 Any Commissioner may at any time request to have any matter that can be legally agendized to be placed on the agenda of the Planning Commission by submitting a memo to the Community Development Director. The memo should be succinct, describe the issue, and the proposed referral, and include any background materials or information relating to the matter. The Community Development Director will transmit all of the documentation to the Deputy City Clerk for distribution to the Planning Commission and public as part of the agenda packets for the meeting.

9.2 The Community Development Director will place the item on the next available Planning Commission meeting agenda.

9.3 At the meeting at which the referral is agendized, the Planning Commission will consider the proposal and vote on its disposition. A majority of those present are necessary to formally refer an item to the City Staff. Staff will indicate if the referral is inappropriate or otherwise unattainable which shall be considered by the Planning Commission during its deliberation.

SECTION 10. DECORUM

10.1 Commissioners. Commissioners value and recognize the importance of the trust invested to them by the public to accomplish the business of the City. Commissioners shall accord the utmost courtesy to each other, to City employees, and to the public appearing before the Planning Commission.

10.2 City Employees. City staff and consultants shall observe the same rules of order and decorum applicable to the Planning Commission. City staff shall act at all times in a business and professional manner towards Commissioners and members of the public.

10.3 Public. Members of the public attending Planning Commission meetings shall observe the same rules of order and decorum applicable to the Planning Commission.

10.4 Noise in the Chambers. Noise emanating from the audience within the Commission Chambers or lobby area, which disrupts Planning Commission meetings, shall not be permitted.

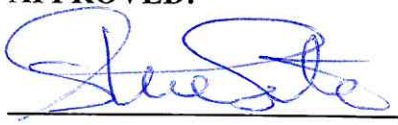
10.5 Sergeant-at-Arms. The Chief of Police, or his/her designated representative, shall be ex-officio Sergeant-at-Arms of the Planning Commission.

SECTION 11. VIOLATIONS OF PROCEDURES

11.1 Nothing in these policies and procedures shall invalidate a properly noticed and acted upon action of the Planning Commission in accordance with State Law.

This Policy Shall remain in effect until modified by the City Council.

APPROVED:



STEVE TATE, MAYOR

AB 1033: Permitting Separate Sale or Conveyance of Accessory Dwelling Units as Condominiums

(Government Code Sections 65852.2)

March 2024

Overview

Assembly Bill (AB) 1033 (Government Code Sections 65852.2) allows local agencies to adopt an ordinance to permit the separate sale or conveyance of accessory dwelling units and the primary dwelling unit as condominiums. AB 1033 would allow ADUs to be considered a separate property and sold independently from the primary residence.

Purpose

This document is intended solely as a technical overview of new legislation. It is not intended to serve as legal advice regarding any jurisdiction's specific policies or any proposed housing development project. Local staff should consult with their city attorney or county counsel before taking any action to implement these changes.

Summary and Considerations for Local Jurisdictions

If a local agency elects to implement the sale of accessory dwelling units, then it should repeal all provisions in the municipal code that restrict the sale or transfer of an accessory dwelling and adopt appropriate text to permit accessory dwellings to be sold separately from the primary unit. AB 1033 requires a specific list of provisions to be included in a local ordinance if an agency decides to permit the separate sale or conveyance of accessory dwelling units. Pursuant to Government Code Section 65852.2 (a)(10), the ordinance must include the following:

(A) The condominium must qualify as a common interest development pursuant to the California Davis-Stirling Common Interest Development Act (Civil Code Sections 4000 et seq).

(B) The condominium must be created in conformance with all applicable objective requirements of the Subdivision Map Act (Government Code Sections 66410 et seq) and all objective requirements of a local subdivision ordinance.

(C) A safety inspection of the accessory dwelling unit must be conducted before recording the condominium plan.

(D) The subdivision map or condominium plan cannot be recorded against the property until the lienholder(s) consents. The lienholder can opt to not consent, effectively

prohibiting the subdivision. Or the lienholder may consent provided that certain terms and conditions are met.

(E) The homeowner will be required to notify providers of utilities, including water, sewer, gas, and electricity, of the condominium creation and separate conveyance.

(F) If the property is in a planned development with an existing association, the property owner must first obtain the express written authorization of the existing association before recording a condominium map.

Required Written Consent

Prior to recordation of the initial or any subsequent modifications to the condominium plan, written evidence of the lienholder's consent shall be provided to the county recorder along with a signed statement from each lienholder that states as follows:

> "(Name of lienholder) hereby consents to the recording of this condominium plan in their sole and absolute discretion and the borrower has or will satisfy any additional terms and conditions the lienholder may have."

Noticing Requirements

A local agency that adopts an ordinance to allow for the separate conveyance of an ADU must also provide a standard notice on all submittal checklists, attached at the end of this document, about the process for converting the development into condominiums

Standard Notice per Government Code Section 65852.2(a)(10)(E)

NOTICE: If you are considering establishing your primary dwelling unit and accessory dwelling unit as a condominium, please ensure that your building permitting agency allows this practice. If you decide to establish your primary dwelling unit and accessory dwelling unit as a condominium, your condominium plan or any future modifications to the condominium plan must be recorded with the County Recorder. Prior to recordation or modification of your subdivision map and condominium plan, any lienholder with a lien on your title must provide a form of written consent either on the condominium plan, or on the lienholder's consent form attached to the condominium plan, with text that clearly states that the lender approves recordation of the condominium plan and that you have satisfied their terms and conditions, if any.

In order to secure lender consent, you may be required to follow additional lender requirements, which may include, but are not limited to, one or more of the following:

(a) Paying off your current lender.

You may pay off your mortgage and any liens through a refinance or a new loan. Be aware that refinancing or using a new loan may result in changes to your interest rate or tax basis. Also, be aware that any subsequent modification to your subdivision map or condominium plan must also be consented to by your lender, which consent may be denied.

(b) Securing your lender's approval of a modification to their loan collateral due to the change of your current property legal description into one or more condominium parcels.

(c) Securing your lender's consent to the details of any construction loan or ground lease.

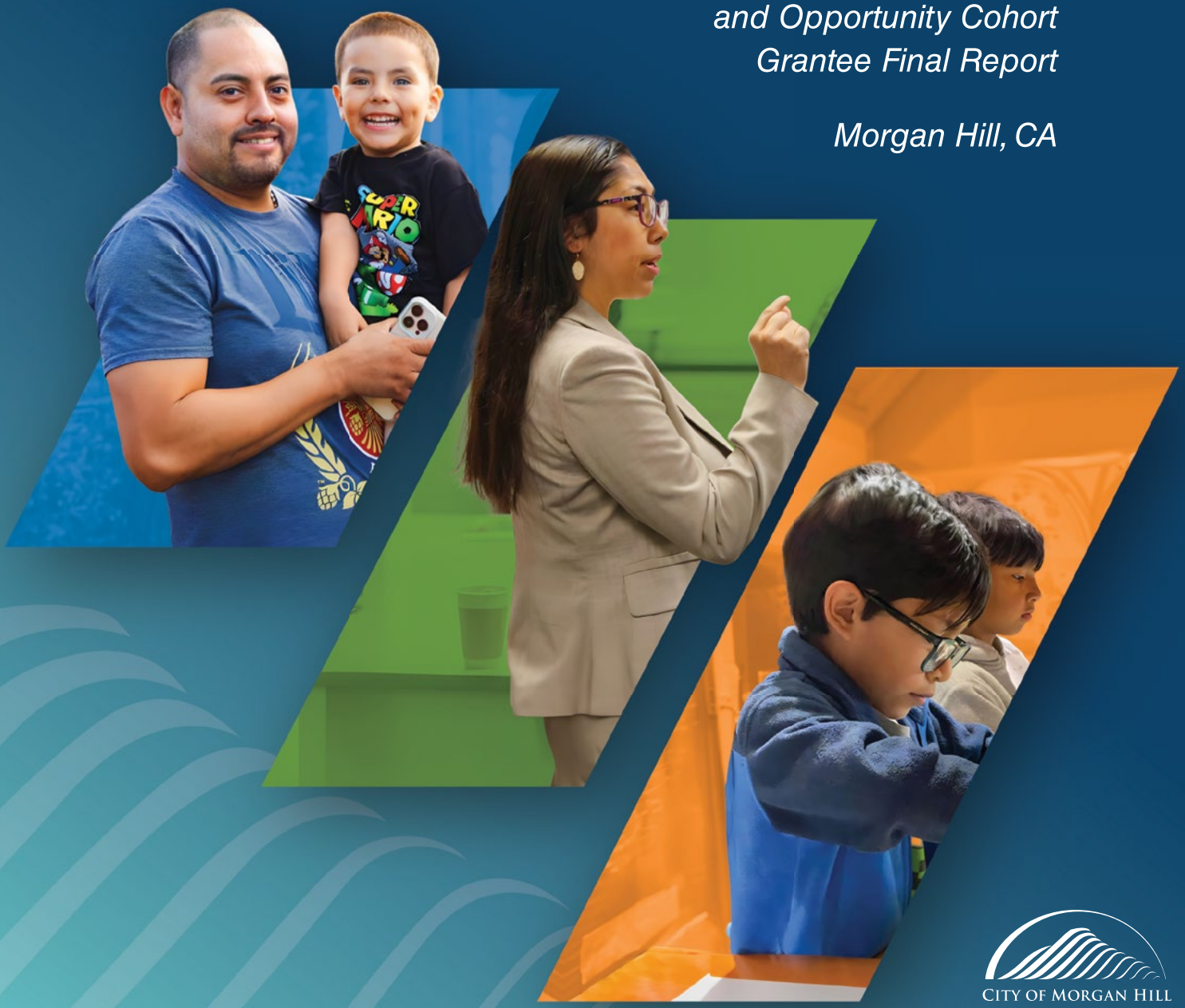
This may include a copy of the improvement contract entered in good faith with a licensed contractor, evidence that the record owner or ground lessee has the funds to complete the work, and a signed statement made by the record owner or ground lessor that the information in the consent above is true and correct.

ELEVATE

MORGAN HILL

ICMA Economic Mobility and Opportunity Cohort Grantee Final Report

Morgan Hill, CA



CITY OF MORGAN HILL

TABLE OF CONTENTS

Acknowledgments **3**

Executive Summary **4**

About the City **8**

Why Economic Mobility? **9**

Framework for Upward Mobility (Urban Institute) 10

BELONGING: Building Trust and a Strong Social Fabric **12**

Belonging Strategies and Actions 16

Spotlights: 18

Mosaic America 18

Hispanic Foundation of Silicon Valley 19

Spanish Language Leadership Academy (City of Mountain View) 20

JOBS: Supporting Entrepreneurship, Workforce Development and Career Pathways **21**

Jobs Strategies and Actions 27

Spotlights: 28

Economic Advancement Center (City of South San Francisco) 28

Latino Business Foundation 29

HOUSING: Reinventing Delivery Systems and Transforming the Landscape **30**

Housing Strategies and Actions 38

Spotlights: 39

Housing Program Pillars (City of Morgan Hill) 39

Understanding Poverty and Philanthropic Giving Disparities in the Bay Area (United Way Bay Area/ ASRA) 40

Affordability for Whom? (Tener Center for Housing Innovation) 41

2023 Housing Element (City of Morgan Hill) 43

Supporting the Unhoused Community (Destination: Home) 44

Conclusion **45**

Summary of Strategies and Actions **46**

Appendix **50**

A: I BELONG/YO PERTENEZCO Survey 51

B: Demographical Data 53

C: Links to Relevant Documents 63

ACKNOWLEDGMENTS

City Council

Mark Turner, Mayor

Marilyn Librers, Mayor Pro Tem

Gino Borgioli, Councilmember

Rene Spring, Councilmember

Yvonne Martinez Beltran, Councilmember

City of Morgan Hill

Christina Turner, City Manager

Edith Ramirez, Assistant City Manager

Matt Mahood, Economic Development Director

Rebecca Garcia, Housing Director

Michelle Bigelow, City Clerk/Public Information Officer

ELEVATE Morgan Hill Sponsors

International City/County Management Association

The Bill and Melinda Gates Foundation

ELEVATE Morgan Hill Thought Partners

Housekeys

Urban Institute

Mosaic America

Work2Future

Hispanic Foundation of Silicon Valley

Morgan Hill Unified School District

South County Compassion Center

South County Collaborative

Hispanic Chamber of Commerce of Silicon Valley

Morgan Hill Chamber of Commerce

Destination: Home

Latino Business Foundation of Silicon Valley

Joint Venture Silicon Valley

South San Francisco Economic Mobility Center

Santa Clara County Office of Supportive Housing

ELEVATE Morgan Hill Contributors

John Lang, Consultant (Demographic and Data Analytics)

Articulate Solutions (Graphic Design & Marketing Consultants)

EXECUTIVE SUMMARY

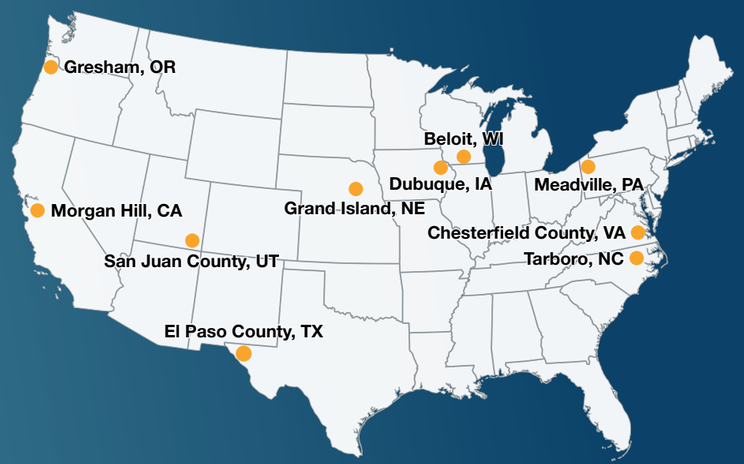
Background

The **ELEVATE Morgan Hill Economic Mobility Report** aims to connect Spanish-speaking residents and lower income community members to jobs and housing resources while increasing their sense of belonging to the Community. This work was influenced by the City's **2023 Housing Element** and made possible by the International City/County Management Association (ICMA) and the Bill and Melinda Gates Foundation **2023 Economic Mobility and Opportunity (EMO) Cohort** grant.

Through the ICMA's EMO Cohort, Morgan Hill, along with nine other cities throughout the nation, received training, technical assistance, and funding to inform policies and effect conditions that promote overall well-being and upward mobility.

The **Upward Economic Mobility Framework** developed by the Urban Institute was foundational to the training, which identified predictors that can bolster conditions that boost upward mobility. The concept of "social capital" is one of the measurable predictors of upward mobility under the Opportunity-Rich and Inclusive Neighborhoods pillar.

ICMA's Economic Mobility Opportunity (EMO) Cohort



In essence, "social networks," including access to information and resources as well as having close relationships, show a positive relationship to education, child well-being, lower crime rates, health, tolerance, happiness, and economic and civic equity.

To create a significant and lasting impact on community development, the City must ensure that all residents feel a sense of belonging and integration, foster strong social networks, and actively participate and contribute to the well-being.

The City must ensure that all residents feel a sense of belonging and integration, foster strong social networks, and actively participate and contribute to the Community's well-being.

The **ICMA's EMO Cohort** also recommended developing policies, strategies, and programs founded on local data. ELEVATE Morgan Hill analyzed demographic and business composition data to better understand the Community's needs. However, it is difficult for smaller cities like Morgan Hill to track local trends, as some of the data sets are not readily available for communities of 50,000 residents or less. With the help of ICMA, the City hired a consultant to analyze census, employment, and other data sets to understand local trends and gaps. The findings confirmed the growing need for housing resources and a refocus of resources to reach out to the Hispanic community to build trust and increase awareness of programs and job opportunities.

Data

Morgan Hill is located in the southern part of Silicon Valley within Santa Clara County. Home to approximately 45,000 residents, the population is 44.1% White, 34.7% Hispanic, 15.8% Asian, and 5.4% Other. While Morgan Hill's median household income is relatively healthy at $139,161, the cost of living and housing prices in Silicon Valley make it extremely challenging for residents to survive, much less thrive. In Morgan Hill, home values have increased over 100% between 2009 and 2022, from $695,935 to $1,400,000 (Redfin)[1]. Rents also increased by nearly 60% from $1,620 to $2,590 between 2012 and 2023 (HUD). It is no surprise that 50% of Morgan Hill residents are cost-burdened (which means that they spend more than 50% of their income on housing).

28%
of all residents rely on some form of financial assistance

The **ELEVATE Morgan Hill** study found that 28% of all residents rely on some form of financial assistance. While this may be shocking, the data is consistent with the 2024 Joint Venture Silicon Valley Index, which identified that nearly a third of Silicon Valley households struggle to afford basic necessities. The Index also highlighted concerning trends on the racial and ethnic disparity with Hispanic/Latinx non-citizens and individuals with limited English proficiency having the highest risk of income inadequacy.

According to the City of Morgan Hill's 2023 Housing Needs Assessment, the Hispanic/Latinx population, which comprises of 34% of the population, has the highest poverty rate, are disproportionally renters, and are the most severely cost-burdened, with people spending more than 50% of their income on housing. This ethnicity group also has the highest overcrowding rate. In Santa Clara County, Hispanic/Latinx residents represent 42.7% of the population experiencing homelessness. In the region, limited English proficiency (LEP) Spanish speakers are concentrated in Downtown, South, and East San Jose, as well as in Morgan Hill, Gilroy, and Hollister. The assessment also showed that 25% of all businesses in Morgan Hill are Hispanic/Latinx-owned, yet less than 5% of COVID-19 business recovery loans were issued to Hispanic/Latinx-owned businesses.

With this data on hand, it is not surprising that the 2023 Housing Element directs the City to work on connecting Spanish-speaking residents to local jobs and low-income residents to housing resources and information about fair housing laws. The City of Morgan Hill has a robust Economic Development program guided by the Economic Blueprint and a strong track record of affordable housing production. The direction from the 2023 Housing Element provides the City an opportunity to reimagine the way the City delivers services. The City can use a more intentional, quantifiable, and geo-targeted approach, ensuring the City serves the most vulnerable residents.

About the Community

- **51% of the community** could be considered low income after adjusted gross income.
- **5,600 families** are considered low, very low, and extremely low income.
- **Over 25% of businesses** in Morgan Hill are Hispanic-owned.
- **34% of the population is Hispanic**. 20% of the population is foreign-born. 12.5% of the population does not speak English.

About the Need

- **Home values have doubled in price** over the last 10 years and rents increased over 60%. Average home is over $1M. There is little rental product available.
- **Less than 5%** of COVID-19 Business Recovery loans were issued to Hispanic businesses.
- **74% of Spanish speakers** claim not to have an organization they can trust.

[1] https://www.redfin.com/city/12625/CA/Morgan-Hill/housing-market

Findings

The findings of the **ELEVATE Morgan Hill** study confirmed the growing need for housing resources. According to the "2023 I BELONG, Morgan Hill" survey, the number one issue for the Community is access to housing. Healthcare and childcare were the second and third highest issues for people that responded to the English survey.

Those that responded to the Spanish survey said that after access to housing, the next biggest concerns were access to jobs and access to education. 41% of Spanish speakers said they worry about having sufficient food.

With one of eight homes being income-restricted as affordable housing, Morgan Hill is known as a leader in affordable housing production. The City's Inclusionary Housing Ordinance that outlines the affordable housing pillars requires housing developments to deed-restrict a minimum of 15% (10% in Downtown) of the housing units as affordable housing. The City requires affordable housing to be integrated in the developments in a way that the units are dispersed throughout the development and match the entire project by size and type. Therefore, the affordable housing units are exactly the same as the market-rate units and fully integrated. By dispersing affordable housing throughout the community, it allows for more inclusivity and seamless integration of the City's low-income residents. Unfortunately, this approach limits the concentration of low-income residents, making the City less competitive when applying for grants and financial resources.

Given the City of Morgan Hill's relatively low population of only 45,000 residents and its location in the southern part of the County, it is difficult to compete for resources that are intended to be countywide, such as workforce development programs or transportation resources. Another challenge for Morgan Hill residents is the lack of public transportation access. With limited bus and train service within Morgan Hill, residents without vehicles struggle to access social services and resources that may be located in adjacent communities and are at least 30 minutes away.

41%
of Spanish speakers said they worry about having sufficient food

ABOUT THE CITY

The City of Morgan Hill is located between the Diablo Mountain Range and the Santa Cruz Mountains, just 45 miles inland from the Pacific Coast. Morgan Hill sits along U.S. Highway 101, between San José and Gilroy, in the southern part of Santa Clara County.

Morgan Hill is surrounded by a natural geography of rolling hills and lakes along with golf courses, pick-your-own farms, and award-winning wineries. An energetic yet quaint Downtown offers visitors and residents memorable culinary experiences, unique shopping, and signature celebrations like the 4th of July Freedom Fest. All of these together make Morgan Hill a perfect Bay Area getaway destination.

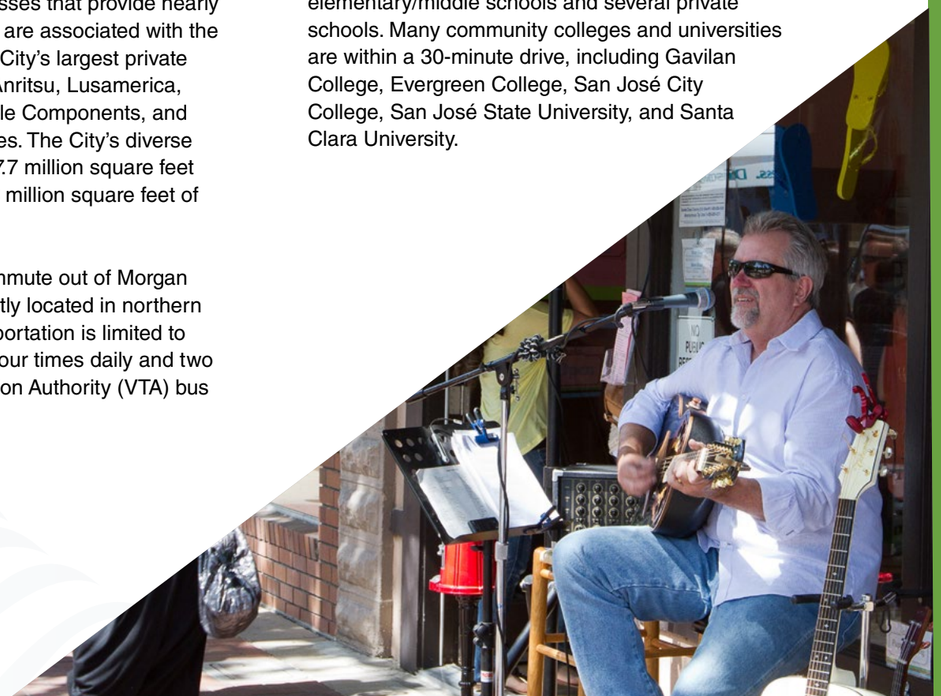
Morgan Hill is home to approximately 45,000 residents with a median household income of $139,161, a median age of 38.5, and an estimated 2.84 residents per household. The population is 44.1% White, 34.7% Hispanic/Latinx, 15.8% Asian, and 5.4% Other.

The City's housing stock comprises 15,233 homes, of which 77% are single-family homes and 74% are owner-occupied. Over 53% of the housing stock was built before 1990. There are 2,400 rental units, and approximately 50% of them are deemed affordable. The City has an extensive portfolio of 600+ units in the Below Market Rate ownership program.

The City has 1,600 businesses that provide nearly 19,000 jobs, of which 21% are associated with the manufacturing sector. The City's largest private sector employers include Anritsu, Lusamerica, Paramit, Specialized Bicycle Components, and Toray Advanced Composites. The City's diverse economy is supported by 7.7 million square feet of industrial space and 2.9 million square feet of commercial space.

Over 70% of residents commute out of Morgan Hill to the job centers, mostly located in northern Silicon Valley. Public transportation is limited to Caltrain service that runs four times daily and two primary Valley Transportation Authority (VTA) bus routes north and south.

The Morgan Hill Unified School District (MHUSD) serves a student population of 8,500 throughout Morgan Hill, San Martin, and a small population in South San Jose. MHUSD is comprised of six elementary schools, two elementary/middle schools (K-8), one dual immersion magnet program (K-8), two middle schools (6-8), two comprehensive high schools (9-12), one continuation high school, and a community adult school. There are two charter elementary/middle schools and several private schools. Many community colleges and universities are within a 30-minute drive, including Gavilan College, Evergreen College, San José City College, San José State University, and Santa Clara University.



WHY ECONOMIC MOBILITY?

Morgan Hill's interest to learn about best practices for implementing economic mobility strategies was based on the 2023 Housing Element, which required the City to develop a plan to connect Spanish-speaking and lower-income community members to jobs and housing resources, while also increasing their sense of belonging to the greater community.

In 2023, the City of Morgan Hill applied to participate in the International City and County Management Association's (ICMA) **Economic Mobility and Opportunity (EMO) Cohort.** ICMA selected 10 cities and counties located throughout the nation to receive training, technical assistance, and funding to inform policies and effect conditions that promote overall well-being and upward mobility through strategies, programs, policies, and practices. ICMA's Economic Mobility and Opportunity initiative is funded by the Gates Foundation, which seeks to improve the security, health, and welfare of vulnerable residents across the country.

The City's participation in the program and learning from the other cohort cities have resulted in the development and launch of **ELEVATE Morgan Hill**, which reimagines how local government can work beyond its traditional role to increase economic opportunity and mobility.

The overall goal of ELEVATE Morgan Hill is to identify and deploy a continuum of services that connect residents to job opportunities and housing resources while enhancing their sense of belonging in Morgan Hill. ELEVATE Morgan Hill identifies significant challenges for Morgan Hill residents and proposes strategies and actions to improve the quality of life for all. However, to create significant and beneficial change, especially for Spanish-speaking and lower-income residents where language barriers hinder prosperity and belonging, a focused approach to provide information, services, resources, and education is critical.

The City of Morgan Hill is committed to being a safe, healthy, welcoming, and inclusive community. Ensuring all residents feel like they belong in the Community and know how to access services and resources is essential to the City's long-term sustainability. This work requires establishing a foundation of trust with the most disfranchised residents, aligning strategic partners, and being intentional to ensure meaningful and beneficial results that boost economic mobility for all.

50% **of all Morgan Hill residents are housing housing cost burdened**

28% **of all Morgan Hill residents receive financial assistance**

Hispanic/Latinx

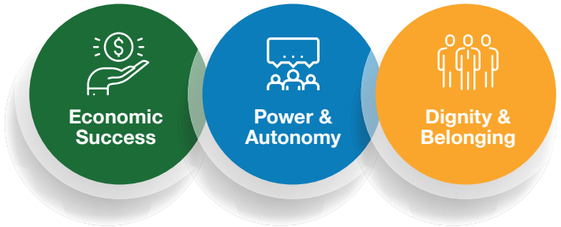
residents in Morgan Hill have higher rates of poverty,

FRAMEWORK FOR UPWARD MOBILITY

The **Urban Institute** was founded in 1968 by President Lyndon B. Johnson to provide "power through knowledge" to help solve the kinds of problems that weighed heavily on the nation's hearts and minds such as political polarization, racial violence, segregation, and stark economic inequality. Many of these challenges and divisions from the 1960s still exist today, and the Urban Institute continues its work by using data and evidence to build a just and equitable society. An area of focus for the Urban Institute is upward mobility to lift individuals out of poverty so they can achieve economic opportunities and security.

To help local communities understand, address, and tackle barriers and policies that may be preventing residents from achieving upward economic mobility, the Urban Institute developed the **Upward Mobility Framework** (Framework) to provide guidance to communities.

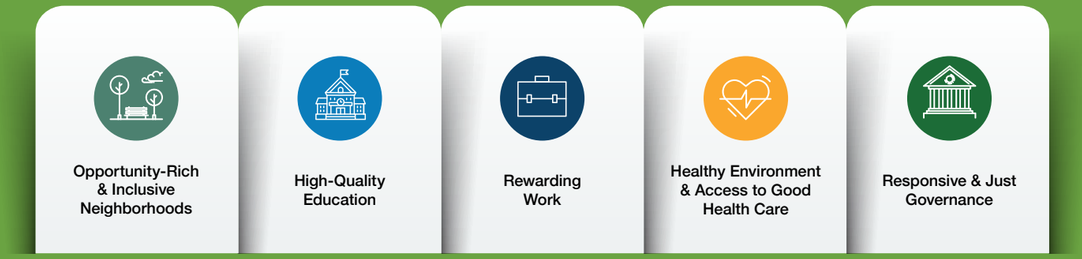
The Framework project builds evidence and guides communities to create conditions that lift residents out of poverty and onto a pathway that advances their economic success, their power and autonomy, and their sense of dignity and belonging in their community.



"Moving out of poverty—and staying out of poverty—means that people need to be able to make their own decisions about their life and to be able to participate in their community's decision-making."

- Aqua Y. Porter
Executive Director,
Urban Institute

The Framework identifies five pillars that support mobility from poverty. These include:



The Framework includes tools for measuring and making progress toward upward mobility and equity. It defines upward mobility not only in terms of economic success, but also in terms of power, autonomy, dignity, and belonging. Using the Framework, local community and government leaders can plan, advocate for, and implement a set of policy and program changes focused on boosting mobility from poverty.

In 2024, the Urban Institute will provide 26 teams of local leaders from across the country with training and technical assistance as they work to incorporate strategies and solutions that promote mobility and equity in their communities.

For more information, see the Urban Institute Upward Mobilty Framework website.

BELONGING:

BUILDING TRUST AND A STRONG SOCIAL FABRIC

BELONGING

BUILDING TRUST AND A STRONG SOCIAL FABRIC

Morgan Hill's Diverse Community

Morgan Hill shares the rich blend of cultures and ethnic diversity of Santa Clara County and the greater Bay Area. Morgan Hill's approximately 45,000 residents are 44.1% White, 34.7% Hispanic, 15.8% Asian, and 5.4% Other. 20.2% of all residents are foreign-born, and 82.1% speak a foreign language. Morgan Hill, like the rest of Silicon Valley, is seeing demographical changes in the population, with Hispanic/Latinx and Asian residents growing at a faster rate than other demographics.

In 2021, the City approved a **Diversity, Equity, and Inclusion Plan** to be a more inclusive and welcoming community. The City also embarked on a **Morgan Hill Together** campaign to promote engagement, trust, and inclusiveness through listening and working together. The Morgan Hill Together campaign outreach efforts identified that members of the Spanish-speaking community do not have a strong sense of belonging.

Together, we will partner and plan for our future, ensuring that we preserve the uniqueness of our town, which we all know and love. Together with purpose, trust, and values, we will improve our engagement and work to listen and represent our community. Together, we will celebrate our diverse, interwoven tapestry of culture and ethnicities.

2023 Community Survey

In late 2023, the City conducted a community survey entitled "**I BELONG / YO PERTENEZCO**." The survey was conducted in English and Spanish with specific outreach to connect with Spanish-speaking residents. Overall, this survey showed that the majority of respondents trusted the City and had a sense of belonging and a feeling of safety.

For all respondents, Housing was the number one worry. However, there were some notable discrepancies in income, education, and areas of worry between those who responded to the English survey and those who responded to the Spanish survey. Highlights of the survey include:

- 71% of English speakers have at least a 4-year college degree, while 60% of Spanish speakers have only a High School Diploma/GED.
- 60% of English speakers make $100,000 or more, while 50% of Spanish speakers make less than $35,000.
- While the number one worry for all respondents was Housing, English speakers' second concerns are childcare and healthcare. In comparison, the Spanish speakers' second concerns are securing jobs, food and access to education.

Results from 2023 I BELONG / YO PERTENEZCO Survey

32% of Spanish speakers do NOT feel confident in getting and keeping a job

41% of Spanish speakers worry about NOT having enough food

50% of Spanish speakers make less than $35,000

Community Challenges

With home prices doubling over the past ten years, and rents increasing by 60% from 2012 to 2023, it is no wonder some residents are falling behind and struggling day-to-day to make ends meet. Today, the median home price in Morgan Hill is over $1.4 million, yet a survey by the Santa Clara Family Health Plan shows that 60% of respondents had a household income of less than $50,000.[2]

Another challenge is the lack of social services and resources for Morgan Hill residents. While Morgan Hill has established effective partnerships with many agencies and organizations, the ELEVATE Morgan Hill Gap and Opportunities Analysis revealed that Morgan Hill has limited community-based and social service organizations dedicated to City residents and their needs. The lack of direct support services in Morgan Hill may be due to the smaller size of the Community (45,000 residents). Additionally, the fact that the City's affordable housing is distributed throughout the entire City may make the need less apparent than in other communities, since there are no visible concentrations of low-income housing residents. A recent United Way study also showed that South County is a region that lacks philanthropic investment.

DID YOU KNOW?

6% of households DO NOT have internet connectivity
Source: US Census (2018-22)

8% of households have internet connectivty ONLY via a smart phone
Source: US Census (2018-22)

Why is Belonging Important?

Soaring housing costs, high cost of living, limited transportation solutions, and limited social services and resources affect the Morgan Hill Community's health, well-being, and opportunity for prosperity. The I BELONG / YO PERTENEZCO survey showed that many respondents were not confident in obtaining information on housing and jobs or how to voice a concern or ask questions of City staff or their local elected official.

A separate South County Community Health and Social Needs Survey, also conducted in 2023 by the Santa Clara Family Health Plan (SCFHP), showed that 74% of the Spanish-speaking residents throughout South County do not have an organization they can turn to. This lack of belonging is concerning because, as we have learned in the RAND Corporation[3] study, "When sectors of a community feel they do not belong, it can affect not only their well-being but also their desire to collaborate with local government and their perception of its legitimacy." This sentiment is echoed in the **2022 Upward Economic Mobility Framework** developed by the Urban Institute, which affirmed that respect, dignity, and the sense of belonging that come from contributing to one's Community are essential elements of mobility from poverty.[4]

[2] Santa Clara County Health Plan, "South County Community Health and Social Needs Survey Data", April 20, 2023
[3] Irving, D., RAND Corporation, "Stress Accumulates in Marginalized Communities, Generation After Generation | RAND", July 8 2020
[4] Turner, Margery A., Acs, Gregory, "Upward Mobility-Metrics to Inform Local Action", The Urban Institute Upward Mobility Initiative, Boosting Upward Mobility: Metrics to Inform Local Action, Second Edition (urban.org), November 2022

Taking Steps to Enhance a Greater Sense of Belonging and Trust

Creating a true sense of belonging can build trust, elevate and empower communities, and boost economic mobility. To enhance a sense of belonging and trust throughout the Community, but especially between the City and Spanish-speaking residents, the City has increased opportunities for engagement. Examples of completed steps include increasing pay for bilingual Spanish-speaking staff members, ensuring the City's website allows for seamless translation into Spanish, and increasing translation of materials and documents in Spanish.

Other completed efforts include:

- First Spanish-Language Community Police Academy, held by Morgan Hill Police Department
- First LISTOS (which means "READY" in Spanish) Emergency Preparedness Training held in Spanish
- Nametags with "Hablo Español" for City staff who speak Spanish
- 2023 Día De Los Muertos and Las Posadas celebrations, both culturally rich and community-driven events funded by the City Council
- A City-hosted Día De Los Muertos celebration at the all-inclusive Magical Bridge Park

BELONGING

STRATEGIES AND ACTIONS

Three strategies and 13 actions have been identified to support **Belonging** in Morgan Hill, along with potential partnerships needed to support the best implementation of actions.

One of the strategies focuses on improving visibility of the Hispanic/Latinx Community, while the second is associated with empowering this Community to have a stronger voice. The last strategy focuses on City Hall's culture to improve allyship in the workplace. Creating a workplace environment where employees use their voice to support others reduces discrimination and bias, makes people feel valued and respected, and increases productivity and engagement.

STRATEGY 1.A:

IMPROVE VISIBILITY OF HISPANIC/LATINX COMMUNITY

1. Celebrate diversity by encouraging cultural events.
2. Praise Hispanic/Latinx faces of Morgan Hill and showcase their presence, culture, and contributions.
3. Encourage belonging through art that celebrates diversity.

STRATEGY 1.B:

EMPOWER THE SPANISH-SPEAKING COMMUNITY TO PROMOTE AUTONOMY AND EQUITY OF VOICE

4. Implement a Leadership Academy to educate, train, and build leadership skills.
5. Engage working families at cultural, faith-based, retail, and Community hubs.
6. Offer childcare, food, and incentives to encourage engagement.
7. Invest in translation and interpretation services and culturally appropriate marketing programming.
8. Make City Hall more welcoming and inclusive by implementing signage that celebrates diversity.
9. Collaborate with the Police Department, Code Compliance, and other enforcement agencies to build trust.

STRATEGY 1.C:

CREATE AN ACTIVE ALLYSHIP WORKPLACE CULTURE AT CITY HALL

10. Raise awareness of unconscious biases, systematic inequities, and the importance of belonging and allyship.
11. Prevent discrimination and promote inclusivity through values campaigns and skills training.
12. Foster a sense of Community through team-building, employee resource groups, and mentorship.
13. Continuously update hiring policies and review benefits with a lens to prevent discrimination and bias.

BELONGING SPOTLIGHT

MOSAIC AMERICA

Mosaic America's mission is to activate social cohesion by connecting people to place, history, and each other. This is achieved by first identifying and authentically representing the community in place, catalyzing inclusion through participative and co-created projects, and cultivating Belonging through consistent and purposeful multicultural gatherings.

At its core, Mosaic America's work weaves through the forgotten, remembered, and desired journeys in and of a specific Place by understanding and welcoming the community that has made its home there: **Every Place is a mosaic**.

Mosaic America's approach is informed by a deep appreciation of the need for cultural equity, which is the key to solving inequities in our society. Creating models of inclusion and participation despite differences is a forward-looking approach to social innovation. To achieve this, Mosaic America has launched **Mosaic Atlas**.

Mosaic Atlas is a suite of innovative cultural equity and inclusion tools created in partnership with San José State University. It includes a comprehensive database of assets rooted in over 120 culturally distinct communities of the San Francisco Bay Area, an interactive explorer map, and a library of digital narrative StoryMaps.

Mosaic America works with culture-bearers, local artists, and community leaders to identify, represent, and engage with cultures collaboratively, inclusively, exhaustively, and continually to create a compelling vision of a shared future.

Together, they offer actionable insights into cultural communities that can be used to develop equitable programs and policies. The Atlas includes a comprehensive and growing database of assets—people, places, organizations, and events—that are rooted in culturally distinct communities.

Find more information at the Mosaic America website.

MOSAIC AMERICA

BELONGING SPOTLIGHT

HISPANIC FOUNDATION OF SILICON VALLEY

The **Hispanic Foundation of Silicon Valley (HFSV)** is dedicated to empowering the lives and futures of Latinos in Silicon Valley through community philanthropy, investment in educational excellence, leadership development, and the convening and engaging of the region's dynamic Hispanic community.

Founded in 1989, the organization has developed and implemented key initiatives that have transformed countless lives and futures of Latinos in the region:

- The **Latinos in Technology Scholarship Initiative (LITSI)** is a unique program that offers up to three years of financial support, professional development, mentorship, and internship opportunities to Latino college students pursuing STEM-related majors.
- The **Hispanic Foundation College Success Programs (HFCSP)** is a comprehensive educational support system from middle school to college. It provides students and their parents with a wide range of resources, ensuring that every step of their academic journey is supported.
- The **Latino Board Leadership Academy (LBLA)** emerged as a catalyst for change, recruiting, training, and guiding Latino leaders to serve on local boards of nonprofit organizations.

For more information, visit the Hispanic Foundation of Silicon Valley website.

The Foundation is deeply committed to convening and engaging the Latino community to raise awareness about issues impacting their quality of life:

- The **Latinx Speaker Series** serves as a platform for facilitating dialogue and collaboration through panel discussions and interactive sessions.
- The Annual **Hispanic Foundation Ball** is a celebration of collective achievements and a vital funding source for their programs.
- The **Silicon Valley Latino Report Card** provides a comprehensive overview of the quality of life for Latinos in the region, covering key areas such as Education, Health, Financial Stability, Housing, and Environment.

> **"I am honored to lead an organization that impacts countless lives of Latino families. By fostering education, excellence, cultivating leadership, and engaging the community, we continue to build bridges and amplify voices, ensuring that every Latino has the opportunity to thrive and contribute to Silicon Valley's region."**
>
> **- Ron Gonzales, President & CEO Hispanic Foundation of Silicon Valley**

Hispanic Foundation of Silicon Valley

BELONGING SPOTLIGHT

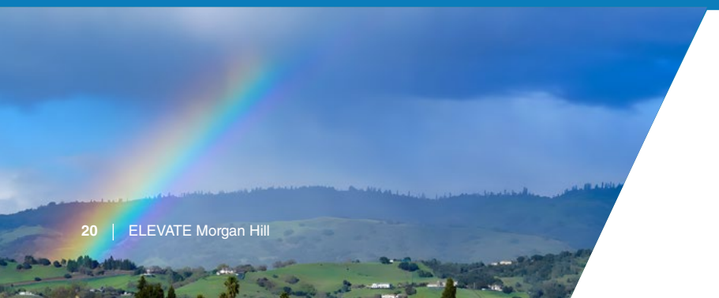
SPANISH-LANGUAGE CIVIC LEADERSHIP ACADEMY

Since 2017, the City of Mountain View has hosted a Civic Leadership Academy for Spanish-speaking residents. The City program aims to introduce residents to the workings of Mountain View City government.

Through the program, residents learn about city services, the budget process, volunteer opportunities, and ways to get involved in local decision-making. The Academy also prepares individuals to serve on City Council advisory bodies and committees.

Each session is led by staff from City departments and includes information on each department's core service function, major activities, programs, and project overview. The program also features interactive exercises and group discussions. Since its launch 6 years ago, over 130 participants have graduated from the program.

> **"The program provides a safe place where people can learn and participate. Participants identified their own power and realized they can impact the City's decision-making process."**
>
> **– Nancy Ducos, Mountain View Multilingual Community Outreach Coordinator**



City of Mountain View

JOBS:

SUPPORTING ENTREPRENEURSHIP, WORKFORCE DEVELOPMENT AND CAREER PATHWAYS

JOBS

SUPPORTING ENTREPRENEURSHIP, WORKFORCE DEVELOPMENT AND CAREER PATHWAYS

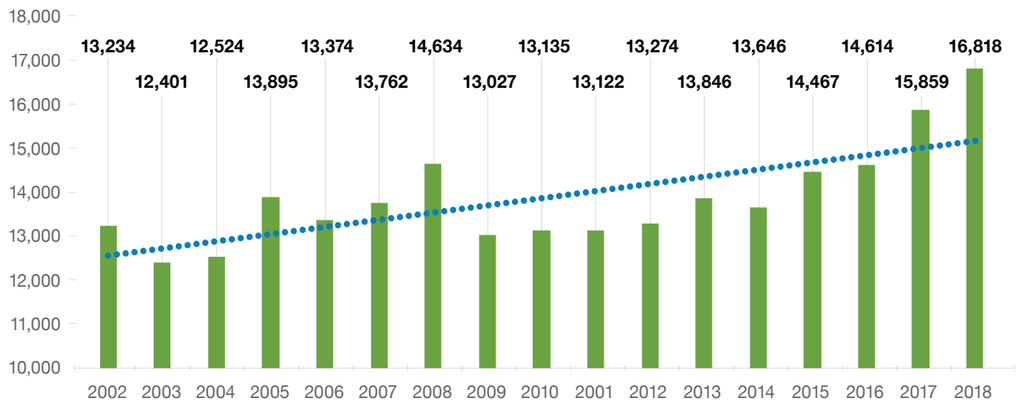
The City of Morgan Hill has 1,600 businesses which support nearly 19,000 jobs, of which 21% are associated with the manufacturing sector. The City's largest private sector employers include Anritsu, Lusamerica, Paramit, Specialized Bicycle Components, and Toray Advanced Composites. The City's diverse economy is supported by 7.7 million square feet of industrial space and 2.9 million square feet of commercial space.

The City's employment base reflects Morgan Hill's relationship with Silicon Valley, with diverse employment opportunities that range from low skilled workers needed for retail, hospitality, and manufacturing jobs; to jobs that require some level of training, education, and technical skills; to jobs that require advanced degrees in engineering or a particular science.

Jobs in Morgan Hill

Figure J-1 below demonstrates the growth of jobs located in the City of Morgan Hill. Since the great recession of 2008-2009, the City of Morgan Hill has seen steady job growth across all industry sectors.

Figure J-1: City of Morgan Hill Number of Jobs by Year



Across all of Morgan Hill's businesses, employment is available in the following industry categories:

Business Main Activity by NAICS Code	% of Total Jobs	# of Businesses
Retail/Consumer Services	26.6%	688
Government/Public Sector/Education	12.1%	67
Building/Construction/Real Estate	9.7%	231
Transportation/Distribution	8.1%	57
Miscellaneous Manufacturing	6.6%	35
Business Services	6.3%	106
Industrial Supplies and Services	5.7%	31
Electronic Component Manufacturing	4.8%	12
Semiconductors	4.5%	10
Health Care	4.5%	113
Corporate Offices	2.6%	5
Innovation Services	2.2%	91
Financial Services	1.9%	46
Visitor	1.5%	20
Bioscience	1.2%	8
Computer & Communications Hardware Manufacturing	0.8%	5
Software	0.7%	28
Other	0.4%	8

Employed Residents

Of the 45,000 residential population, 21,775 are considered employed residents (residents able to work). Employed residents may either work in the community in which they live or work elsewhere in the region, commuting to their place of employment. A city with a surplus of workers "exports" workers to other parts of the region, while a city with a surplus of jobs must conversely "import" them.

Although the City of Morgan Hill has increased the number of local jobs in recent years, the ratio of jobs to resident workers is 0.85; thus, Morgan Hill is a net exporter of workers. 65% of the workers in Morgan Hill leave the City for employment somewhere else in the region. The mean travel time to their place of employment is approximately 36 minutes.

44.3% of Morgan Hill residents have a bachelor's degree or higher and work in a variety of industries across the greater Silicon Valley.

Morgan Hill Employed Residents – Top Five General Industries*	% of Employment
Health & Educational Services	26.9%
Financial & Professional Services	21.5%
Manufacturing, Wholesale & Transportation	20.0%
Retail	10.9%
Construction	7.0%

**Source: City of Morgan Hill 2023 Housing Element*

JOBS

CHALLENGES TO BOOSTING ECONOMIC MOBILITY AND OPPORTUNITIES

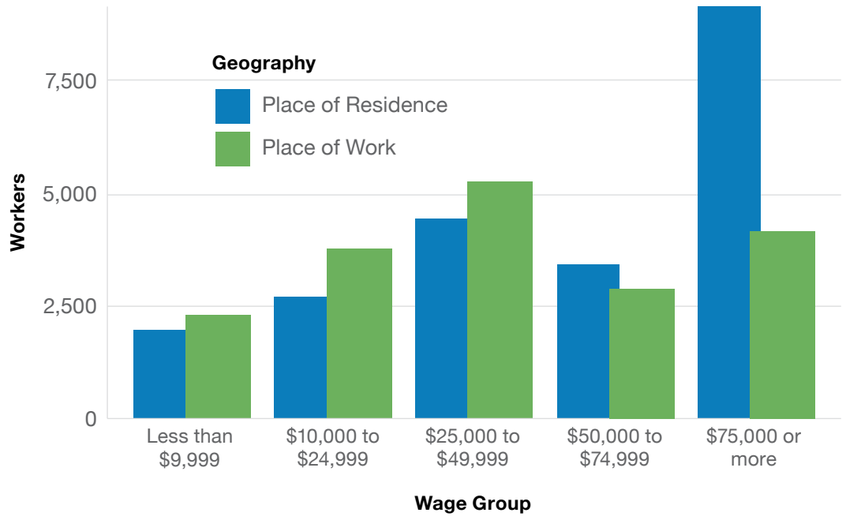
1 Local Jobs that Match Employed Residents

Figure J-2 below shows the balance when comparing jobs to workers, broken down by different wage groups, offering additional insight into local dynamics. A community may offer employment for relatively low-income workers but have relatively few housing options for those workers. Conversely, it may house residents who are low-wage workers, but offer few employment opportunities for them. Such relationships may cast extra light on potentially pent-up demand for housing in particular price categories.

A relative surplus of jobs relative to residents in a given wage category suggests the need to import those workers, while conversely, surpluses of workers in a wage group relative to jobs means the community will export those workers to other jurisdictions. Such flows are not inherently bad, though over time, sub-regional imbalances may appear.

Morgan Hill has more low-wage jobs than low-wage residents (where low-wage refers to jobs paying less than $25,000). At the other end of the wage spectrum, the city has more high-wage residents than high-wage jobs (where high-wage refers to jobs paying more than $75,000).

Figure J-2: Workers by Earnings, by Jurisdiction as Place of Work and Place of Residence



2 Employee Attraction and Retention

Morgan Hill's innovation and technology-focused employers compete with the largest employers in Silicon Valley for the highest skilled, best educated, and most talented workers. Many of the Morgan Hill employers state that they have a difficult time competing with these "titans of industry" when it comes to total pay and benefits.

Employers in Morgan Hill often claim it is difficult to acquire and retain employees due to the high cost of living in the region and difficulty in identifying local talent for both lower and higher-skilled jobs. Each day, approximately 65% of City residents commute from Morgan Hill to jobs in the north, leaving behind an extremely limited workforce whose skills do not necessarily align with the needs of employers here in Morgan Hill. The high cost of living/housing and how it affects the City's residents, and the available workforce, is addressed in the Housing section of this report.

3 Meeting the Needs of Low-Income Residents

According to the 2020 IRS return data, 51% of taxes filed by Morgan Hill residents have an adjusted gross income of $75,000 or less, which is very low to extremely low income in Santa Clara County, depending upon family size.

The table below shows the Annual Income levels of Morgan Hill residents, both for individuals and for families. The Housing section identified that a single individual making less than $102,300 a year is considered low-income. Based on this table below, 33.4% individuals living in Morgan Hill are making low-income wages.

Annual Income Levels in Morgan Hill*	Individuals	Families
< $49,999	12.6%	9.2%
$50,000 - $74,999	9.9%	10.2%
$75,000 - $99,999	10.9%	9.5%
$100,000 - $149,999	15.5%	14.6%
$150,000 - $199,999	13.3%	16.0%
> $200,000	37.8%	40.5%

**Source: 2022 US Census Data*

According to the data collected by the ELEVATE Morgan Hill report, 50% of Morgan Hill residents are cost-burdened, and 28% rely on some form of financial assistance. This data is consistent with the 2024 Index by Joint Venture Silicon Valley, which identified that nearly a third of Silicon Valley households struggle to afford basic necessities.

4 Language Barriers

One third of all Morgan Hill residents speak a language other than English at home. One in five residents in Morgan Hill is foreign-born. Of the foreign-born residents (9,400 people), 82.1% speak a language other than English at home, and 37.9% speak English less than very well.

When conducting research for the ELEVATE Morgan Hill program, the City discovered startling disparities between certain segments of the City. For example, findings from the City's I BELONG/YO PERTENEZCO survey unveiled that 41% of Spanish-speaking respondents worry about having sufficient food to feed themselves and their families, and 60% possess a high school diploma or GED, as compared to 71% of English-speaking respondents who have a 4-year college degree or beyond.

Residing in Morgan Hill with limited income, language barriers, a gap in job skills, and an absence of viable connections to employers are serious challenges that impede someone's ability to prosper. Steps need to be taken to level the playing field and assist vulnerable community members to connect with jobs and job training programs.

The City's Housing Needs Assessment recognized this disparity and suggested that the City to focus on connecting Spanish-speaking residents to local jobs. The City of Morgan Hill wants to attract, retain, and grow the best-in-class employers and businesses. This requires retaining and building the best workforce. The City benefits when businesses are successful, providing high-quality, good-paying jobs to residents while also positively contributing to the City's financial sustainability by paying various taxes. For these employers to be successful and to create a robust ecosystem that benefits the City and residents, the City must identify strategies to create a diverse, available, and skilled workforce.

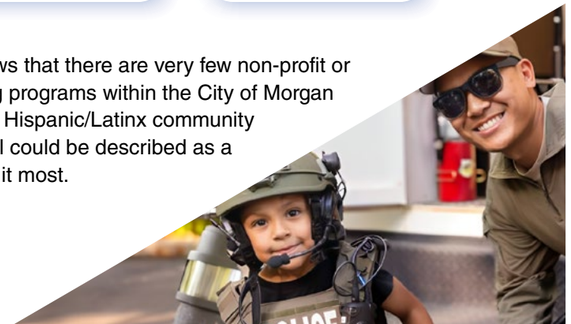
The City of Morgan Hill recognizes the importance of connecting Spanish-speaking residents in Morgan Hill to local job opportunities and resources which will prepare them for higher-skilled and higher-paying jobs that will boost economic growth, social integration, employment, improved quality of life, and a stronger sense of belonging within the community.

5 Scarcity of Services

Scarcity of services was an alarming outcome felt during the COVID-19 pandemic. In addition, the 2017 census data reflects that 23% of business owners in Morgan Hill are Hispanic/Latinx. While this represents almost a quarter of all businesses in Morgan Hill, of those businesses that self-identified as Hispanic/Latinx, only 5% of the Payroll Protection Program funds administered through the Small Business Administration were provided to Hispanic/Latinx business owners. Of the $86.1 million loaned to business owners in Morgan Hill, only $4.6 million was provided to Hispanic/Latinx business owners.

White	Asian	Black	Hispanic/Latinx
185 Loans	115 Loans	4 Loans	77 Loans
$12.1 million total	**$6.9 million total**	**$228,898 total**	**$4.9 million total**
Average loan $65,587	Average loan $60,001	Average loan $57,224	Average loan $64,864

The **ELEVATE** Morgan Hill's Gap and Opportunities Analysis shows that there are very few non-profit or government-supported service providers or job search/job training programs within the City of Morgan Hill—let alone organizations that address the unique needs of the Hispanic/Latinx community and the Spanish-speaking job seeker. To some extent, Morgan Hill could be described as a service/resource desert for residents of our community who need it most.



JOBS STRATEGIES & ACTIONS

Three strategies have been identified to support **Jobs** in Morgan Hill. Embedded in each strategy are action items that will further the goal to lift the City's most vulnerable community members out of low-wage jobs and provide them with more equitable access to jobs, job training, services, and resources. The action items are designed to establish partnerships with key organizations, leverage existing resources and activities, identify additional resource needs, and support capacity building both internally and externally.

We recognize these strategies and actions will only be successful if the outreach and marketing activities actually reach the targeted audience—and if those who are providing the information, resources, training, and opportunities are trusted providers. The City needs to build capacity in this area.

STRATEGY 2.A:

INCREASE ACCESS TO EDUCATION, TRAINING AND EMPLOYMENT

14. Collaborate with partners on economic mobility strategies.
15. Connect Spanish-speakers and day workers to education, resources, training, and job opportunities.
16. Partner with NorCal Carpenters Union Training Center to provide trainings to Spanish-speaking residents.
17. Create an Economic Mobility Center to support day workers, rapid re-employment, education, and training. (Also noted as #23)

STRATEGY 2.B:

PROMOTE ENTREPRENEURSHIP

18. Expand business training programs such as "Fundamentos de Negocios" for Hispanic/Latinx entrepreneurs.
19. Implement an education campaign for Microenterprise Home Kitchen Operations (MEHKO).
20. Encourage development of home-based day care centers.
21. Offer business services and development services resources in Spanish.
22. Create an awareness and education campaign on bidding for City contracts.

STRATEGY 2.C:

EXPAND EMPLOYMENT OPPORTUNITIES LOCALLY

23. Create an Economic Mobility Center as a one-stop shop for job and career opportunities. (Also noted as #17)
24. Encourage local employers to create job postings in Spanish.
25. Create a "Work Local" campaign promoting local employment opportunities.
26. Support hospitality and lodging with career opportunity pathways.
27. Collaborate with local companies and Morgan Hill Unified School District to create career pathways.
28. Capitalize on Morgan Hill Unified School District Adult School Program to provide training and career resources.

JOBS SPOTLIGHT

ECONOMIC ADVANCEMENT CENTER

In February 2022, the **City of South San Francisco** (City) opened the Economic Advancement Center (EAC), offering workforce development and small business and entrepreneurship resources and services to residents throughout North San Mateo County. During the COVID-19 pandemic, the City recognized the crucial need to serve its most vulnerable residents, many of whom had lost their service jobs during the shutdown. Connecting with services proved challenging, as few were offered in north San Mateo County.

The City Council approved an investment of $2M in General Fund dollars to open the EAC as a resource hub. The city also secured additional funds from federal, state, county, and private entities. The EAC first opened virtually in July 2021, then opened in-person in February 2022 in a key downtown transit-rich location.

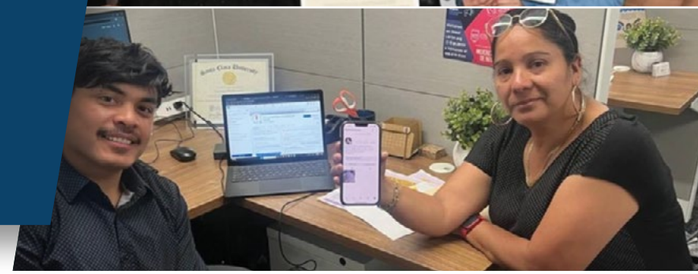
The goal of the EAC is to provide economic recovery tools to the most vulnerable residents and small businesses in the region. Most services and support are delivered in both Spanish and English. The EAC works with its partners to address the needs of the whole person from food insecurity, rental assistance and connecting to health services to skills development and small business start-up education. Partners include Job Train, Renaissance Entrepreneurship Center, YMCA, San Mateo County Social Services, El Concilio and the city's Community Health Workers (Promotores).

Find more information at the Economic Advancement Center website.

> **"The investment the South San Francisco City Council made in establishing the Economic Advancement Center, serving all of North San Mateo County, has changed the lives of more than 1,000 community members. This Center is about more than just a counseling sessions and classes, it's about giving business owners and job seekers tools to become more economically mobile and better equipped to thrive in this competitive, high-cost area."**
>
> **- Nell Selander, Director, Economic & Community Development, City of South San Francisco**

JOBS SPOTLIGHT

LATINO BUSINESS FOUNDATION



The mission of the Latino Business Foundation of Silicon Valley (LBFSV) is to become Silicon Valley's premier resource hub for small and micro businesses, actively equipping minority entrepreneurs—especially those in underserved areas—with the tools they need to succeed. LBFSV's efforts empower business owners, fostering their growth and catalyzing the development of thriving, vibrant communities.

Through a variety of initiatives and programs, LBFSV helps small businesses and organizations survive and thrive and helps San José retain its unique cultural flavors even as the city attracts development from multinational corporations and large retail outlets.

- **Community Building:** Events, grand openings, and Neighborhood Business Associations to celebrate the achievements of the entrepreneurial community
- **Advocacy:** Support and advocacy for local entrepreneurs facing deep imbalances of power in negotiation with governments and corporations
- **Direct Small Business Services:** Human-centered, agile and responsive services to entrepreneurs to gather and engage with direct services
- **Latino Business Academy:** A collaborative partnership with My Own Business Institute (MOBI) of Santa Clara University to provide online training for aspiring immigrant entrepreneurs and business leaders
- **Business Incubator Program:** A combination of service, innovation and technology to disrupt traditional business models and create significant value for our customers
- **Women in Power:** A program focused on women entrepreneurs and the unique challenges they face by working cross-sectionally across other programs
- **Industry Business Councils:** An opportunity for business leaders to address their unique needs and industry pain points, with a focus on three key industries: Early Childcare, Beauty, and Restaurants
- **Small Business Support Hotline:** Anti-displacement hotline to address legal and eviction issues along with capital needs
- **Small Business Resource Center:** A one-stop-shop providing all these services and programs to cater to every need that small and micro businesses might have

LBFSV LATINO BUSINESS FOUNDATION • SILICON VALLEY •

2024 California Nonprofit of the Year

HOUSING:

REINVENTING DELIVERY SYSTEMS AND TRANSFORMING THE LANDSCAPE

REINVENTING DELIVERY SYSTEMS AND TRANSFORMING THE LANDSCAPE

Morgan Hill is home to approximately 45,000 residents with a median household income of $139,161, a median age of 38.5, and an estimated 2.84 residents per household.

The City's housing stock is comprised of 15,233 homes, of which 77% are single family homes and 74% are owner-occupied. Over 53% of the housing stock was built before 1990.

Affordable Housing in Morgan Hill

The City of Morgan Hill has a large portfolio of affordable housing with 600+ units in the Below Market Rate (BMR) ownership program. There are 2,400 rental units; approximately 50% of those are deemed affordable, including 839 rent-controlled Mobile Homes. New housing developments are required to construct 10% to 15% of all units as income-restricted affordable.

The City of Morgan Hill is committed to ensuring that its current and future residents have access to diverse housing options. Morgan Hill has a long-standing commitment to providing affordable housing options for both moderate and lower-income families guided by its General Land Use Plan and its Housing Element. The vision includes housing for families of various sizes, ages, and incomes, as well as infill development and preservation of agriculture.

For over four decades, the City of Morgan Hill has been a leader in affordable housing production. In addition to helping over 600 families achieve their dream of home ownership, in recent years, the City has supported the development of 178 affordable housing units across three projects:

- **The Crossings on Monterey:** 39 units prioritizing chronically homeless individuals and families ($5.8 million from Measure A, $750,000 from the City of Morgan Hill).
- **Royal Oak Village:** 73 units for rapid rehousing, agricultural workers, and low-income households ($9.89 million from Measure A, $400,000 from the City of Morgan Hill).
- **The Magnolias:** 66 units offering permanent supportive housing and rapid rehousing, with a focus on farmworkers and low-income households ($13.2 million from Measure A, $600,000 from the City of Morgan Hill).

Creation of these projects that serve the most vulnerable residents is possible thanks to the leadership of mission-driven partners such as EAH, EDEN Housing, First Community Housing, and Urban Housing Communities, and with the financial support from Santa Clara County.

HOUSING

15,233 Homes

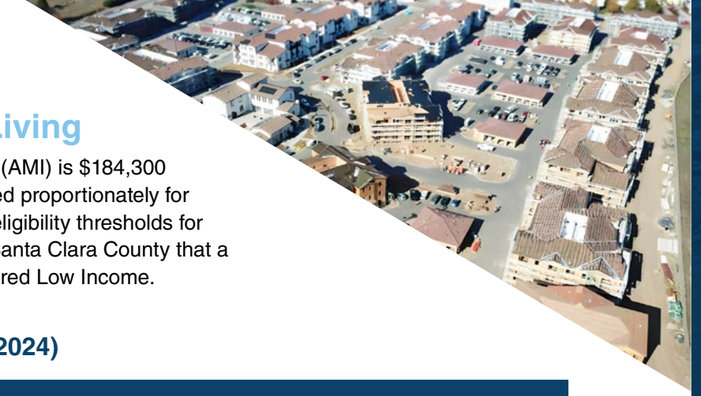
2,400 Rental Units

600+ Below Market Rate Units

DID YOU KNOW?

The population of morgan hill increased by 38.3% From 2000 to 2020, which is above the growth rate for the greater Bay Area.

Source: Morgan Hill Housing Element 2023-31 Appendix A



Cost of Housing and Cost of Living

The 2024 Santa Clara County Area Median Income (AMI) is $184,300 for a family of four. This AMI is a benchmark, adjusted proportionately for households of different sizes, to determine income eligibility thresholds for housing assistance. The cost of living is so high in Santa Clara County that a single individual making $102,300 or less is considered Low Income.

Santa Clara County AMI Income Limits (2024)

Number of Persons in Household		1	2	3	4	5	6	7	8
Santa Clara County Area Median Income: $184,300	Acutely Low	$19,350	$22,100	$24,900	$27,650	$29,850	$32,050	$34,300	$36,500
	Extremely Low	$38,750	$44,250	$49,800	$55,300	$59,750	$64,150	$68,600	$73,000
	Very Low Income	$64,550	$73,750	$82,950	$92,150	$99,550	$106,900	$114,300	$121,650
	Low Income	$102,300	$116,900	$131,500	$146,100	$157,800	$169,500	$181,200	$192,900
	Median Income	$129,000	$147,450	$165,850	$184,300	$199,050	$213,800	$228,550	$243,300
	Moderate Income	$154,800	$176,900	$199,050	$221,150	$238,850	$256,550	$274,250	$291,900

The AMI being so high for Santa Clara County simply speaks to how expensive it is to live in Silicon Valley. Lack of housing is at the heart of the problem. Indicated by Joint Venture Silicon Valley, seven years into the last eight-year housing cycle of housing allocations, the region had yet to meet its share of new Extremely Low, Very Low, Low, or Moderate Income housing, a common theme among most jurisdictions.

The region has met its share in the Above-Moderate income category. 76% of homes sold in Silicon Valley last year were above $1 million; 30% were above $2 million. In contrast, only 8% of all homes sold within the region were below $600,000, and 28% of these homes were all-cash sales, which suggests that lower-income buyers were not the likely buyers.[5]

In Morgan Hill, a staggering 5,630 families are classified as Low, Very Low, or Extremely Low income. Based on the current housing stock, there is a critical mismatch between residents' housing needs and the available affordable options. The table below reveals a severe shortage of affordable housing units to meet the needs of the residents:

Type	Families	Available Units	%
Extremely Low Income	2,135	130	6%
Very Low Income	1,765	696	39%
Low Income	1,730	370	21%
Total	5,630	1,196	21%

[5] Joint Venture Silicon Valley, Institute for Regional Studies, 2023 Index Highlights, 2023, p.10, 104, https://jointventure.org/download-the-2023-index

Between 2009 and 2022,
the typical home value increased over 100% in Morgan Hill, from $695,935 to $1,400,000 (redfin)[6], while the median rent increased by nearly 60%, from $1,620 to $2,590 between 2012 and 2023 (HUD).

The escalating housing cost, combined with stagnant wages and rising cost of living, has intensified the need to protect housing equity for all residents. Housing equity is especially crucial for lower-income communities, who are vital contributors to the local workforce. A report by the California Housing Partnership underscores this urgency, revealing that people in Santa Clara County need to earn 3.2 times the minimum wage to afford the average asking rent as reflected in the chart below.

Extremely Low Income (ELI) households earn 30% or less than the Santa Clara County median income (up to $55,300 for a family of four in 2024) and experience significant challenges accessing affordable housing.[7] Many working-class families struggle to make ends meet, often working multiple jobs and spending 50% or more of their income on housing. The ELEVATE Morgan Hill study found that 28% of all residents rely on some form of financial assistance.

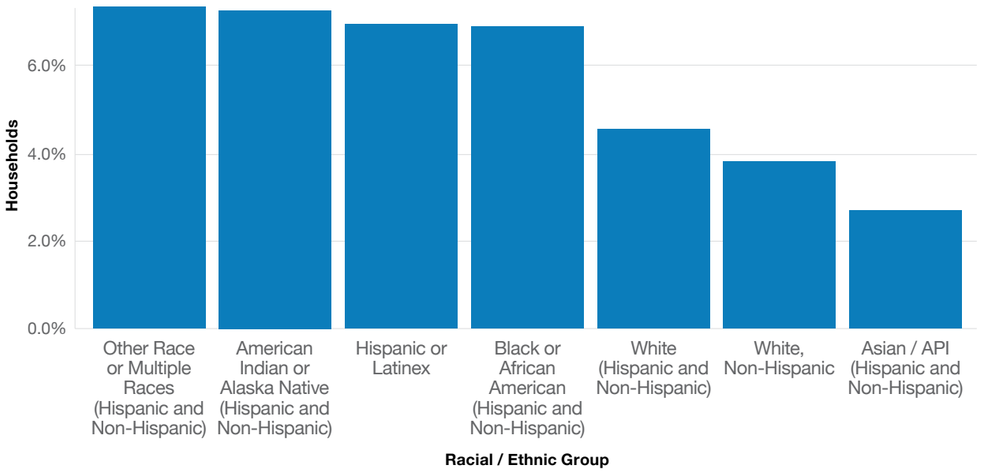
While the City and region have experienced economic and job growth since 1990, the income gap has widened. California is one of the most economically unequal states in the nation, and the Bay Area has the highest income inequality between high- and low-income households in the state.[8] Morgan Hill is no exception, and the Hispanic/Latinx Community has among the highest poverty rates.

[6] https://www.redfin.com/city/12625/CA/Morgan-Hill/housing-market

[7] https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2024.pdf

[8] Bohn, S.et al. 2020. Income Inequality and Economic Opportunity in California. Public Policy Institute of California.

PERCENT OF HOUSEHOLDS IN POVERTY STATUS BY RACE



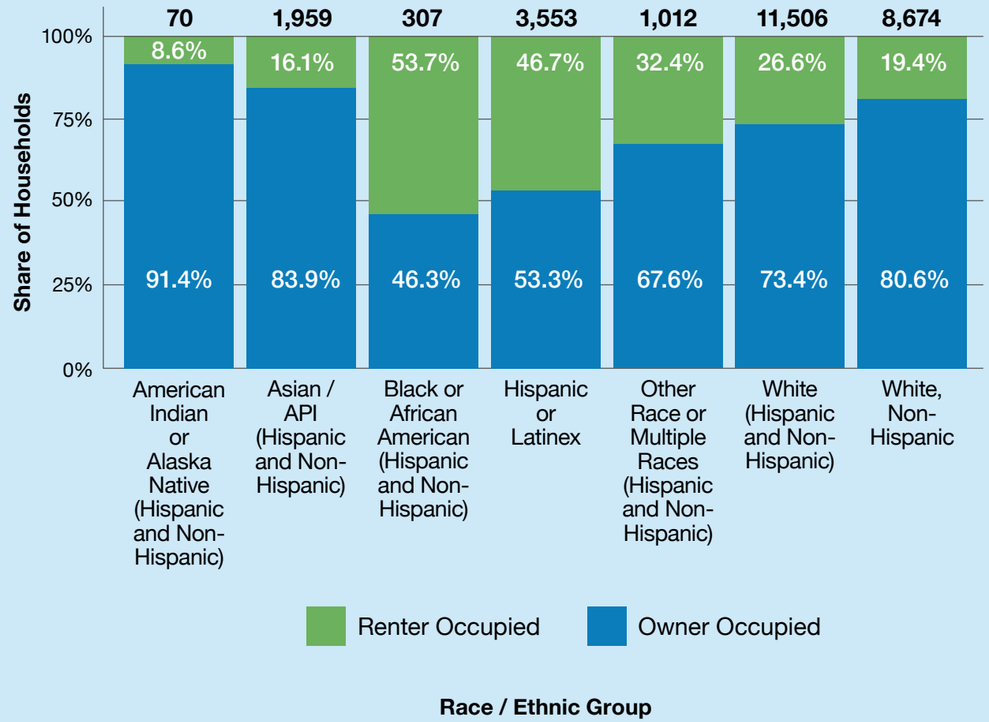
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B17001(A-I)

Hispanic/Latinx individuals are overrepresented among the ELI population, heightening racial disparities in housing costs. Hispanic/Latinx households, persons with disabilities, and large families all face housing insecurity at higher rates and tend to have less access to the highest resource parts of the region. People of color are more likely to experience poverty and financial instability due to federal and local housing policies that have historically excluded them from the same opportunities extended to others.[9]

Furthermore, the City's Hispanic/Latinx residents are the most severely cost-burdened, with 21.5% spending more than 50% of their income on housing. This is particularly crucial for the Hispanic/Latinx community, who represent a significant portion of renters in Morgan Hill, with 46.7% occupying rental units.

[9] Moore, E., Montojo, N. and Mauri, N., 2019. Roots, Race & Place: A History of Racially Exclusionary Housing the San Francisco Bay Area. Hass Institute.

PERCENT OF HOUSING TENURE BY RACE OF HOUSEHOLDER



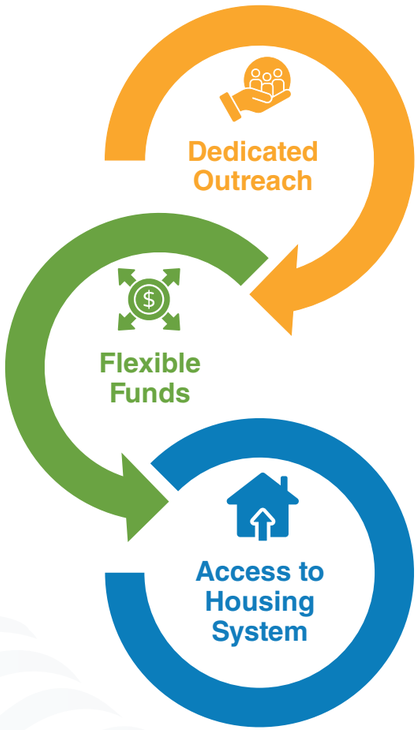
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25003 (A-I)

Homelessness

Throughout the region, including Morgan Hill, gentrification and displacement pressures are expanding. Homelessness also continues to increase in the City. In Santa Clara County, Hispanic/Latinx residents are disproportionately affected by the housing crisis, with 42.7% of the population experiencing homelessness.

In addition to addressing affordability for working-class families, the City of Morgan Hill has taken a proactive and sensible approach to support the unhoused community through partnerships and creative collaborations.

The **Safe Parking Program** enables up to eight families (or 30 people) to park safely overnight in a designated lot and offers showers, laundry, meals, and even job connections. Since 2018, this program has connected 110 individuals with permanent housing. In addition, since December 2021, a **Destination: Home** grant has funded a full-time Unhoused Specialist who supports the unhoused residents with housing resources. Since 2021, the Unhoused Specialist has received over 400 referrals, connected with 95% of them, and placed over 100 individuals into housing.



The City's successful homelessness response strategy is based on three distinct components:

1. **Dedicated Outreach:** A dedicated Unhoused Specialist with a background in social work and a mental health lens which provides real time support.

2. **Flexible Funds:** Partnerships with Saint Vicent DePaul, Edward Boss Prado Foundation and other community organizations that provide resources and funding that is flexible to meet the varying needs of the community (e.g. money for gas, car repair, hotel vouchers, rent-gap money, furniture, clothing, and food).

3. **Access To Housing System:** The Unhoused Specialist has access to the Santa Clara County's Vulnerability Index Service Prioritization Decision Assessment Tool (VISPDAT) system, which evaluates and prioritizes who gets help based on their need. The Unhoused Specialist can enlist individuals on the spot and update their applications based on new information.

Challenges to Connecting to Housing Resources

As noted previously, the cost of living and lack of housing in Silicon Valley is a challenge. The type of housing contributes to the housing crisis. A recent report issued by the Othering and Belonging Institute found that 95.80% of total residential land in California, and 77.82% among municipal and county jurisdictions, is zoned as single family, thus constraining the possibility for denser and more affordable housing.[10] And as noted by the Terner Center for Housing Innovations *Affordability for Whom?* Study, home ownership is simply unattainable to many segments of the population. More rental housing is needed.

Eliminating barriers and leveling the playing field in obtaining housing is a key objective in assisting families to access economic mobility opportunities. The city's recent I BELONG/YO PERTENEZCO community survey revealed that 34% of respondents don't know how to find information on housing resources, with this concern heightened among Spanish speakers who cited "housing" as their top worry (28%).

This data emphasizes the need for targeted outreach and awareness campaigns specifically tailored to the city's Spanish-speaking and to the lower-income community, ensuring they are informed and empowered to access available housing resources in Morgan Hill.

[10] https://belonging.berkeley.edu/single-family-zoning-california-statewide-analysis?emci=c2ffcc4b-a017-ef11-86d0-6045bdd9e096&emdi=448c758b-5818-ef11-86d0-6045bdd9e096&ceid=7503189

HOUSING STRATEGIES & ACTIONS

A deep dive into the needs of Spanish-speaking lower-income residents regarding housing revealed unmet needs and inspired corresponding strategies to address them. Research indicates that to elevate this community and boost economic mobility, residents must be met where they are, establishing a foundation of trust through well-curated strategies.

The City's three strategies and twelve actions around Housing are centered on education leading to empowerment, the creation of more affordable housing and housing resources (called assets), and the idea of redefining affordable housing as an asset that will benefit the Community's goals to attract and retain jobs, battle homelessness, and improve quality of life for all.

STRATEGY 3.A:

EMPOWER RESIDENTS: BUILDING HOUSING KNOWLEDGE AND ACCESS

29 Create user-friendly marketing and increase promotion of housing resources.

30 Build a network of trusted messengers ("promotores") to connect with, inform, and engage the Spanish-speaking community.

31 Work with apartment managers to build relationships with community.

STRATEGY 3.B:

INCREASE AFFORDABLE HOUSING ASSETS

32 Collaborate with community partners to establish an Economic Mobility Resource Center. (Also noted in the Jobs section as #17 and #23)

33 Encourage construction of Extremely Low Income (ELI) Housing.

34 Support rental housing production through zoning and funding.

35 Remove zoning barriers that prevent development of smaller housing units.

36 Secure funding and partnerships to expand housing programs and resources.

STRATEGY 3.C:

BREAK DOWN BARRIERS AND FOSTER INCLUSIVITY BY REDEFINING AFFORDABLE HOUSING

37 Implement an educational campaign promoting affordability applies to and benefits everyone.

38 Counteract misinformation about affordable housing by celebrating stories of residents.

39 Promote equitable and fair access to housing.

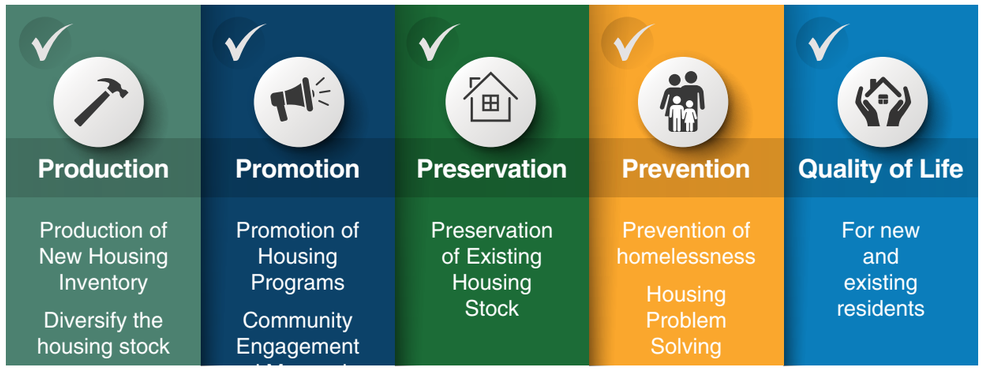
40 Build a more inclusive community by empowering underrepresented voices.

JOBS SPOTLIGHT

CITY OF MORGAN HILL HOUSING PROGRAM PILLARS

Affordable Housing and Homelessness is one of the City of Morgan Hill's five strategic priorities. Like many other cities in the Bay Area, Morgan Hill is experiencing transformative growth and working to meet the housing needs of its current and future residents.

THE CITY'S HOUSING PROGRAM IS GROUNDED ON FIVE KEY PILLARS:



1 **Production of New Affordable Housing Units:** Improve, preserve, and develop new safe, quality, rental and ownership housing for residents at all income levels. The City's Inclusionary Housing Ordinance assists the City with the production of income-restricted units.

2 **Promotion of Housing Program:** The City manages an inventory of Below-Market-Rate deed-restricted units and collaborates with the County of Santa Clara and local non-profits to connect residents to resources and elevate the voices of marginalized communities with lived experience.

3 **Preservation of Existing Affordable Housing Inventory:** The City has a robust inventory of Below-Market-Rate, income-restricted housing units.

4 **Prevention of Homelessness:** The work program for homeless prevention is focused on non-profit organizations and problem-solving at the local level. It includes increasing coordination with the County of Santa Clara, faith-based communities, non-profits, and service providers to offer resources and referrals. The primary goal is to prevent people from becoming homeless through proactive and responsive outreach and engagement as we strive to build a foundation of trust and dignity.

5 **Protection of Quality of Life for New and Existing Neighborhoods:** The City will continue to seek quality development and balance the needs of existing and new neighborhoods.

HOUSING SPOTLIGHT

UNDERSTANDING POVERTY AND PHILANTHROPIC GIVING DISPARITIES IN THE BAY AREA

In 2022, **United Way Bay Area** partnered with **Applied Survey Research** to conduct a study to assess how well the distribution of funds in the Bay Area aligns with community needs, with an emphasis on identifying opportunities to inform funding and program service delivery decisions.

Community needs were defined primarily by four key indicators of poverty:

- Percentage of the population earning less than the Federal Poverty Level
- True cost of living as defined by the Real Cost Measure
- Percentage of the population experiencing unemployment
- Percentage of the population experiencing housing burden (spending more than 30% of their income on housing)

South County is grappling with significant income disparity and housing affordability issues. A **United Way Bay Area** report reveals that 36.4% of Morgan Hill residents and 39.1% of Gilroy residents are burdened by housing costs, exceeding the Santa Clara County average of 35.53%. The income disparity in Morgan Hill is $8,353, while in Gilroy, it's $11,534, higher than the County average of $10,862. Notably, Gilroy is identified as one of the Bay Area cities with the highest economic needs, ranking among the 89 ZIP codes (out of 263 studied) with an overall high need score of 2.5.

HOUSING

AFFORDABILITY FOR WHOM?

The **Terner Center for Housing Innovation** at **U.C. Berkeley** recently launched an interactive tool to measure housing affordability. Titled Affordability for Whom? Introducing an Inclusive Affordability Measure, this research reveals the shortcomings of traditional metrics, which often neglect to consider who can actually afford to live and work in a given area. The study also highlights how existing measures overlook the full range of household expenses tied to location, including transportation and childcare.

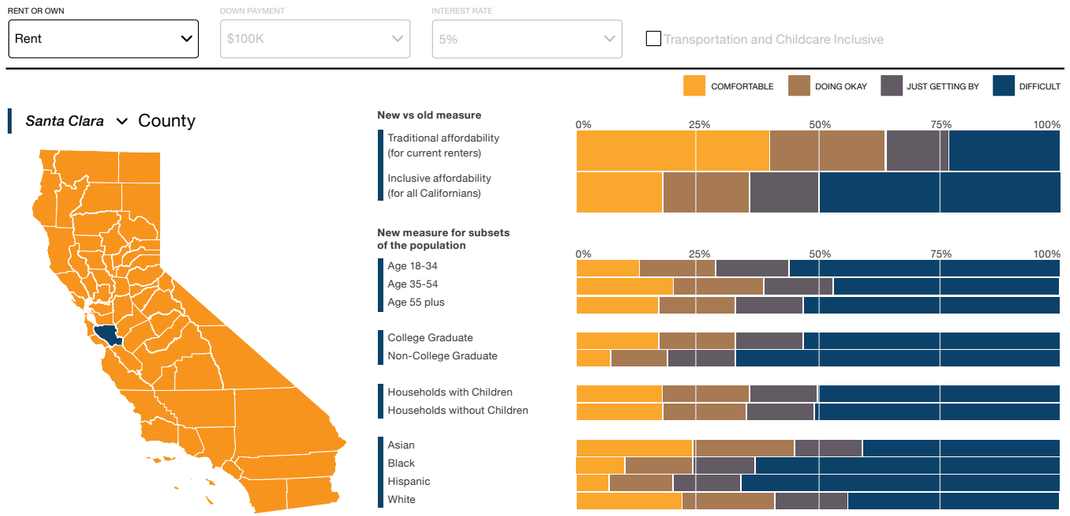
The innovative metric proposes a more comprehensive approach, factoring in current residents and those who are priced out of living in a particular location due to high housing costs. This inclusive measure demonstrates affordability conditions for both existing and potential households across all of California's counties.[11]

Below are two graphs representing the affordability metrics for both renters and homeowners in Santa Clara County. The metric compares traditional affordability indicators vs. new indicators for subsets of the population.

When the new metrics are applied, affordability is only for approximately 50% of the population. Affordability for homeownership is all but non-existent for all subsets of the population.

Renter Affordability Metric – Santa Clara County

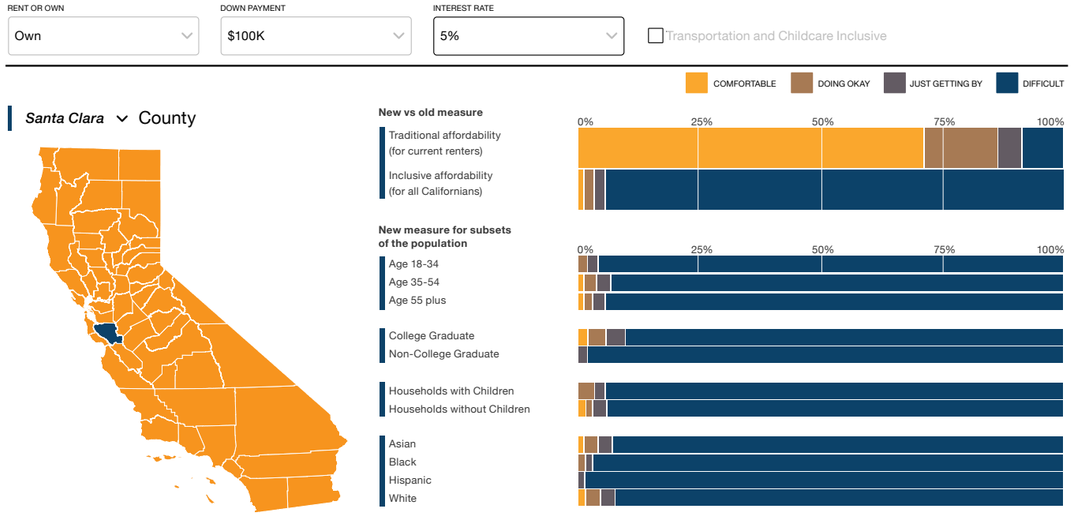
Affordability for Whom? Terner Center for Housing Innovation



[11] Shoag, D, Romem I, Reid, C, "Affordability for Whom? Introducing an Inclusive Affordability Measure", Terner Center for Housing Innovations, Home - Terner Center (berkeley.edu), May 2, 2024.

Owner Affordability Metric – Santa Clara County

Affordability for Whom? Terner Center for Housing Innovation



HOUSING

CITY OF MORGAN HILL 2023 HOUSING ELEMENT

In January 2023, the **City of Morgan Hill** adopted its 6th Cycle Housing Element, which took effect from January 31, 2023, to January 31, 2031. This is an eight-year strategy and commitment for how the City will meet the housing needs of everyone in the City.

The Housing Element was informed by extensive community outreach and engagement and includes seven goals, 81 policies, and 66 implementation items that the City will prioritize over the next eight years.

The 2023-2031 Housing Element Goals are as follows:

- **Goal 1:** Provide a diversified housing stock to meet the full range of future community housing needs.
- **Goal 2:** Encourage Extremely Low-Income (ELI) housing production, increasing availability of affordable and workforce housing.
- **Goal 3:** Advance equity and inclusion throughout the City.
- **Goal 4:** Preserve and rehabilitate existing housing supply.
- **Goal 5:** Promote housing for people experiencing homelessness.
- **Goal 6:** Provide adequate housing for groups with special needs.
- **Goal 7:** Increase community outreach and promote education about affordable housing.

At the heart of the plan is a duty to **Affirmatively Further Fair Housing (AFFH)**. According to the California Department of Housing and Community Development, "The goal of Affirmatively Furthering Fair Housing (AFFH) is to combat housing discrimination, eliminate racial bias, undo historic patterns of segregation, and lift barriers that restrict access to foster inclusive communities and achieve racial equity, fair housing choice, and opportunity for all Californians." [12]

The AFFH law requires that the City formulate policies and programs to promote equitable housing practices when inequalities exist. As per state law, AFFH involves "taking meaningful actions, in addition to combatting discrimination, that overcomes patterns of segregation and fosters inclusive communities free from barriers that restrict access to opportunity based on protected characteristics." [13] Working toward AFFH in Morgan Hill is the cornerstone of the City's Housing team's mission.

[12] The California Department of Housing and Community Development, "Affirmatively Furthering Fair Housing, Guidance for All Public Entitles and for Housing Elements," April 2021, https://www.hcd.ca.gov/community-development/affh/docs/AFFH_Document_Final_4-27-2021.pdf

[13] U.S. Department of Housing and Urban Development (HUD), "Affirmatively Furthering Fair Housing (AFFH)," https://www.hud.gov/AFFH#_What_is_AFFH

HOUSING

SUPPORTING THE UNHOUSED COMMUNITY

Destination: Home is a leader in ending homelessness in Silicon Valley. The organization works to advance impactful strategies that address the root causes of homelessness and help ensure that our most vulnerable residents have a stable home.

Through unique public-private partnerships, Destination: Home brings stakeholders together in support of a common set of mutually reinforcing strategies:

- Expanding the supply of deeply affordable housing
- Helping people secure and maintain stable housing
- Improving access and equity within our system

Destination: Home stewards a Capacity Building Grant Program that provides funding tailored to the unique needs of local agencies. These grants and partnerships expand organizations' capacities to fulfill their missions, positively impact lives and communities, and play a stronger and more prominent role in the collaborative effort to prevent and end homelessness in Santa Clara County.

In 2021, the city of Morgan Hill received a $450,000 grant award to fund an Unhoused Specialist position. This position works in the field, conducting real-time outreach and needs assessments to help unhoused residents access shelter, services, housing opportunities, and more. The response and strategies are designed to meet the immediate needs of unhoused residents through a mental health lens.

Our Unhoused Specialist works alongside partner agencies such as St. Vincent de Paul to build trust, conduct a needs assessment, and provide services and housing placement needs.

As a shining example of success, since 2021 Morgan Hill's Capacity Building Grant has empowered 118 individuals to transition from the streets into stable housing, significantly transforming their lives and contributing to the community's well-being.

- Referrals received: **459**
- Referrals connected with Unhoused Specialist: **438**
- Individuals housed: **118** (55 unhoused into housing, **63** in homeless prevention)
- Number of Vulnerability Index-Service Prioritization Decision Assessment Tool: **94**
- Individuals housed in shelter: **248**
- Referrals to legal services: **125**

> Destination: Home selected Morgan Hill to be a part of our local jurisdiction capacity building grant program because of the City's commitment to its most vulnerable residents, with **strategies and programming designed to directly help unhoused residents,** while also promoting the development of deeply affordable and supportive housing, Morgan Hill is a leader in showing what small cities can do to prevent and end homelessness.
>
> **Ray Bramson, Chief Operating Officer**
> **Destination: Home**

CONCLUSION

The **ELEVATE Morgan Hill** report offers strategies and actions to improve economic mobility with a focus on improving connections to housing resources for low-income residents, connecting Spanish-speaking residents to local jobs and to improving a feeling of belonging for the Spanish-speaking residents.

The demographics of Morgan Hill are changing, with over 50% of the population being Hispanic/Latinx and Asian. The City has an opportunity to reflect on its service delivery and create a more targeted approach to better serve all the people of the community. With strategic partnerships, the City can foster upward economic and social mobility for all.

The built environment should reflect the diverse community who lives and works in the city. While increasing affordable housing units is critical, it is not enough. Families need the knowledge, awareness, or comfort level to access housing and job resources. The City's economic and fiscal sustainability relies on an ecosystem of companies and businesses. However, this ecosystem is not only large companies, but small businesses, microenterprises and entrepreneurs which are the backbone of the local economy. The City's housing efforts improved job connections and strengthening belonging is the roadmap to strengthen economic opportunities and create mobility for families.

Moving forward, the City's economic mobility goals benefit from:

- The continual reevaluation of service delivery with the intention to positively connect with and impact the low-income and the Spanish-speaking residents
- The collective impact from the regional partners, aligning resources to improve service delivery
- The construction of more extremely low and very low housing unit and more rental product to meet the needs of residents
- The investment in culturally appropriate community engagement and outreach
- The education and empowerment of Spanish-speaking residents
- The celebration of diversity and encouragement of inclusivity

The Elevate Morgan Hill program sets the path for the next 3-5 five years to implement the 40 actions.

SUMMARY OF STRATEGIES AND ACTIONS

Strategies And Actions

ELEVATE Morgan Hill identifies **nine strategies and 40 action items** that are intentional in creating equitable access to opportunities for everyone. Community leaders, service providers, local employers, educational institutions, and government and non-government organizations are invited to align resources and have a collective impact on creating a more prosperous, sustainable, inclusive, and resilient Morgan Hill.

BELONGING

STRATEGY 1.A:

IMPROVE VISIBILITY OF HISPANIC/LATINX COMMUNITY

1. Celebrate diversity by encouraging cultural events.
2. Praise Hispanic/Latinx faces of Morgan Hill and showcase their presence, culture, and contributions.
3. Encourage belonging through art that celebrates diversity.

STRATEGY 1.B:

EMPOWER THE SPANISH-SPEAKING COMMUNITY TO PROMOTE AUTONOMY AND EQUITY OF VOICE

4. Implement a Leadership Academy to educate, train, and build leadership skills.
5. Engage working families at cultural, faith-based, retail, and Community hubs.
6. Offer childcare, food, and incentives to encourage engagement.
7. Invest in translation and interpretation services and culturally appropriate marketing programming across all City services.
8. Make City Hall more welcoming and inclusive by implementing signage that celebrates diversity.
9. Collaborate with the Police Department, Code Compliance, and other enforcement agencies to build trust.

STRATEGY 1.C:

CREATE AN ACTIVE ALLYSHIP WORKPLACE CULTURE AT CITY HALL

10. Raise awareness of unconscious biases, systematic inequities, and the importance of belonging and allyship.
11. Prevent discrimination and promote inclusivity through values campaigns and skills training.
12. Foster a sense of Community through team-building, employee resource groups, and mentorship.
13. Continuously update hiring policies and review benefits with a lens to prevent discrimination and bias.

JOBS

STRATEGY 2.A:

INCREASE ACCESS TO EDUCATION, TRAINING AND EMPLOYMENT

14. Collaborate with partners on economic mobility strategies.
15. Connect Spanish-speakers and day workers to education, resources, training, and job opportunities.
16. Partner with NorCal Carpenters Union Training Center to provide trainings to Spanish-speaking residents.
17. Create an Economic Mobility Center to support day workers, rapid re-employment, education, and training. (Also noted as #23 and #32)

STRATEGY 2.B:

PROMOTE ENTREPRENEURSHIP

18. Expand business training programs such as “Fundamentos de Negocios” for Hispanic/Latinx entrepreneurs.
19. Implement an education campaign for Microenterprise Home Kitchen Operations (MEHKO).
20. Encourage development of home-based day care centers.
21. Offer business services and development services resources in Spanish.
22. Create an awareness and education campaign on bidding for City contracts.

STRATEGY 2.C:

EXPAND EMPLOYMENT OPPORTUNITIES LOCALLY

23. Create an Economic Mobility Center as a one-stop shop for job and career opportunities. (Also noted as #17 and #32)
24. Encourage local employers to create job postings in Spanish.
25. Create a “Work Local” campaign promoting local employment opportunities.
26. Support hospitality and lodging industry workers with career opportunity pathways.
27. Collaborate with local companies and Morgan Hill Unified School District to create career pathways.
28. Capitalize on Morgan Hill Unified School District Adult School Program to provide training and career resources.

HOUSING

STRATEGY 3.A:

EMPOWER RESIDENTS: BUILDING HOUSING KNOWLEDGE AND ACCESS

29. Create user-friendly marketing and increase promotion of housing resources.
30. Build a network of trusted messengers (“promotores”) to connect with, inform, and engage the Spanish-speaking community.
31. Work with apartment managers to build relationships with community.

STRATEGY 3.B:

INCREASE AFFORDABLE HOUSING ASSETS

32. Collaborate with community partners to establish an Economic Mobility Resource Center. (Also noted as #17 and #23)
33. Encourage construction of Extremely Low Income (ELI) Housing.
34. Support rental housing production through zoning and funding.
35. Remove zoning barriers that prevent development of smaller housing units.
36. Secure funding and partnerships to expand housing programs and resources.

STRATEGY 3.C:

BREAK DOWN BARRIERS AND FOSTER INCLUSIVITY BY REDEFINING AFFORDABLE HOUSING

37. Implement an educational campaign promoting affordability applies to and benefits everyone.
38. Counteract misinformation about affordable housing by celebrating stories of residents.
39. Promote equitable and fair access to housing.
40. Build a more inclusive community by empowering underrepresented voices.

APPENDICES

APPENDIX A

I BELONG/YO PERTENEZCO SURVEY QUESTIONS

1. Do you currently live in the City of Morgan Hill?
2. Do you currently work in the City of Morgan Hill?
3. **TRUST.** To what extent do you agree with the following statement: I trust the City of Morgan Hill's ability to represent needs and interests. To trust means that you trust the City of Morgan Hill's government's ability to listen, address, and meet your needs and interests.
4. **BELONGING.** To what extent do you agree with the following statement: I feel like I belong in the City of Morgan Hill. To feel a sense of belonging means that you feel like you fit in, you are welcomed, and accepted in Morgan Hill.
5. **SAFETY.** To what extent do you agree with the following statement: I feel safe living in Morgan Hill.
6. **SAFETY OF EXPRESSION.** To what extent do you agree with the following statement: I feel safe to express my identity in Morgan Hill without having to worry about negative consequences. This may include your race, ethnicity, sexual orientation, religion, gender, and more.

Basic Needs:

7. How stable do you feel with your current housing situation?
8. Do you or your family worry about having enough food?
9. How confident do you feel in your ability to get or maintain employment?

Resourcefulness:

10. I know where to go to get information about housing.
11. I know where to get information about food assistance.
12. I know where to get assistance with jobs or employment.
13. I know how to engage with the City of Morgan Hill. Engaging with my local government means that you know how to express an opinion, attend a council meeting, or contact your local representative.

Needs:

14. What do you worry about the most? Please check all that apply: Housing/Access to Food/Employment/Job Training/ Childcare/Education/Transportation/Healthcare/Other
15. To what extent do you agree with the following statement: I feel confident about my ability to prosper in Morgan Hill? To prosper means that you feel confident about your ability to improve your current financial and living conditions.

About You:

16. What is your age?
17. What is your gender Female/Male/Non-binary/Transgender/ Other/Prefer Not to Say
18. What is your race/ethnicity American Indian or Alaskan Native/ Asian/Pacific Islander/Black or African American/Hispanic or Latin/a/x/ White/Caucasian/Other/Prefer not to Say
19. What is your highest level of education?
20. What is your income level?
21. Thank you for completing the community survey. Please add your name and email below to receive a prize for completing the survey. Thank you again.
22. If you completed this at a restaurant, please tell us the name below.

APPENDIX A-1

I BELONG/YO PERTENEZCO SURVEY KEY FACTS/TAKEAWAYS

n: 167/English Language | n: 113/Spanish Language

Overall, all respondents - English and Spanish-speaking - felt a high level of

- Trust in the City
- Sense of Belonging in Morgan Hill
- Feeling of Safety
- Housing Stability

Questions regarding **Basic Needs**, **Resourcefulness**, **Needs** and **About You** revealed unpredicted responses and shed light on differences between English and Spanish-speaking respondents in Morgan Hill.

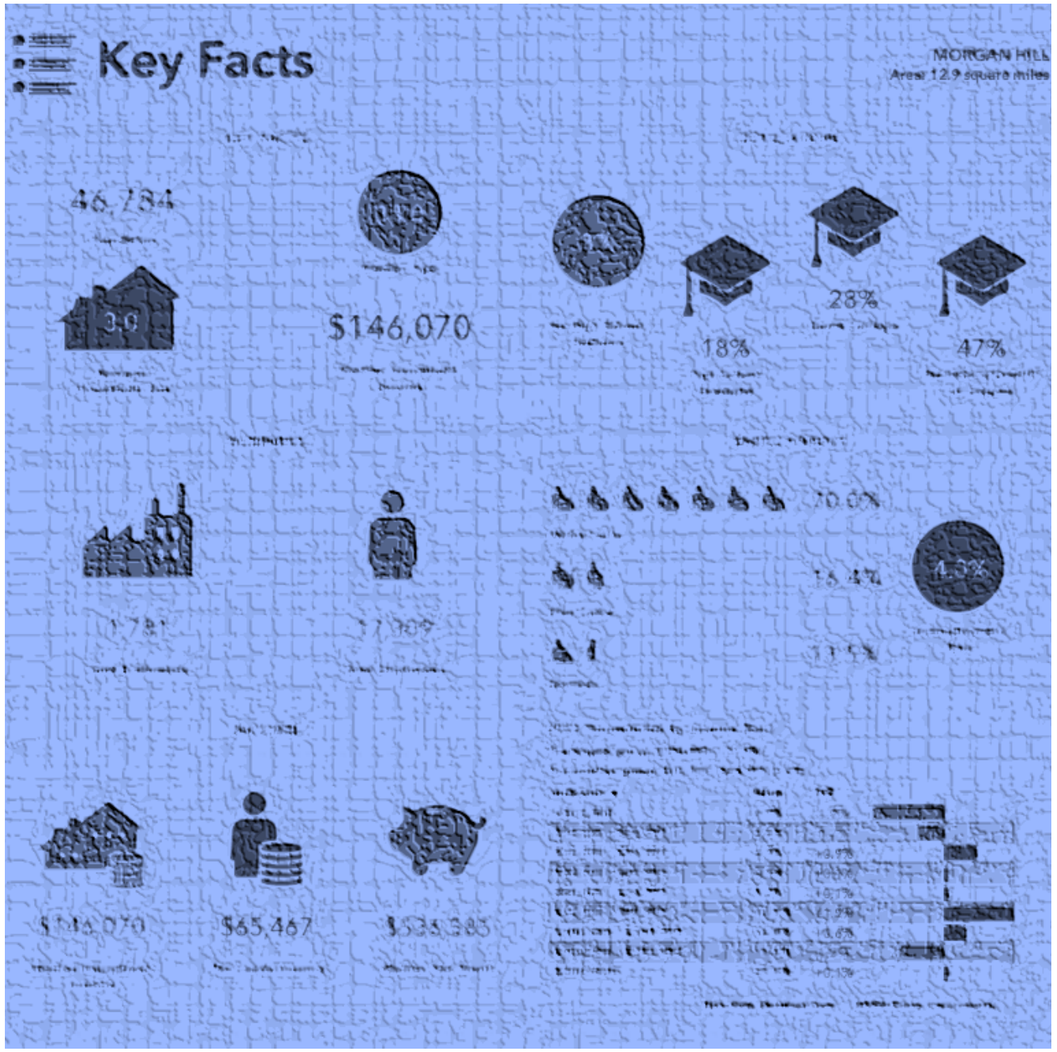
Key Facts/Takeaways:

- 41% - Spanish speakers worry about obtaining enough food
- 34% - Spanish speakers do not know where to obtain information on housing
- 24% - Spanish speakers do not know how to connect with city government, elected officials
- 60 % - Spanish speakers have High School Diploma/GED
- 71 % - English speakers have college degree (4yr) and beyond
- 50% - Spanish speakers make LESS than $35,000
- 60% - English speakers make $100,000 or MORE
- Top 3 issues/worries for Hispanic/Latinx– Spanish speakers
    - Housing
    - Jobs
    - Food/Education (tied)
- Top 3 issues/worries for Hispanic/Latinx– Spanish speakers
    - Housing
    - Childcare
    - Healthcare

APPENDIX B

DEMOGRAPHIC DATA

John Lang | May 22, 2024



This report is funded through the generous support of ICMA to research economic mobility for the City of Morgan Hill.

BACKGROUND

The City of Morgan Hill kicked off the Elevate Morgan Hill program in the Spring of 2023. The Elevate Morgan Hill Program is a concentrated and focused effort to create greater economic mobility for the City's Spanish speaking and lower income community members. Efforts will be focused on developing strategies that create opportunities for jobs and housing and increasing a sense of belonging to the community that has not historically been prioritized by the City of Morgan Hill. As part of this process for understanding the population and community, a market analysis of demographics and other indicators was commissioned to aid in helping inform strategies and tactics that will achieve the vision and goals of the Elevate Morgan Hill program.

The data analysis is focused on various geographic levels for Morgan Hill and the surrounding area. Data from the United States Census Bureau, Morgan Hill School District, State of California and other sources was utilized in the development of this report.

The report is focused on three categories of information:

- Business Composition
- People
- Housing

The report is intended to supplement and help inform program and policy decisions the City of Morgan Hill and its partners may wish to undertake and support greater economic mobility and belonging within Morgan Hill.

BUSINESSES

Race and Ethnic Makeup of Businesses

The most recent complete information regarding Business ownership for Morgan Hill comes from the United States Census Bureau, Survey of Business Owners (Survey that is conducted every 5 years). Data was last collected in 2017, unfortunately due to confidentiality requirements, much of the data has been redacted at the city level. However, in 2012, the Survey of Business Owners is complete for the City of Morgan Hill.

- *In 2012, there were a total of 3,341 firms in Morgan Hill. 76.8% of the firms are non-Hispanic with a majority of those being white owned (72.1%), followed by Asian owned at 13.6%. Business ownership amongst Hispanic/Latin people is 22.6%.*

Insights from COVID-19 and Small Business Administration Loans

The distribution of Paycheck Protection Program (PPP) loans from the Small Business Administration to Morgan Hill and South Santa Clara County was analyzed for distribution of funds and the funding institutions. The Small Business Administration asked for, but did not require, businesses to report race or ethnicity information when applying for PPP loans. In total there were 728 PPP loans in Morgan Hill under $150,000 (Table 1). Of all the loans, 229 businesses reported race or ethnicity information as this was not a requirement or condition of the loans.

Table 1: Small Business Administration Payroll Protection Program Data on Morgan Hill businesses

Definition	Number of Business	Total Loans (Approved)	Lender (# of loans)
All Morgan Hill companies receiving PPP loans (<$150k)	728	$43,777,187	Wells Fargo (55), Chase (41), Union Bank (31)
Businesses that Identified Race and Ethnicity (Subset N=229)			
White	97	$6,758,327	Bank of American (17), Union Bank (13), Union Bank/Pinnacle Bank, (All at 9)
Asian	56	$3,000,949	Bank of America (29), Chase (5)
Hispanic/Latino	30	$2,163,137	Bank of America (11), Chase (5)

Source: U.S. Small Business Administration. Paycheck Protection Program (PPP) data. Black and American Indian Responses are not displayed in the table above. https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/ppp-data

Table 2: Small Business Administration Payroll Protection Program Data on South County (Morgan Hill, Gilroy, San Martin combined)

Definition	Number of Business	Total Loans (Approved)	Lender (# of loans)
All Gilroy, Morgan Hill, San Martin companies receiving PPP loans (<$150k)	1,472	$86,085,453	Bank of America (262), Wells Fargo (159), Pinnacle (139), Chase (121), Union Bank (102), Cross River (72)
Businesses that Identified Race and/or Ethnicity (Subset, N=661)			
White	186	$12,199,208	Bank of American (35), Union Bank (26), Wells Fargo (15)
Asian	115	$6,910,498	Bank of America (45), Chase (10)
Hispanic/Latino	75	$4,836,339	Bank of America (17), Chase/BMO/Union (All at 8)

Source: U.S. Small Business Administration. Paycheck Protection Program (PPP) data. Black, American Indian, and Native Hawaiian Responses are not displayed in the table above https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/ppp-data

Looking at the South County Statistics in Table 2, some inferences that can be drawn from the PPP data collected by the U.S. Small Business Administration, while Race and Ethnicity information was not collected for all loans (was asked as voluntary information), the number of Hispanic/Latinx firms self-identifying was lower relative to White and Asian firms. Looking at the average loans requested, Hispanic/Latin firms average PPP loan was at $64,484. While White and Asian firms, the average loan value was at $65,587 and $60,091, respectfully. The two largest industry sectors by number of loans supported for White firms was Construction followed by Manufacturing. The two largest industry sectors by number of loans for Asian firms was Food Service and Healthcare. The two largest industry sectors by number of loans for Hispanic/Latinx firms was Construction and Food Service.

Entrepreneurship Pathways via Food Service - Mobile Food Vending

For individuals that are interested in owning or operating a business related to food, one of the more economical approaches is to establish either a Cottage Food Operator (packaged food-Table 3), Mobile Food Vending (Table 4) or a Microenterprise Home Kitchen Operation (MEHKO). The three pathways to entrepreneurship require a health permit with the County of Santa Clara. According to the most recent information from the Consumer Protection Department with the County of Santa Clara about 10% of the registered Cottage Food Operators are located in Gilroy and Morgan Hill. Ony 4% of the registered Mobile Food Vendors for Santa Clara County are located in Gilroy and Morgan Hill.

Table 3. Cottage Food Operators (Gilroy, Morgan Hill)

City	Business Name	Cottage Food Operator License
Gilroy	Ashley's Baking Me Crazy	Class A
Gilroy	Buena Bella Sweets	Class A
Gilroy	Cookie Creations By Amy	Class A
Gilroy	Cupcakes For College	Class A
Gilroy	Dreamin Chocolat	Class A
Gilroy	Rocky Road Ahead	Class A
Gilroy	Snickerdoodle Sweets & Events	Class A
Gilroy	Time For Feast	Class A
Gilroy	Treats By Jess	Class A
Morgan Hill	Aces' Place Banana Breads	Class A
Morgan Hill	Chaithentic	Class A
Morgan Hill	Chinese Homemade Treats	Class A
Morgan Hill	Courtney Barros Confections	Class A
Morgan Hill	Dough & Batter	Class A
Morgan Hill	E 'N' E Snacks	Class B
Morgan Hill	Golden Poppy Custom Sweets	Class A
Morgan Hill	Kouign Raccoon Bakery	Class A
Morgan Hill	Miley Baking	Class A
Morgan Hill	Randodadrob's Kitchen	Class A
Morgan Hill	Whole Breads	Class B
Morgan Hill	Yola's Pralines	Class A

Source: County of Santa Clara Consumer Protection Division https://cpd.sccgov.org/cottage-food-operations-cfo

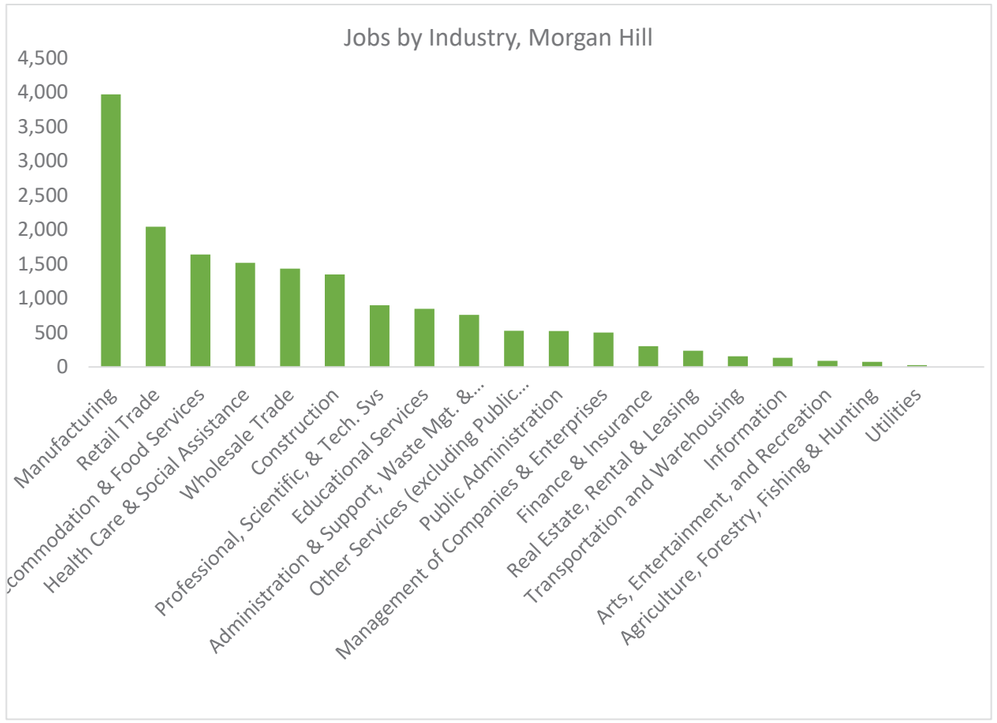
Table 4. Licensed Mobile Food Vendors (Gilroy, Morgan Hill)

City	Business Name	Mobile Food Vendors
Gilroy	Cmfo - Tacos Del Guero 4KU4738	Limited Food Prep
Gilroy	Cmfo - Tacos Del Guero De Gilroy 4LK8922	Limited Food Prep
Gilroy	Fire & Slice 8S80916	Full Food Prep
Gilroy	Frutas Del Guero 4JS4448	Limited Food Prep
Gilroy	Ricky's Grill 4LT3999	Full Food Prep
Gilroy	Sanchez Tacos 4KH8536	Limited Food Prep
Gilroy	Tacos Del Guero 6X02656	Full Food Prep
Gilroy	Tacos El Rufles 4UN2729	Limited Food Prep
Morgan Hill	A La Carte Of Loaves And Fishes	No Food Prep
Morgan Hill	Antojitos Alfaro 4SU1240	Full Food Prep
Morgan Hill	Birria El Vaquerito 4VG7957	Full Food Prep
Morgan Hill	Cheese On Board 4VR1656	Limited Food Prep
Morgan Hill	Cmfo - Antojitos Juquilita 4KU4443	Limited Food Prep
Morgan Hill	Cmfo - Churros La Guadalupana	Limited Food Prep
Morgan Hill	El Cabrite Taqueria De Texcoco 4TB5965	Full Food Prep
Morgan Hill	El Chavitaco 4Uk7453	Full Food Prep
Morgan Hill	Fruta Fresca El Oasis 4TM2422	Limited Food Prep
Morgan Hill	La Costa Chica 4KU4388	Limited Food Prep
Morgan Hill	Los Corias 50061P2	Full Food Prep
Morgan Hill	Ninos Ice Cream 68442X1	Limited Food Prep
Morgan Hill	Pinto Cocina Mexicana LIC 8H18177	Full Food Prep
Morgan Hill	Princess Fruit And Food 8X45133	Full Food Prep
Morgan Hill	Pupusa Lady 7CIN611	Full Food Prep
Morgan Hill	Quick Dogs	Limited Food Prep
Morgan Hill	Speedy Guzman 7ENG324	Full Food Prep
Morgan Hill	Tacos El Abuelo #2 2A89965	Full Food Prep
Morgan Hill	Tacos El Pelon De Oaxaca 4W12920	Full Food Prep
Morgan Hill	Tacos La Morenita 4PG5949	Full Food Prep
Morgan Hill	Valeri's Fruit 4JN8258	Limited Food Prep

Source: County of Santa Clara Consumer Protection Division https://cpd.sccgov.org/food/mobile-food-facilities

A majority of Morgan Hill jobs are within the Manufacturing Sector followed by Retail and Food Services (Figure 1). 35% of the workers in Morgan Hill are Hispanic/Latino and nearly 20% are of Asian descent.

Figure 1. Morgan Hill Jobs by Industry



Source: U.S. Census Bureau, OnTheMap 2021 (Worker), City of Morgan Hill

Morgan Hill Residents in the Workforce

According to the U.S. Census, American Community Survey for 2022, a disproportionate number of Morgan Hill working residents, who are Hispanic and Latinx, as a percentage, commute more than other races and ethnicities and have less opportunities to work from home (Table 5). Only 7% of Hispanic/LatinX workers, work from home compared with White and Asian Morgan Hill residents.

Table 5. Travel to Work by Race/Ethnicity

Travel to Work	White (9.5k)	Asian (3.8k)	Hispanic/Latino (6.4k)
Drove Along	70%	54%	76%
Public Transit/Carpool	9%	0%	0%
Walk	1%	0%	3%
Other Mobility	1%	1%	2%
Worked From Home	18%	28%	7%

Source: U.S. Census, American Community Survey, 5-year estimate 2018-2022, City of Morgan Hill

Another interesting factor is how housing tenure (whether you own or rent your housing) can play a factor in travel to work modes of transportation. Owner occupied housing has a much higher utilization rate of working from home as well as using public transit or carpooling than those who rent. Whereas individuals that are renting their housing, carpool and work from home far less, however they will also include more walking to work. (Table 6)

Table 6. Travel to Work by Housing Tenure

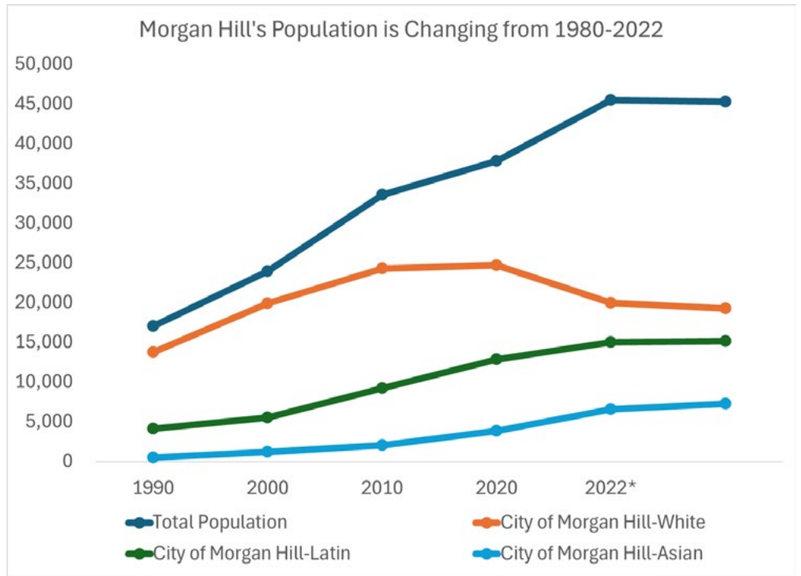
Housing Tenure	Drive Alone	Carpool/Public Transit	Walked	Other Mobility	Worked from Home
Owner	66%	12%	1%	1%	20%
Renter	75%	4%	3%	3%	8%

Source: U.S. Census, American Community Survey, 5-year estimate 2018-2022, City of Morgan Hill

THE PEOPLE OF MORGAN HILL

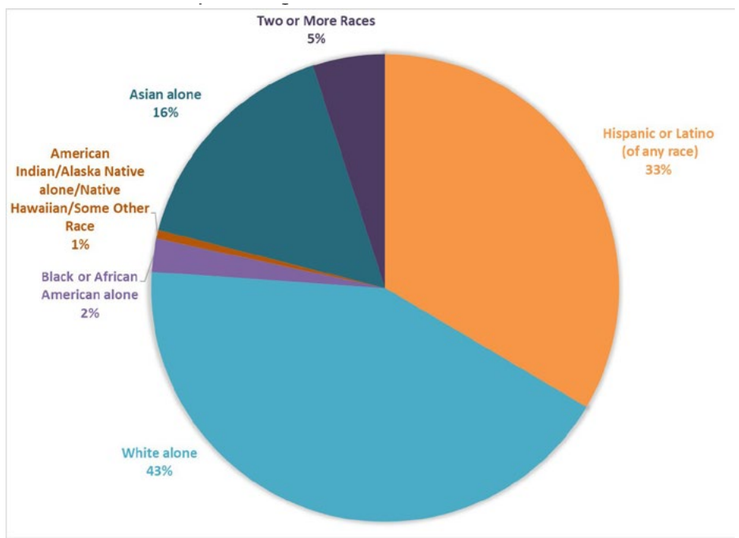
Morgan Hill's population has grown over the last 30 years. As the population has grown, so has the demographic and ethnic makeup of the City. Like the rest of Silicon Valley, Morgan Hill is experiencing growth in Asian, Hispanic/Latinx people.

Figure 2. Historical Population of Morgan Hill



Sources: Bay Area Census, U.S. Census, American Community Survey,
U.S. Census, American Community Survey, 5-year estimate 2018-2022, City of Morgan Hill

Figure 1. Morgan Hill Jobs by Industry



Source: U.S. Census, American Community Survey, 5-year estimate 2018-2022, City of Morgan Hill

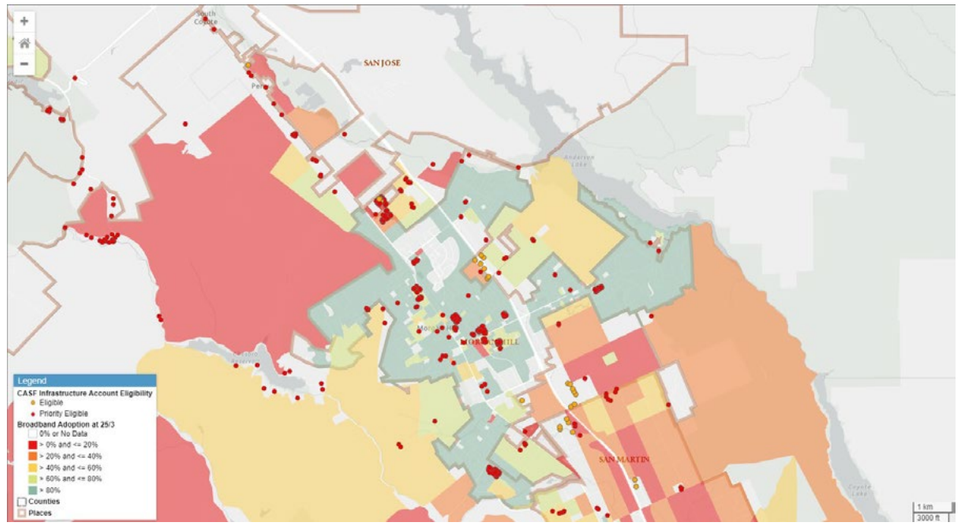
Morgan Hill's racial and ethnic diversity also is evident in the language spoken at home. According to the U.S. Census Bureau, American Community Survey, 5-year estimates (2018-2022), 32% of the Morgan Hill population speaks a language other than English at home (Spanish being the largest). Additionally, people 65 and older across different races have the highest percentages of not speaking English well. According to the Morgan Hill Unified School District, 24% of their students are English Learners (Spanish speaking is native language) (FY 2023-2024) report.

Accessing Information and Broadband

The most recent Census information on broadband connectivity for Morgan Hill, shows that 5% of the Morgan Hill's population access to broadband is ONLY through a cell phone. Additionally, 5% of the population has no access to broadband coverage.

According to the California Broadband for All Initiative, the census tracts within the City of Morgan Hill are eligible for funding to support 25/3 broadband goals (The Federal Communications Commission (FCC) broadband capability requires consumers to have access to actual download speeds of at least 25 Mbps and actual upload speeds of at least 3 Mbps) Figure 4 highlights with red dots that are eligible for funding. Polygons that are shaded in yellow, orange and red highlight less availability of broadband.

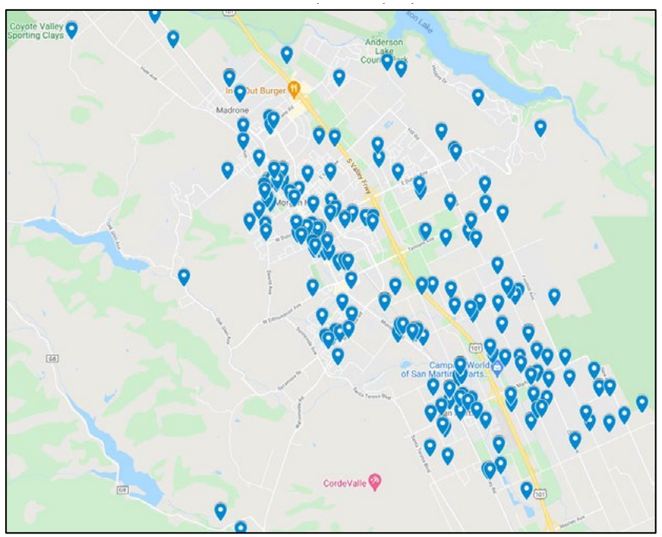
Figure 4. Broadband Coverage in Morgan Hill



Source: State of California Broadband for All https://broadbandforall.cdt.ca.gov/interactive-broadband-map/

According to the Morgan Hill Unified School District, at the start of the Pandemic in 2020, they had to deploy additional hotspots to students to aid in the connectivity. Below is a map that reflects the additional hotspots necessary to support Morgan Hill's student population to access education.

Figure 5. Morgan Hill Unified School District Hotspot Deployment (2021)

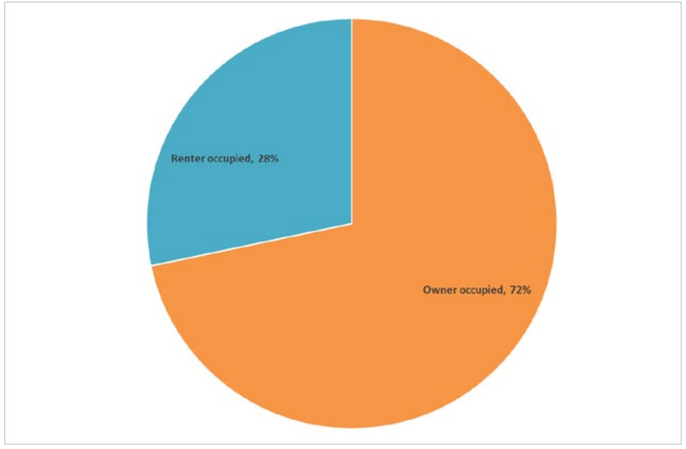


Source: Morgan Hill Unified School District

HOUSEHOLD DEMOGRAPHICS

Morgan Hill's tenure rate for the City is 72% owner occupied housing with 28% being rentals. According to the United States Federal Reserve the national average for homeownerships is 65%.

Figure 6. Housing Tenure in Morgan Hill, 2022



Source: U.S. Census, American Community Survey, 5-year estimate 2018-2022, City of Morgan Hill

When analyzing the tenure rate through the lens of race and ethnicity it becomes clear that Hispanics/Latinx residents lag homeownership opportunities versus other races.

Table 7. Homeownership by Race and Ethnicity

	White	Hispanic/Latino	Asian
Owner	76%	49%	84%
Renter	24%	51%	16%

Source: U.S. Census, American Community Survey, 5-year estimate 2018-2022, City of Morgan Hill

Jobs Housing Fit

Morgan Hill has a Jobs Housing Fit ratio of 7.39. Jobs-Housing Fit measures the mismatch between wages and housing affordability as the ratio of low-wage jobs (less than $3,333/month) to the number of low-cost rental units (less than $1,500/month). This translates into that there are more than 4 low-wage workers competing for each affordable home in Morgan Hill (assumes household size of 2).

APPENDIX C

LINKS TO RELEVANT DOCUMENTS

City of Morgan Hill -Housing Element Appendix H-5 Affirmatively Further Fair Housing	http://www.morganhill.ca.gov/DocumentCenter/View/48217/Appendix-H-5-Assessment-of-Fair-Housing
City of Morgan Hill Economic Development Blueprint and Strategy	https://www.morganhill.ca.gov/2549/Economic-Development-Blueprint-Strategy
Urban Institute - Upward Mobility Framework	https://upward-mobility.urban.org/mobility-metrics-framework
Joint Venture of Silicon Valley – 2024 Silicon Valley Index	https://jointventure.org/publications/silicon-valley-index