



**Regular Meeting Agenda
Planning Commission**

MALISHA KUMAR - CHAIR
LAURA GONZALEZ- VICE-CHAIR
ESCOTO
LIAM DOWNEY - PLANNING COMMISSIONER
WAYNE TANDA - PLANNING COMMISSIONER
JOSEPH MUELLER - PLANNING COMMISSIONER
MOHAMMAD HABIB - PLANNING COMMISSIONER

Tuesday, February 22, 2022 7:00 PM

Virtual Meeting

VIRTUAL MEETING GUIDELINES AND PUBLIC COMMENT

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. Physical meetings will not be in the City Council Chamber until further notice.

Planning Commission meetings will be live streamed on Channel 17, on the City's website and on the City's Facebook page. Those members of the community that would like to participate in the meetings remotely may do so by join the virtual meeting at:

<https://bit.ly/PlanningCommissionMtg> or by calling in to: (669) 900-9128, then enter the webinar ID#: 862 0324 6251.

Public comment may be provided in the following ways:

- Join the virtual Planning Commission meeting via the link above, when public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes
- Join the virtual meeting by calling in to the number above, dial *9 to raise your hand and *6 when called upon to speak for up to 3 minutes
- Send public comments in writing to the Minutes Clerk at pcpubliccomment@morganhill.ca.gov

* Please note that comments made on Facebook are not considered public comment.

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

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

MINUTES APPROVAL

1. February 8, 2022 Meeting Minutes

Recommendation:

1. Approve Minutes

PUBLIC HEARINGS

None

OTHER BUSINESS

2. Site Inventory for the 2023-2031 Housing Element Update

Recommendation:

1. Accept presentation by Staff regarding the City's 2023-2031 Housing Element Update Site Inventory process.

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.

AMERICANS WITH DISABILITIES ACT (ADA)

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

DRAFT



Meeting Minutes Planning Commission

MALISHA KUMAR - CHAIR
LAURA GONZALEZ- VICE-CHAIR
ESCOTO
LIAM DOWNEY - PLANNING COMMISSIONER
WAYNE TANDA - PLANNING COMMISSIONER
JOSEPH MUELLER - PLANNING COMMISSIONER
MOHAMMAD HABIB - PLANNING COMMISSIONER

Tuesday, February 8, 2022 7:00 PM

Virtual Meeting

CALL TO ORDER

Chair Kumar called the meeting to order at 07:00 p.m.

ROLL CALL ATTENDANCE

Minutes Clerk Jenna Luna called the roll at 07:00 PM.

STATUS	ATTENDEES
REMOTE	Malisha Kumar, Laura Gonzalez-Escoto, Joseph Mueller, Wayne Tanda, Mohammad Habib, Liam Downey
ABSTAIN	None
ABSENT	None
EXCUSED	None

DECLARATION OF POSTING AGENDA

Minutes Clerk Luna declared the posting of the agenda at 07:00 PM.

PLEDGE OF ALLEGIANCE

Planning Commissioner Habib led the pledge of allegiance at 07:01 PM.

PUBLIC COMMENT

Chair Kumar opened the Public Comment Period at 7:02 p.m. Hearing no requests to speak, the Public Comment Period was closed.

ORDERS OF THE DAY

No changes made.

CONSENT AGENDA

MOTION:

Accept the Consent Agenda.

RESULT:	Passed
MOVER:	Planning Commissioner Mueller
SECONDER:	Planning Commissioner Downey
AYES:	Kumar, Gonzalez-Escoto, Mueller, Tanda, Habib, Downey
NAYS:	None
ABSTAIN:	None
ABSENT:	None

1. January 11, 2022 MEETING MINUTES

Recommendation:
Approve Minutes.

2. January 25, 2022 MEETING MINUTES

Recommendation:
Approve Minutes.

PUBLIC HEARINGS

3. MISC2021-0006: CITY OF MORGAN HILL - INDUSTRIAL PRESERVATION AND OPTIMIZATION POLICY

Recommendation:

1. Open/close public hearing; and,
2. Recommend that the City Council Adopt an Industrial Land Preservation

and Optimization Policy.

The Economic Development Director, Matt Mahood, presented the staff report at 7:03 p.m.

Chair Kumar opened the Public Hearing at 7:49 p.m. The following individuals addressed the Planning Commission:

- Richard Noodleman
- Dhruv Gupta
- Hiral Khatri
- Joe Baranowski
- Nick Gaich

Hearing no further requests to speak, the Public Hearing was closed at 8:00 p.m.

MOTION:

Recommend City Council adopt an Industrial Land Preservation and Optimization Policy as proposed by staff with the modification to Section E. - to change the word encouraged to a different word Staff sees more appropriate.

RESULT:	Passed
MOVER:	Planning Commissioner Downey
SECONDER:	Planning Commissioner Gonzalez-Escoto
AYES:	Kumar, Gonzalez-Escoto, Mueller, Tanda, Habib, Downey
NAYS:	None
ABSTAIN:	None
ABSENT:	None

4. **ZA2021-0008: MUNICIPAL CODE AMENDMENT AMENDING SECTION 18.26.020 (LAND USE REGULATIONS) OF CHAPTER 18.26 (INDUSTRIAL ZONING DISTRICTS) OF TITLE 18 (ZONING) TO MODIFY THE LAND USES PERMITTED IN THE INDUSTRIAL ZONING DISTRICTS**

Recommendation:

1. Open/close public hearing; and,
2. Adopt Resolution recommending City Council approval of the Municipal Code Amendment.

Chair Kumar opened the Public Hearing at 8:29 p.m. The following individuals address the Planning Commission:

- Nick Gaich

- Joe Baranowski

Hearing no further requests to speak, the Public Hearing was closed at 8:36 p.m.

MOTION:

Adopt the Resolution recommending City Council Approval of the Municipal code with the following revisions: 1. Maintain the requirement that home improvement centers obtain a Conditional Use Permit (CUP) in the IL-light industrial Zoning District and 2. Require an Administrative Use Permit (AUP) for Medical Offices and Clinics of less than 20,000 square feet in the IL-Light Industrial zoning districts.

RESULT:	Passed
MOVER:	Planning Commissioner Mueller
SECONDER:	Planning Commissioner Downey
AYES:	Kumar, Gonzalez-Escoto, Mueller, Tanda, Habib, Downey
NAYS:	None
ABSTAIN:	None
ABSENT:	None

The Planning Commission meeting recessed at 9:36 p.m.

The Planning Commission meeting reconvened at 9:41 p.m.

5. ZA2022-0001 - ADOPTION AND RATIFICATION OF ORDINANCE NO. 2320 PREVIOUSLY ADOPTED AS AN URGENCY ORDINANCE

Recommendation:

1. Open/close public hearing; and,
2. Adopt Resolution recommending City Council approval and ratification of the proposed Ordinance.

Chair Kumar opened the Public Hearing at 9:41 p.m. The following individuals addressed the Planning Commission:

- Hiral Khatri
- Joe Baranowski

Hearing no further requests to speak, the Public Hearing was closed at 9:46 p.m.

MOTION:

Adopt the Resolution recommending City Council approval and ratification of the proposed Ordinance with a correction to Section 4 - to make reference to attachment 1 instead of attachment 2.

RESULT:	Passed
MOVER:	Planning Commissioner Mueller

SECONDER:	Planning Commissioner Downey
AYES:	Kumar, Gonzalez-Escoto, Mueller, Tanda, Habib, Downey
NAYS:	None
ABSTAIN:	None
ABSENT:	None

DIRECTOR'S REPORT/ANNOUNCEMENTS

Community Development Director Jennifer Carman made an announcement at 9:57 p.m.

ADJOURNMENT

There being no further business to discuss, Chair Kumar adjourned the meeting at 10:02 p.m.

MINUTES PREPARED BY:

Jenna Luna, Minutes Clerk



CITY OF MORGAN HILL

GPA2021-0001

Site Inventory

2023-2031 Housing Element Update



Highlights



- What is RHNA (Regional Housing Need Allocation)?
- What is a Sites Inventory?
- Residential Projects in the “Pipeline”
- Deeper Dive into Site Inventory Laws
- Morgan Hill Housing Element Update Process

What are the Components of a Housing Element?



- **Housing Needs Assessment:** Examine demographic, employment and housing trends and conditions that affect the housing needs of the community.
- **Housing Sites Inventory:** Identify locations of available sites for housing development or redevelopment to ensure that there is adequate capacity to address the Regional Housing Needs Allocation.
- **Evaluation of Past Performance:** Review the prior Housing Element to measure progress in implementing policies and programs.
- **Constraints Analysis:** Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.
- **Community Outreach and Engagement:** Implement a robust community outreach and engagement program, with a particular focus on outreach to traditionally underrepresented groups.
- **Policies and Programs:** Establish policies and programs to fulfill the identified housing needs.

Housing Needs Assessment



Appendix H-1: Housing Needs Assessment

Table of Contents

City of Morgan Hill Housing Element

APPENDIX H-1 Housing Needs Assessment	H-1-i
1.1 Introduction	H-1-1
1.2 Summary of Key Facts	H-1-1
1.3 Looking to the Future: Regional Housing Needs	H-1-3
1.4 Population, Employment, and Housing Characteristics	H-1-5
1.5 Housing Stock Characteristics	H-1-24
1.6 Special Housing Needs	H-1-41

Figures

Figure H 1-1: Population Growth Trends	H-1-6
Figure H 1-2: Population by Age, 2000-2019	H-1-7
Figure H 1-3: Senior and Youth Population by Race	H-1-8
Figure H 1-4: Population by Race, 2000-2019	H-1-9
Figure H 1-5: Jobs in a Jurisdiction	H-1-10
Figure H 1-6: Workers by Earnings, by Jurisdiction as Place of Work and Place of Residence	H-1-11
Figure H 1-7: Jobs-Worker Ratios, By Wage Group	H-1-12
Figure H 1-8: Jobs-Household Ratio	H-1-13
Figure H 1-9: Resident Employment by Industry	H-1-14
Figure H 1-10: Unemployment Rate	H-1-15
Figure H 1-11: Households by Household Income Level	H-1-16
Figure H 1-12: Household Income Level by Tenure	H-1-17
Figure H 1-13: Poverty Status by Race	H-1-18
Figure H 1-14: Housing Tenure	H-1-19
Figure H 1-15: Housing Tenure by Race of Household	H-1-20
Figure H 1-16: Housing Tenure by Age	H-1-21
Figure H 1-17: Housing Tenure by Housing Type	H-1-22
Figure H 1-18: Households by Displacement Risk and Tenure	H-1-23
Figure H 1-19: Housing Type Trends	H-1-24
Figure H 1-20: Housing Units by Year Structure Built	H-1-25
Figure H 1-21: Vacant Units by Type	H-1-26
Figure H 1-22: Substandard Housing Issues	H-1-29
Figure H 1-23: Home Values of Owner-Occupied Units	H-1-30
Figure H 1-24: Zillow Home Value Index (ZHVI)	H-1-30
Figure H 1-25: Contract Rents for Renter-Occupied Units	H-1-31
Figure H 1-26: Median Contract Rent	H-1-32
Figure H 1-27: Cost Burden by Tenure	H-1-33
Figure H 1-28: Cost Burden by Income Level	H-1-34
Figure H 1-29: Cost Burden by Race	H-1-35
Figure H 1-30: Cost Burden by Household Size	H-1-36
Figure H 1-31: Cost-Burdened Senior Households by Income Level	H-1-37
Figure H 1-32: Overcrowding by Tenure and Severity	H-1-38
Figure H 1-33: Overcrowding by Income Level and Severity	H-1-39
Figure H 1-34: Overcrowding by Race	H-1-40
Figure H 1-35: Household Size by Tenure	H-1-41
Figure H 1-36: Housing Units by Number of Bedrooms	H-1-42
Figure H 1-37: Household Type	H-1-43
Figure H 1-38: Female-Headed Households by Poverty Status	H-1-44

What is RHNA?



- The Regional Housing Need Allocation (RHNA) process is the part of Housing Element Law used to determine how many new homes, and the affordability of those homes, each local government must plan for in its Housing Element
- The upcoming RHNA cycle (6th cycle) the Bay Area is planning for is from 2023 to 2031
- As part of the RHNA process, HCD determines the total number of new homes the Bay Area needs to build – and how affordable those homes need to be – in order to meet the housing needs of people at all income levels
- Housing Element must show the locations (Sites Inventory) where housing (RHNA allocations) can be built by income and the policies and strategies necessary to meet the community's housing needs
- RHNA and local Housing Elements must Affirmatively Further Fair Housing – includes preventing segregation and poverty concentration as well as increasing access to areas of opportunity

What is RHNA?

- Final RHNA 2023-2031, approved December 16, 2021

Income Group	Morgan Hill Units
Very Low Income (<50% of AMI)	262
Low Income (50%-80% of AMI)	151
Moderate Income (80%-120% of AMI)	174
Above Moderate Income (>120% of AMI)	450
Total	1037

Jurisdiction	RHNA 6
Campbell	2,977
Cupertino	4,588
Gilroy	1,773
Los Altos	1,958
Los Altos Hills	489
Los Gatos	1,993
Milpitas	6,713
Monte Sereno	193
Morgan Hill	1,037
Mountain View	11,135
Palo Alto	6,086
San Jose	62,200
Santa Clara	11,632
Saratoga	1,712
Sunnyvale	11,966
Unincorporated	3,126
COUNTY TOTAL	129,578

What is a Sites Inventory?



- The Housing Element of the general plan must include an inventory of land suitable and available for residential development to meet the locality's regional housing need by income level (CA Gov. Code Sec. 65583.2)
- An assessment of the potential housing capacity within the City and must demonstrate whether the 1,037 unit target can be achieved under the City's land use plans and zoning regulations.
- If the City can not demonstrate that it has the capacity to meet the RHNA target, the City must change its regulations to provide the needed capacity (CA Gov. Code Section 65583)

Building a Sites Inventory

- Units in the Pipeline

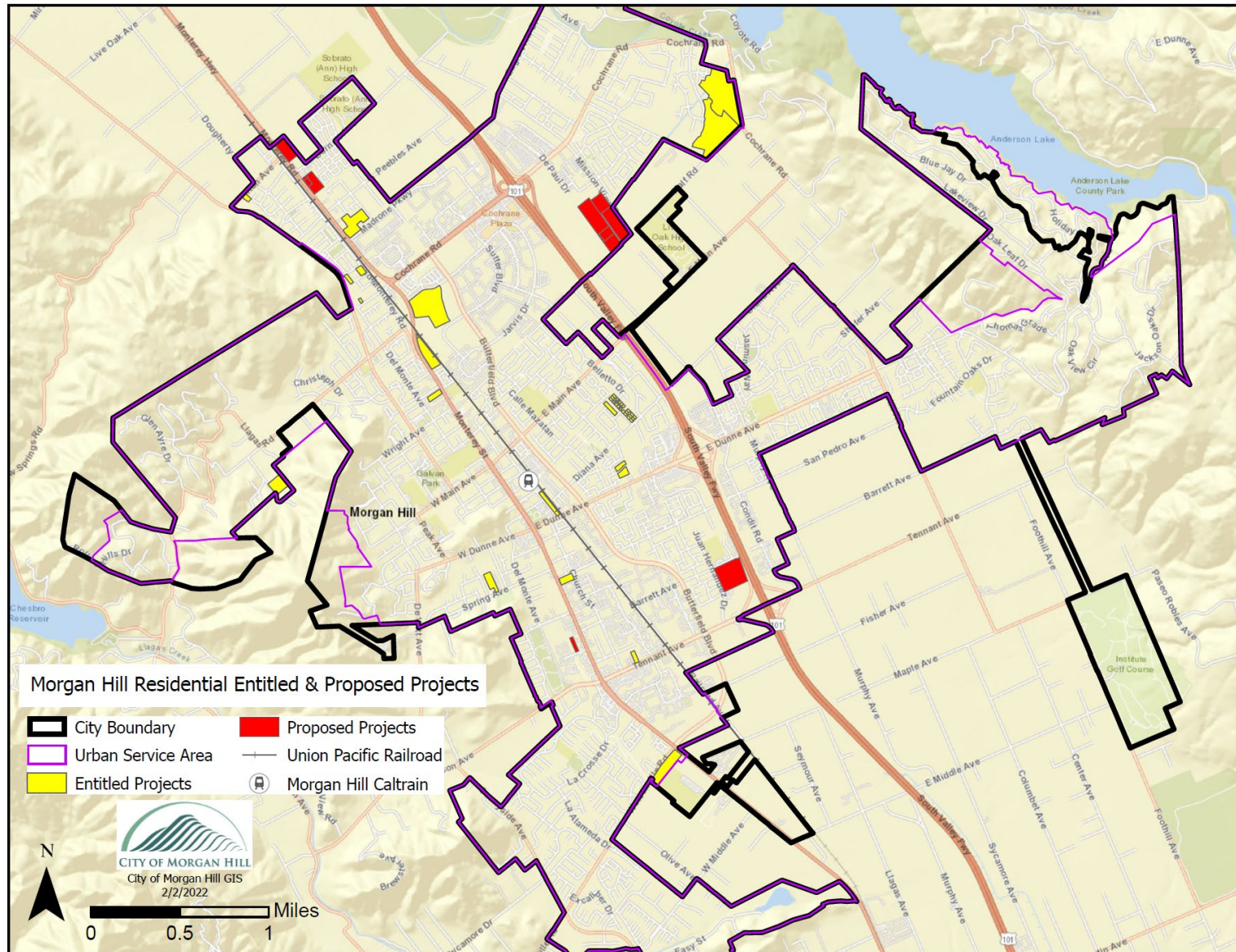
+

- Conversion/Preservation/Rehabilitation

+

- Vacant and Non-Vacant Sites

Units in the Pipeline



Units in the Pipeline



Project Name	Project No.	APN	Location	Acres	ELI	VLI	Low	Moderate	Above Moderate	Entitlement Status
Monterey-Lucky Shing Manzanita Park	SR2020-0017	72501018	Monterey Rd	5.83				10	57	PENDING
E. Dunne-Young (Andalusia)	SR2018-0020	72602052 and 72602051		2.33			3	1	42	Entitled
Dakota-Dunne	SR2021-0003	72609024		1.22				3	3	Entitled
Diana- Mana Hanalei,	SR2019-0028	72609078 through -101		3.65				2	22	Entitled
Depot-Latala (Hale Lumber)	SR2019-0003/SD2018-007/EA2019-0013	72613049	17020 Depot St	2.05					49	Entitled
Monterey-City Ventures	SR2019-0026	72625006	18110 Monterey Rd	6.69				15	86	Entitled
Jarvis-MH Apartments (Braddock & Logan),	SR2019-0015	72625095		19.5		78		311		Entitled
Monterey-Minor (Jemcor)	SR2020-0027	72636059	18960 Monterey Rd	7.52	25	25	196	3		Entitled
Monterey-Kerley (DeNova Homes)	PRE2021-0001	72642002, -3	19380 Monterey Rd	4.98				14	79	PENDING
Half-Dividend (Crosswinds)	SR2020-0010	72830001, -2, -3, and -4	Half Road and Mission	28.88				40	229	PENDING
Cochrane - Toll Brothers	SR2021-0011/EA2021-0009	72834032 and 72834033		52.42				25	114	Entitled
Tilton-Lee Schmidt	SR2018-0009	76409004	280 Tilton Av	0.78				1	1	Entitled
Monterey-First Community Housing (Magnolias)	SR2021-0005	76412006	17965 Monterey Rd	1.54	42	9	14	1		Entitled
Campoli-Squires	SD2021-0002	76424005	185 Campoli Dr	0.74					1	Entitled
Sanchez-Brewer	SD2020-0001	76424076	185 Sanchez Dr	0.24					1	Entitled
OLD MONTEREY - APPLETREE (KELLY VO)	AAE2021-0002	76424061	18755 Monterey Rd	1.13				2	5	Entitled
Spring-Ginacola	SR2020-0028	76711030	335 Spring Rd	2.78				3	19	Entitled
Edes-Alcini (TTL Morgan Hill),	PRE2021-0002	76718046	Monterey Rd	1.1				3	18	PENDING
Llagas-Strolata Properties (Silvas)	SR2018-0025	77332013	1110 Llagas Rd	4.6					4	Entitled
Watsonville-Hordness (Crossings at Monterey/Royal Oak Village)	SR2020-0023	77904075	15440 Monterey Rd	8.19	48	24		1		Entitled
Monterey-Morgan Hill Senior Housing	SR2020-0005	81702067	16685 Church St	1.89	43	13	25	1		Entitled
Tennant-Osito Holdings	SR2020-0014	81704059	215 Tennant Av	0.99				2	14	Entitled
Lillian Commons/Rosewood	GPA2019-0005 & ZA2019-0016	81709041		9.49				9	111	Entitled
Total Acres/Units:				168.54	158	149	238	447	855	

Units in the Pipeline



Project Name	Location	Acres	ELI	VLI	Low	Moderate	Above Moderate
Monterey-Lucky Shing Manzinita Park	Monterey Rd	5.83				10	57
E. Dunne-Young (Andalusia)		2.33			3	1	42
Dakota-Dunne		1.22				3	3
Diana- Mana Hanalei,		3.65				2	22
Depot-Latala (Hale Lumber)	17020 Depot St	2.05					49
Monterey-City Ventures	18110 Monterey Rd	6.69				15	86
Jarvis-MH Apartments (Braddock & Logan),		19.5		78		311	
Monterey-Minor (Jemcor)	18960 Monterey Rd	7.52	25	25	196	3	
Monterey-Kerley (DeNova Homes)	19380 Monterey Rd	4.98				14	79
Half-Dividend (Crosswinds)	Half Road and Mission	28.88				40	229
Cochrane - Toll Brothers		52.42				25	114
Tilton-Lee Schmidt	280 Tilton Av	0.78				1	1
Monterey-First Community Housing (Magnolias)	17965 Monterey Rd	1.54	42	9	14	1	
Campoli-Squires	185 Campoli Dr	0.74					1
Sanchez-Brewer	185 Sanchez Dr	0.24					1
OLD MONTEREY - APPLETREE (KELLY VO)	18755 Monterey Rd	1.13				2	5
Spring-Ginacola	335 Spring Rd	2.78				3	19
Edes-Alcini (TTLC Morgan Hill),	Monterey Rd	1.1				3	18
Llagas-Strolata Properties (Silvas)	1110 Llagas Rd	4.6					4
Watsonville-Hordness (Crossings at Monterey/Royal Oak Village)	15440 Monterey Rd	8.19	48	24		1	
Monterey-Morgan Hill Senior Housing	16685 Church St	1.89	43	13	25	1	
Tennant-Osito Holdings	215 Tennant Av	0.99				2	14
Lillian Commons/Rosewood		9.49				9	111
Total Acres/Units:		168.54	158	149	238	447	855

Vacant and Non-Vacant Sites



	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate
RHNA	131	131	151	174	450
Pipeline	158	149	238	447	855
Need to Plan for	0	0	0	0	0

- Process if RHNA is not met:
 1. Identify Sites
 2. Calculate Affordability
 3. Analyze Capacity

Site Inventory Laws



- **No Net Loss Law (SB 166)**
 - Must maintain adequate sites to always accommodate its remaining unmet RHNA by each income category
 - May not reduce a parcel's residential density unless it makes findings that the remaining sites can accommodate the remaining unmet RHNA, or identify additional sites so there is no net loss
 - If a parcel identified in the Housing Element is approved with fewer units than shown in the Housing Element, must make findings that the remaining sites can accommodate the remaining unmet RHNA, or identify additional sites so there is no net loss
 - May not deny a housing project because the approval would require identifying or rezoning additional sites to accommodate the remaining RHNA

Site Inventory Laws



- Affirmatively Furthering Fair Housing (AFFH) (AB 686)
 - Must identify sites throughout the community
 - Ensure sites are not concentrated in lower resource areas and segregated concentrated areas of poverty
 - If sites are located in lower resource areas and segregated concentrated areas of poverty, must incorporate policies that are designed to remediate conditions (i.e., enhance infrastructure, services, schools, jobs, and other community needs)

Site Inventory Laws



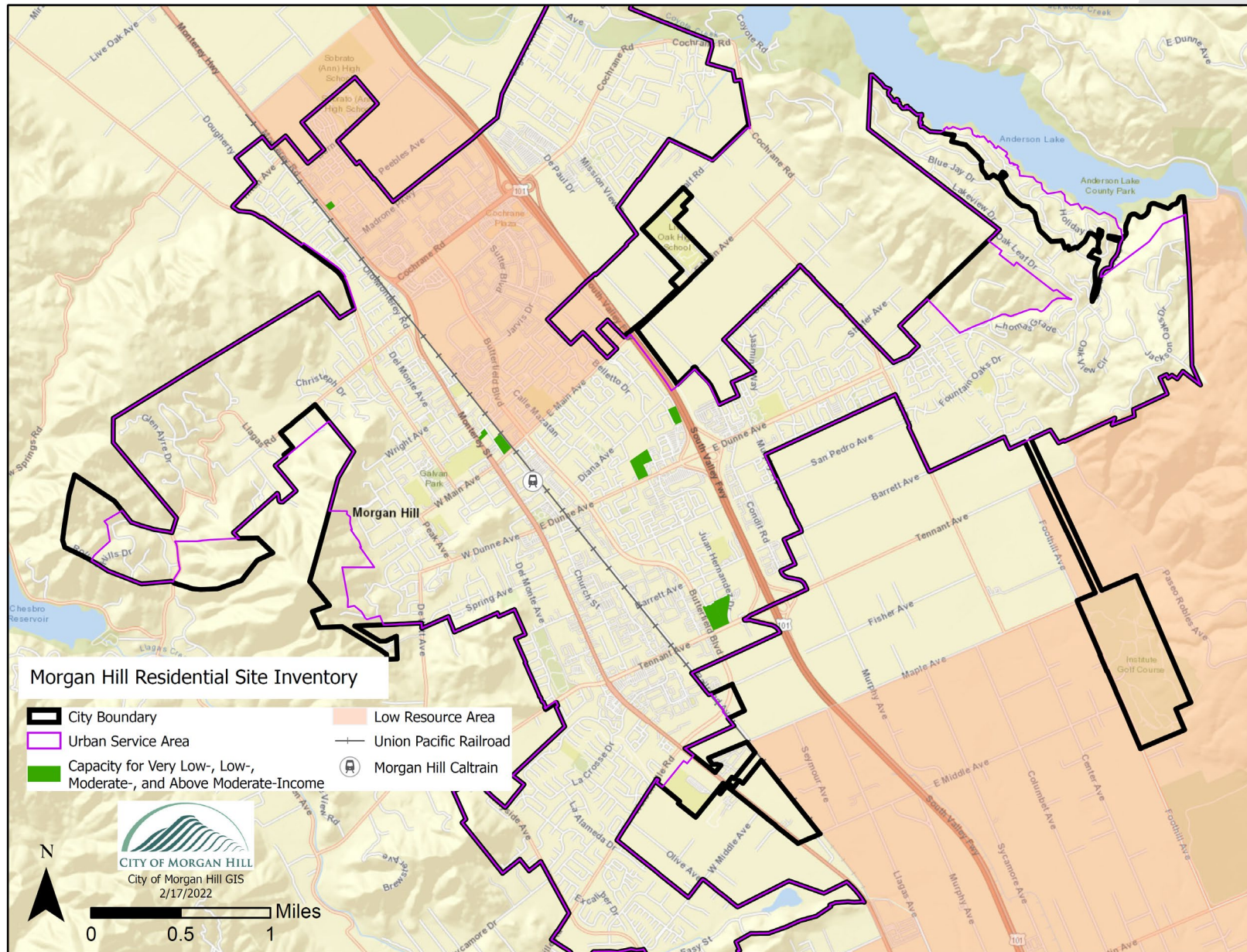
- **Identifying Sites (AB 1397)**
 - A site that was not entitled shall not be deemed adequate to accommodate lower income households unless the site: (1) Allows residential by right for developments that include 20% affordable units; and (2) Is zoned to allow 30 units per acre (or more). Applies to:
 - Non-vacant site identified in prior housing element
 - Vacant site identified in two consecutive housing elements
 - Affordable sites must be between 0.5 acres and 10 acres

Vacant and Non-Vacant Sites

	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate
RHNA	131	131	151	174	450
Pipeline	158	149	238	447	855
Need to Plan for	0	0	0	0	0

- Process if RHNA is not met:
 1. Identify Sites
 2. Calculate Affordability
 3. Analyze Capacity

Vacant and Non-Vacant Sites



Vacant and Non-Vacant Sites



APN	Location	General Plan	Zoning	Acres	ELI	VLI	Low	Moderate	Above Moderate	5 th Cycle	4 th Cycle	Notes
72602012	E Dunne Ave	MUFlex	MU-F & RAM	4.84	19	19	19	19		Yes	Yes	
72602016	Walnut Grove Dr	RAM	RAM	2.3	9	9	9	9		Yes	Yes	
72607021	17364 Walnut Grove Dr	RDM	RDM 9,000	3.4				2	11	Yes		
72623018	95 E Main Ave	MU	MU-N	2.52	10	10	10	10		Yes		Existing Business
72623019	Mclaughlin Av	MU	MU-N	0.87	4	3	4	3			Yes	
72623020	Monterey Rd	MU	MU-N	0.91	4	3	4	3			Yes	In Flood Zone
72641065	25 Peebles Ave	MUFlex	MU-F	0.9	4	3	4	3				
81709036	Juan Hernandez Dr	RAM	RAM	5.22				12	71	Yes	Yes	
81709055	Tennant Av	RAM	RAM	6.35	26	25	25	25		Yes		
Total Acres/Units:				27.31	76	72	75	86	82			

What's Next?



- **Next Steps**

- Prepare draft “Sites Inventory”
- Review prior Housing Element, **Planning Commission Meeting March 8th**
- Additional Community Outreach and Engagement to come
- Affirmatively Furthering Fair Housing (AFFH), **Planning Commission Meeting late March/April**

What's Next?

- **Housing Element Survey (Closes March 1)**

English: <https://www.surveymonkey.com/r/JDZYJ65>

Español: <https://www.surveymonkey.com/r/QZKN6W3>

English



Español



- **Contact Us**

- Adam.Paszkowski@morganhill.ca.gov
- <http://morgan-hill.ca.gov/2063/Housing-Element-Update>
- <https://www.letstalkhousingcc.org/>

Questions?



Appendix H1

Housing Needs Assessment

City of Morgan Hill Housing Element 2023-2031

DRAFT

Table of Contents

City of Morgan Hill Housing Element

APPENDIX H-1 Housing Needs Assessment	H-1-i
1.1 Introduction	H-1-1
1.2 Summary of Key Facts	H-1-1
1.3 Looking to the Future: Regional Housing Needs	H-1-3
1.4 Population, Employment, and Housing Characteristics	H-1-5
1.5 Housing Stock Characteristics	H-1-24
1.6 Special Housing Needs	H-1-41

Figures

Figure H 1-1: Population Growth Trends	H-1-6
Figure H 1-2: Population by Age, 2000-2019	H-1-7
Figure H 1-3: Senior and Youth Population by Race	H-1-8
Figure H 1-4: Population by Race, 2000-2019	H-1-9
Figure H 1-5: Jobs in a Jurisdiction	H-1-10
Figure H 1-6: Workers by Earnings, by Jurisdiction as Place of Work and Place of Residence	H-1-11
Figure H 1-7: Jobs-Worker Ratios, By Wage Group	H-1-12
Figure H 1-8: Jobs-Household Ratio	H-1-13
Figure H 1-9: Resident Employment by Industry	H-1-14
Figure H 1-10: Unemployment Rate	H-1-15
Figure H 1-11: Households by Household Income Level	H-1-16
Figure H 1-12: Household Income Level by Tenure	H-1-17
Figure H 1-13: Poverty Status by Race	H-1-18
Figure H 1-14: Housing Tenure	H-1-19
Figure H 1-15: Housing Tenure by Race of Household	H-1-20
Figure H 1-16: Housing Tenure by Age	H-1-21
Figure H 1-17: Housing Tenure by Housing Type	H-1-22
Figure H 1-18: Households by Displacement Risk and Tenure	H-1-23
Figure H 1-19: Housing Type Trends	H-1-24
Figure H 1-20: Housing Units by Year Structure Built	H-1-25
Figure H 1-21: Vacant Units by Type	H-1-26
Figure H 1-22: Substandard Housing Issues	H-1-29
Figure H 1-23: Home Values of Owner-Occupied Units	H-1-30
Figure H 1-24: Zillow Home Value Index (ZHVI)	H-1-30
Figure H 1-25: Contract Rents for Renter-Occupied Units	H-1-31
Figure H 1-26: Median Contract Rent	H-1-32
Figure H 1-27: Cost Burden by Tenure	H-1-33
Figure H 1-28: Cost Burden by Income Level	H-1-34
Figure H 1-29: Cost Burden by Race	H-1-35
Figure H 1-30: Cost Burden by Household Size	H-1-36
Figure H 1-31: Cost-Burdened Senior Households by Income Level	H-1-37
Figure H 1-32: Overcrowding by Tenure and Severity	H-1-38
Figure H 1-33: Overcrowding by Income Level and Severity	H-1-39
Figure H 1-34: Overcrowding by Race	H-1-40
Figure H 1-35: Household Size by Tenure	H-1-41
Figure H 1-36: Housing Units by Number of Bedrooms	H-1-42
Figure H 1-37: Household Type	H-1-43
Figure H 1-38: Female-Headed Households by Poverty Status	H-1-44

Figure H 1-39: Senior Households by Income and Tenure.....	H-1-45
Figure H 1-40: Disability by Type.....	H-1-46
Figure H 1-41: Homelessness by Household Type and Shelter Status, Santa Clara County.....	H-1-48
Figure H 1-42: Racial Group Share of General and Homeless Populations, Santa Clara County....	H-1-49
Figure H 1-43: Latinx Share of General and Homeless Populations, Santa Clara County.....	H-1-50
Figure H 1-44: Characteristics for the Population Experiencing Homelessness, Santa Clara County.....	H-1-51
Figure H 1-45: Farm Operations and Farm Labor by County, Santa Clara County.....	H-1-53
Figure H 1-46: Population with Limited English Proficiency.....	H-1-54

Tables

Table H 1-1: Illustrative Regional Housing Needs Allocation from Data Methodology.....	H-1-4
Table H 1-2: Population Growth Trends	H-1-5
Table H 1-3: Housing Permitting.....	H-1-26
Table H 1-4: Assisted Units at Risk of Conversion.....	H-1-27
Table H 1-5: Population with Developmental Disabilities by Age.....	H-1-46
Table H 1-6: Population with Developmental Disabilities by Residence.....	H-1-47
Table H 1-7: Homeless Population within Morgan Hill.....	H-1-50
Table H 1-8: Students in Local Public Schools Experiencing Homelessness	H-1-51
Table H 1-9: Migrant Worker Student Population.....	H-1-52

APPENDIX H-1 | Assessment of Housing Needs

1.1 Introduction

The Bay Area continues to see growth in both population and jobs, which means more housing of various types and sizes is needed to ensure that residents across all income levels, ages, and abilities have a place to call home. While the number of people drawn to the region over the past 30 years has steadily increased, housing production has stalled, contributing to the housing shortage that communities are experiencing today. In many cities, this has resulted in residents being priced out, increased traffic congestion caused by longer commutes, and fewer people across incomes being able to purchase homes or meet surging rents.

The 2023-2031 Housing Element Update provides a roadmap for how to meet our growth and housing challenges. Required by the state, the Housing Element identifies the existing housing conditions and community needs, reiterates goals, and creates a plan for more housing. The Housing Element is an integral part of the General Plan, which guides the policies of Morgan Hill.

1.2 Summary of Key Facts

- **Population** – Generally, the population of the Bay Area continues to grow because of natural growth and because the strong economy draws new residents to the region. The population of Morgan Hill increased by 38.3% from 2000 to 2020, which is above the growth rate of the Bay Area.
- **Age** – In 2019, Morgan Hill's youth population under the age of 18 was 11,606, and senior population 65 and older was 6,240. These age groups represent 26.0% and 14.0%, respectively, of Morgan Hill's population.
- **Race/Ethnicity** – In 2020, 49.0% of Morgan Hill's population was White while 1.7% was African American, 13.7% was Asian, and 31.3% was Latinx. People of color in Morgan Hill comprise a proportion below the overall proportion in the Bay Area as a whole.¹
- **Employment** – Morgan Hill residents most commonly work in the *Health & Educational Services* industry. From January 2010 to January 2021, the unemployment rate in Morgan Hill decreased by 6.6 percentage points. Since 2010, the number of jobs located in the

¹ The Census Bureau's American Community Survey accounts for ethnic origin separate from racial identity. The numbers reported here use an accounting of both such that the racial categories are shown exclusive of Latinx status, to allow for an accounting of the Latinx population regardless of racial identity. The term Hispanic has historically been used to describe people from numerous Central American, South American, and Caribbean countries. In recent years, the term Latino or Latinx has become preferred. This report generally uses Latinx, but occasionally when discussing US Census data, we use Hispanic or Non-Hispanic, to clearly link to the data source.

jurisdiction increased by 3,680 (28.0%). Additionally, the jobs-household ratio in Morgan Hill has increased from 1.18 in 2002 to 1.19 jobs per household in 2018.

- **Number of Homes** – The number of new homes built in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of homes in Morgan Hill increased, 19.4% from 2010 to 2020, which is *above* the growth rate for Santa Clara County and *above* the growth rate of the region’s housing stock during this time period.
- **Home Prices** – A diversity of homes at all income levels creates opportunities for all Morgan Hill residents to live and thrive in the community.
 - **Ownership** The largest proportion of homes had a value in the range of \$750k-\$1M in 2019. Home prices increased by 100.6% from 2010 to 2020.
 - **Rental Prices** – The typical contract rent for an apartment in Morgan Hill was \$1,680 in 2019. Rental prices increased by 37.2% from 2009 to 2019. To rent a typical apartment without cost burden, a household would need to make \$67,440 per year.²
- **Housing Type** – It is important to have a variety of housing types to meet the needs of a community today and in the future. In 2020, 59.0% of homes in Morgan Hill were single family detached, 17.7% were single family attached, 5.5% were small multifamily (2-4 units), and 9.8% were medium or large multifamily (5+ units). Between 2010 and 2020, the number of single-family units increased more than multi-family units. Generally, in Morgan Hill, the share of the housing stock that is detached single family homes is above that of other jurisdictions in the region.
- **Cost Burden** – The U.S. Department of Housing and Urban Development considers housing to be affordable for a household if the household spends less than 30% of its income on housing costs. A household is considered “cost-burdened” if it spends more than 30% of its monthly income on housing costs, while those who spend more than 50% of their income on housing costs are considered “severely cost-burdened.” In Morgan Hill, 20.1% of households spend 30%-50% of their income on housing, while 15.3% of households are severely cost burden and use the majority of their income for housing.
- **Displacement/Gentrification** – According to research from The University of California, Berkeley, 0.0% of households in Morgan Hill live in neighborhoods that are susceptible to or experiencing displacement, and 0.0% live in areas at risk of or undergoing gentrification. 22.6% of households in Morgan Hill live in neighborhoods where low-income households are likely excluded due to prohibitive housing costs. There are various ways to address displacement including ensuring new housing at all income levels is built.

² Note that contract rents may differ significantly from, and often being lower than, current listing prices.

- **Neighborhood** – 0.0% of residents in Morgan Hill live in neighborhoods identified as “Highest Resource” or “High Resource” areas by State-commissioned research, while 23.9% of residents live in areas identified by this research as “Low Resource” or “High Segregation and Poverty” areas. These neighborhood designations are based on a range of indicators covering areas such as education, poverty, proximity to jobs and economic opportunities, low pollution levels, and other factors.³
- **Special Housing Needs** – Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In Morgan Hill, 9.1% of residents have a disability of any kind and may require accessible housing. Additionally, 13.3% of Morgan Hill households are larger households with five or more people, who likely need larger housing units with three bedrooms or more. 10.9% of households are female-headed families, which are often at greater risk of housing insecurity.

1.3 Looking to the Future: Regional Housing Needs

1.3.1 Regional Housing Needs Determination

The Plan Bay Area 2050⁴ Final Blueprint forecasts that the nine-county Bay Area will add 1.4 million new households between 2015 and 2050. For the eight-year time frame covered by this Housing Element Update, the Department of Housing and Community Development (HCD) has identified the region’s housing need as 441,176 units. The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from very low-income households to market rate housing.⁵ This calculation, known as the Regional Housing Needs Determination (RHND), is based on population projections produced by the California Department of Finance, as well as adjustments that incorporate the region’s existing housing need. The adjustments result from recent legislation requiring HCD to apply additional adjustment factors to the baseline growth projection from California Department of Finance, in order for the regions to get closer to healthy housing markets. To this end, adjustments focus on the region’s vacancy rate, level of overcrowding and the share of cost burdened households, and seek to bring the region more in line with comparable ones.⁶ These new laws governing the

³ For more information on the “opportunity area” categories developed by HCD and the California Tax Credit Allocation Committee, see this website: <https://www.treasurer.ca.gov/ctcac/opportunity.asp>. The degree to which different jurisdictions and neighborhoods have access to opportunity will likely need to be analyzed as part of new Housing Element requirements related to affirmatively furthering fair housing. ABAG/MTC will be providing jurisdictions with technical assistance on this topic this summer, following the release of additional guidance from HCD.

⁴ Plan Bay Area 2050 is a long-range plan charting the course for the future of the nine-county San Francisco Bay Area. It covers four key issues: the economy, the environment, housing and transportation

⁵ HCD divides the RHND into the following four income categories:

Very Low-income: 0-50% of Area Median Income

Low-income: 50-80% of Area Median Income

Moderate-income: 80-120% of Area Median Income

Above Moderate-income: 120% or more of Area Median Income

⁶ For more information on HCD’s RHND calculation for the Bay Area, see this letter sent to ABAG from HCD on June 9, 2020: [https://www.hcd.ca.gov/community-development/housing-element/docs/abagrhna-final060920\(r\).pdf](https://www.hcd.ca.gov/community-development/housing-element/docs/abagrhna-final060920(r).pdf)

methodology for how HCD calculates the RHND resulted in a significantly higher number of housing units for which the Bay Area must plan compared to previous RHNA cycles.

1.3.2 Regional Housing Needs Allocation

A starting point for the Housing Element Update process for every California jurisdiction is the Regional Housing Needs Allocation or RHNA – the share of the RHND assigned to each jurisdiction by the Association of Bay Area Governments (ABAG). State Housing Element Law requires ABAG to develop a methodology that calculates the number of housing units assigned to each city and county and distributes each jurisdiction's housing unit allocation among four affordability levels. For this RHNA cycle, the RHND increased by 135%, from 187,990 to 441,776. For more information on the RHNA process this cycle, see ABAG's website: <https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation>

Almost all jurisdictions in the Bay Area are likely to receive a larger RHNA this cycle compared to the last cycle, primarily due to changes in state law that led to a considerably higher RHND compared to previous cycles.

In January 2021, ABAG adopted the RHNA Methodology and adopted the Final RHNA Plan, issuing final RHNA allocations, on December 16, 2021. For Morgan Hill, the RHNA to be planned for this cycle is 1,037 units, a slated increase from the last cycle. The RHNA allocation that Morgan Hill received is broken down by income category as follows:

Table H 1-1 Illustrative Regional Housing Needs Allocation from Draft Methodology

<i>Income Groups</i>	Morgan Hill Units	Santa Clara County Units	Bay Area Units	Morgan Hill Percent	Santa Clara County Percent	Bay Area Percent
Very Low Income (<50% of AMI)	262	32316	114442	25.3%	24.9%	25.9%
Low Income (50%-80% of AMI)	151	18607	65892	14.6%	14.4%	14.9%
Moderate Income (80%-120% of AMI)	174	21926	72712	16.8%	16.9%	16.5%
Above Moderate Income (>120% of AMI)	450	56728	188130	43.4%	43.8%	42.6%
Total	1,037	129,577	441,176	100%	100%	100%

Source: Association of Bay Area Governments Methodology and tentative numbers were approved by ABAG's Executive board on January 21, 2021 (Resolution No. 02-2021). ABAG's Executive board adopted the Final RHNA Plan on December 16, 2021.

1.4 Population, Employment, and Household Characteristics

1.4.1 Population

The Bay Area is the fifth-largest metropolitan area in the nation and has seen a steady increase in population since 1990, except for a dip during the Great Recession. Many cities in the region have experienced significant growth in jobs and population. While these trends have led to a corresponding increase in demand for housing across the region, the regional production of housing has largely not kept pace with job and population growth. Since 2000, Morgan Hill's population has increased by 38.3%; this rate is above that of the region as a whole, at 14.8%. In Morgan Hill, roughly 11.7% of its population moved during the past year, a number 1.7 percentage points smaller than the regional rate of 13.4%.

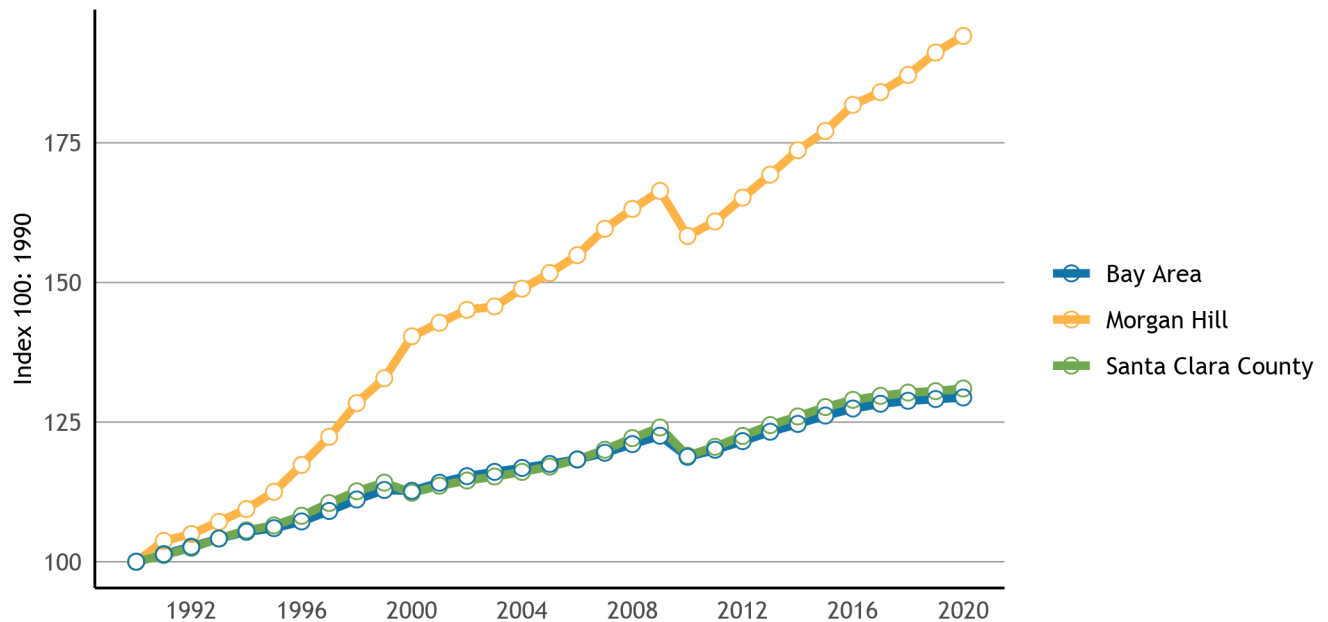
<i>Geography</i>	1990	1995	2000	2005	2010	2015	2020
Morgan Hill	23,928	26,924	33,586	36,292	37,882	42,380	46,454
Santa Clara County	1,497,577	1,594,818	1,682,585	1,752,696	1,781,642	1,912,180	1,961,969
Bay Area	6,020,147	6,381,961	6,784,348	7,073,912	7,150,739	7,595,694	7,790,537

Universe: Total population

Source: California Department of Finance, E-3 series

In 2020, the population of Morgan Hill was estimated to be 46,454 (see Table 2). From 1990 to 2000, the population increased by 40.4%, while it increased by 12.8% during the first decade of the 2000s. In the most recent decade, the population increased by 22.6%. The population of Morgan Hill makes up 2.4% of Santa Clara County.⁷

⁷ To compare the rate of growth across various geographic scales, Figure 1 shows population for the jurisdiction, county, and region indexed to the population in the year 1990. This means that the data points represent the population growth (i.e. percent change) in each of these geographies relative to their populations in 1990.

Figure H 1-1: Population Growth Trends

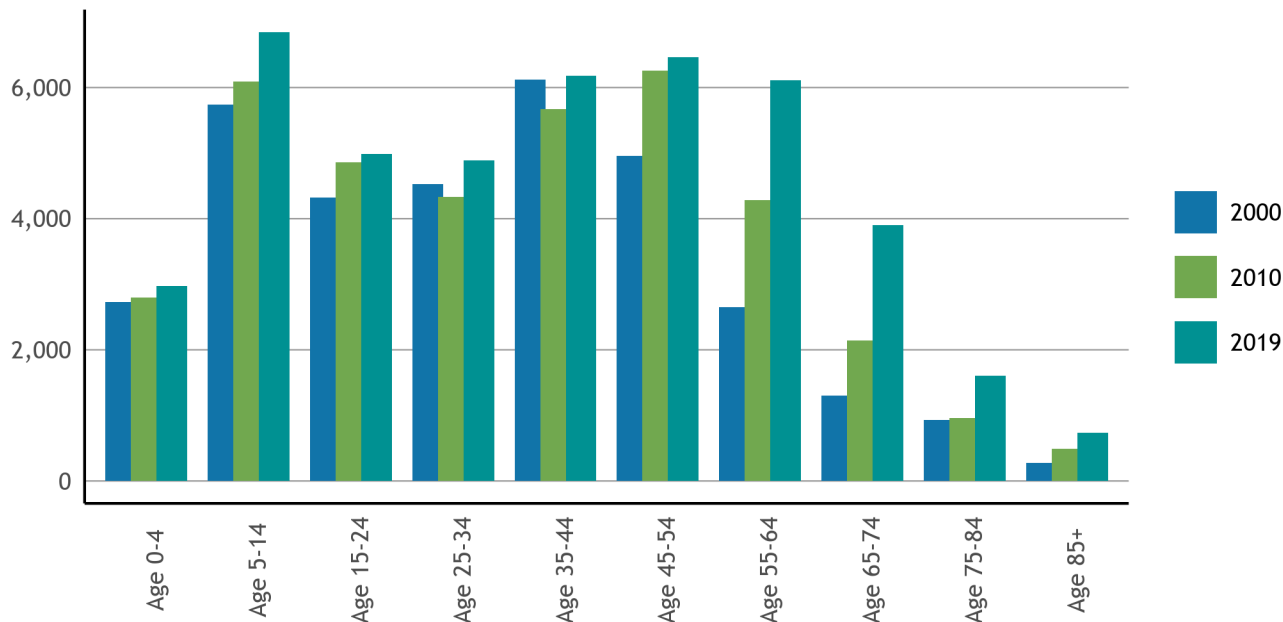
Source: California Department of Finance, E-5 series. Note: The data shown on the graph represents population for the jurisdiction, county, and region indexed to the population in the first year shown. The data points represent the relative population growth in each of these geographies relative to their populations in that year. DOF uses the decennial census to benchmark subsequent population estimates.

1.4.2 Age

The distribution of age groups in a city shapes what types of housing the community may need in the near future. An increase in the older population may mean there is a developing need for more senior housing options, while higher numbers of children and young families can point to the need for more family housing options and related services. There has also been a move by many to age-in-place or downsize to stay within their communities, which can mean more multifamily and accessible units are also needed.

In Morgan Hill, the median age in 2000 was 32.9; by 2019, this figure had increased, landing at around 39 years. More specifically, the population of those under 14 has increased since 2010, while the 65-and-over population has increased (see Figure 2).

Figure H 1-2: Population by Age, 2000-2019



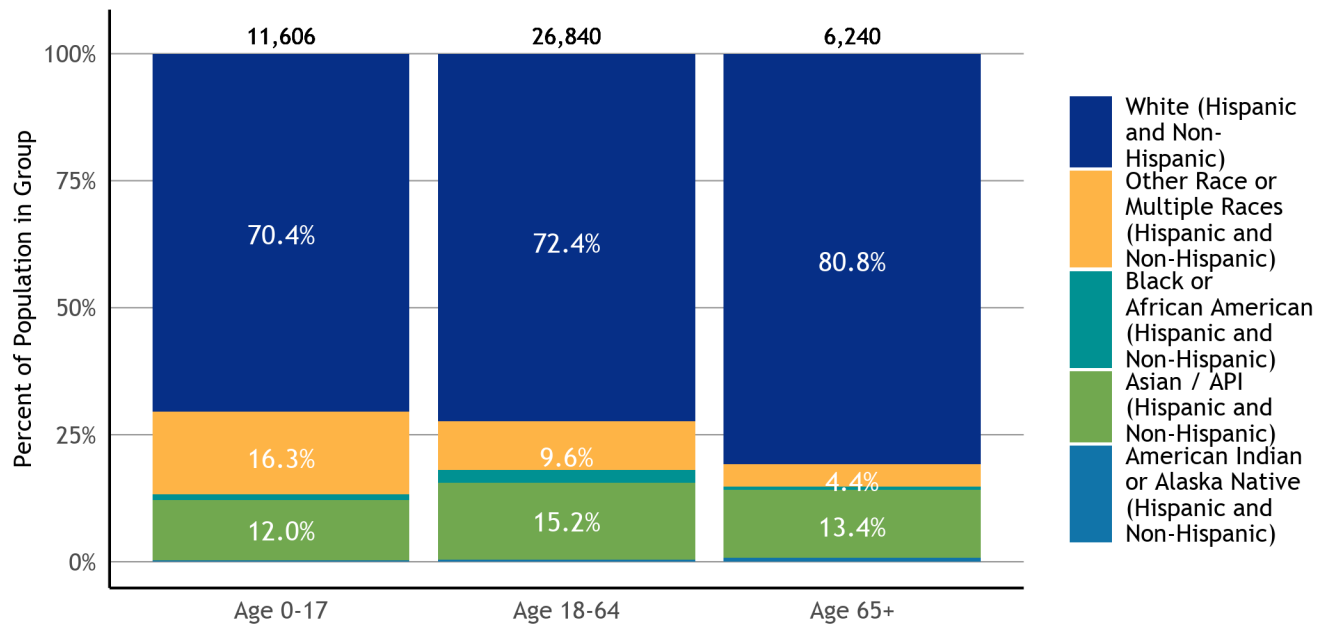
Universe: Total population

Source: U.S. Census Bureau, Census 2000 SF1, Table P12; U.S. Census Bureau, Census 2010 SF1, Table P12; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001

Looking at the senior and youth population by race can add an additional layer of understanding, as families and seniors of color are even more likely to experience challenges finding affordable housing. People of color⁸ make up 19.2% of seniors and 29.6% of youth under 18 (see Figure 3).

⁸ Here, we count all non-white racial groups

Figure H 1-3: Senior and Youth Population by Race



Universe: Total population

Notes: In the sources for this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity, and an overlapping category of Hispanic / non-Hispanic groups has not been shown to avoid double counting in the stacked bar chart.

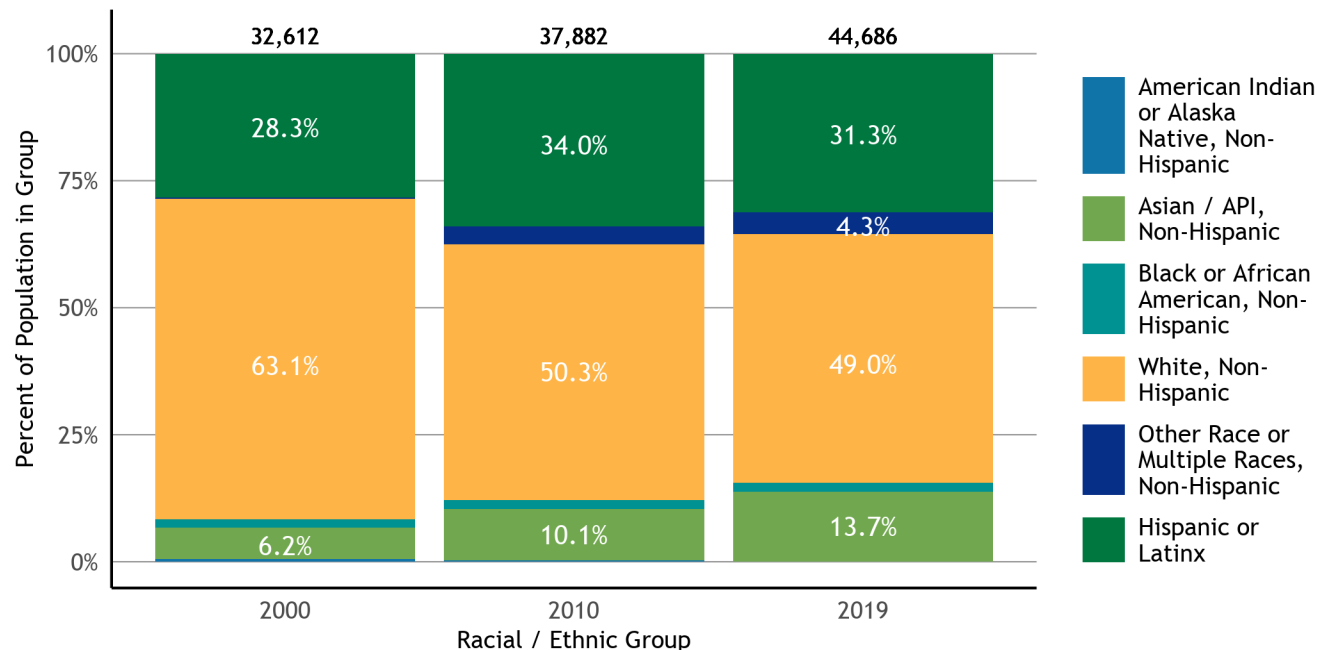
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001(A-G)

1.4.3 Race and Ethnicity

Understanding the racial makeup of a city and region is important for designing and implementing effective housing policies and programs. These patterns are shaped by both market factors and government actions, such as exclusionary zoning, discriminatory lending practices and displacement that has occurred over time and continues to impact communities of color today⁹. Since 2000, the percentage of residents in Morgan Hill identifying as White has decreased – and by the same token the percentage of residents of all *other* races and ethnicities has *increased* – by 14.2 percentage points, with the 2019 population standing at 21,880 (see Figure 4). In absolute terms, the *Hispanic or Latinx* population increased the most while the *American Indian or Alaska Native, Non-Hispanic* population decreased the most.

⁹ See, for example, Rothstein, R. (2017). *The color of law: a forgotten history of how our government segregated America*. New York, NY & London, UK: Liveright Publishing.

Figure H 1-4: Population by Race, 2000-2019



Universe: Total population

Notes: Data for 2019 represents 2015-2019 ACS estimates. The Census Bureau defines Hispanic/Latinx ethnicity separate from racial categories. For the purposes of this graph, the "Hispanic or Latinx" racial/ethnic group represents those who identify as having Hispanic/Latinx ethnicity and may also be members of any racial group. All other racial categories on this graph represent those who identify with that racial category and do not identify with Hispanic/Latinx ethnicity.

Source: U.S. Census Bureau, Census 2000, Table P004; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B03002

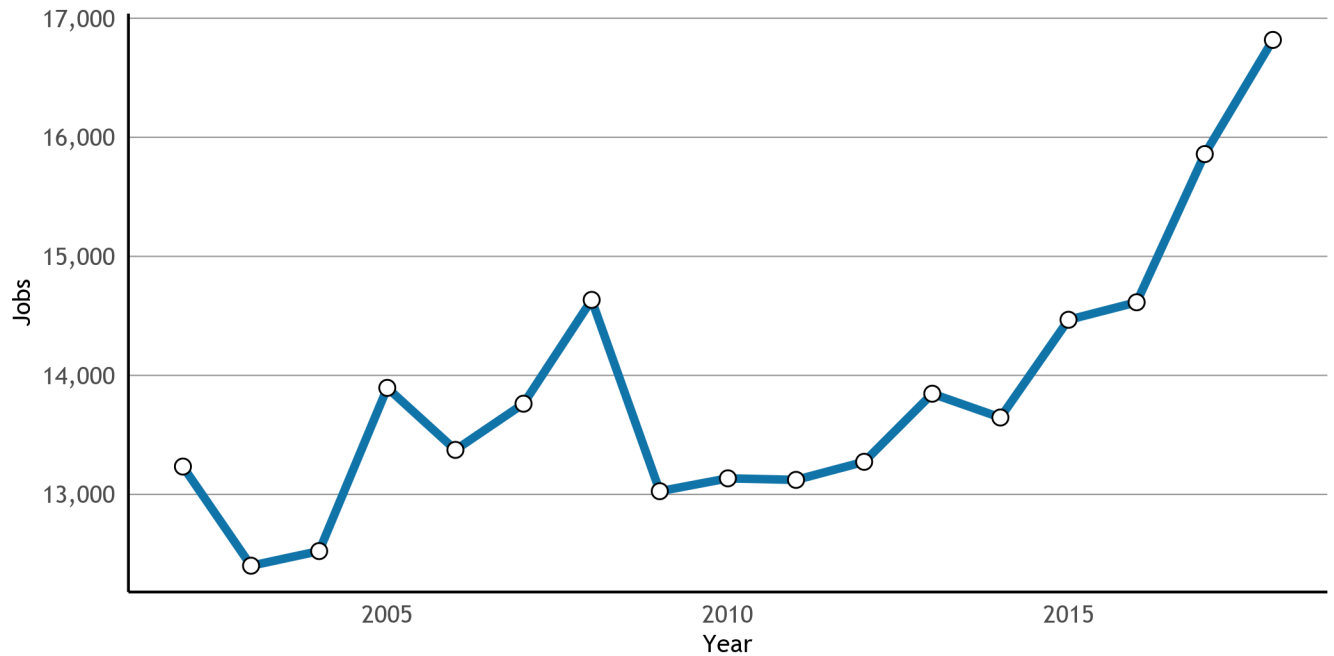
1.4.4 Employment Trends

1.4.4.1 Balance of Jobs and Workers

A city houses employed residents who either work in the community where they live or work elsewhere in the region. Conversely, a city may have job sites that employ residents from the same city, but more often employ workers commuting from outside of it. Smaller cities typically will have more employed residents than jobs there and export workers, while larger cities tend to have a surplus of jobs and import workers. To some extent the regional transportation system is set up for this flow of workers to the region's core job centers. At the same time, as the housing affordability crisis has illustrated, local imbalances may be severe, where local jobs and worker populations are out of sync at a sub-regional scale.

One measure of this is the relationship between *workers* and *jobs*. 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. Between 2002 and 2018, the number of jobs in Morgan Hill increased by 27.1% (see Figure 5).

Figure H 1-5: Jobs in a Jurisdiction



Universe: Jobs from unemployment insurance-covered employment (private, state and local government) plus United States Office of Personnel Management-sourced Federal employment

Notes: The data is tabulated by place of work, regardless of where a worker lives. The source data is provided at the census block level.

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files, 2002-2018

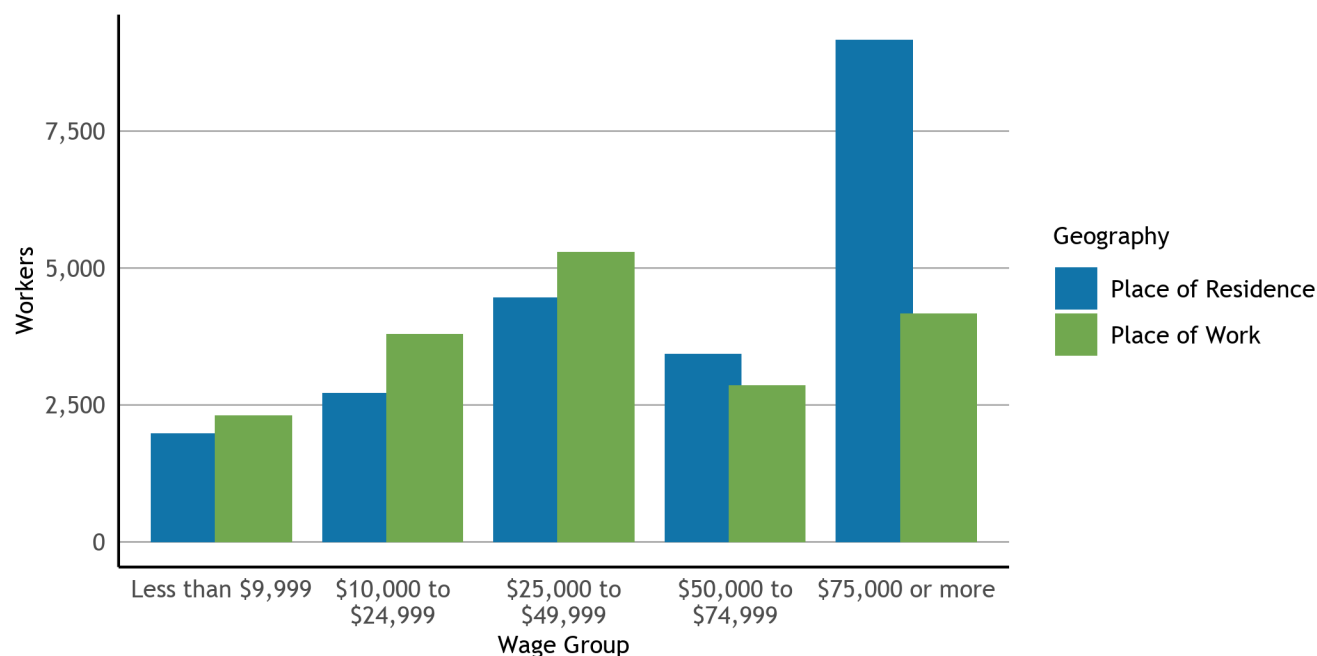
There are 21,775 employed residents, and 18,428 jobs¹⁰ in Morgan Hill - the ratio of jobs to resident workers is 0.85; Morgan Hill is a *net exporter of workers*.

Figure 6 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-

¹⁰ Employed *residents* in a jurisdiction is counted by place of residence (they may work elsewhere) while *jobs* in a jurisdiction are counted by place of work (they may live elsewhere). The jobs may differ from those reported in Figure 5 as the source for the time series is from administrative data, while the cross-sectional data is from a survey.

wage *residents* than high-wage *jobs* (where high-wage refers to jobs paying more than \$75,000) (see Figure 6).¹¹

Figure H 1-6: Workers by Earnings, by Jurisdiction as Place of Work and Place of Residence



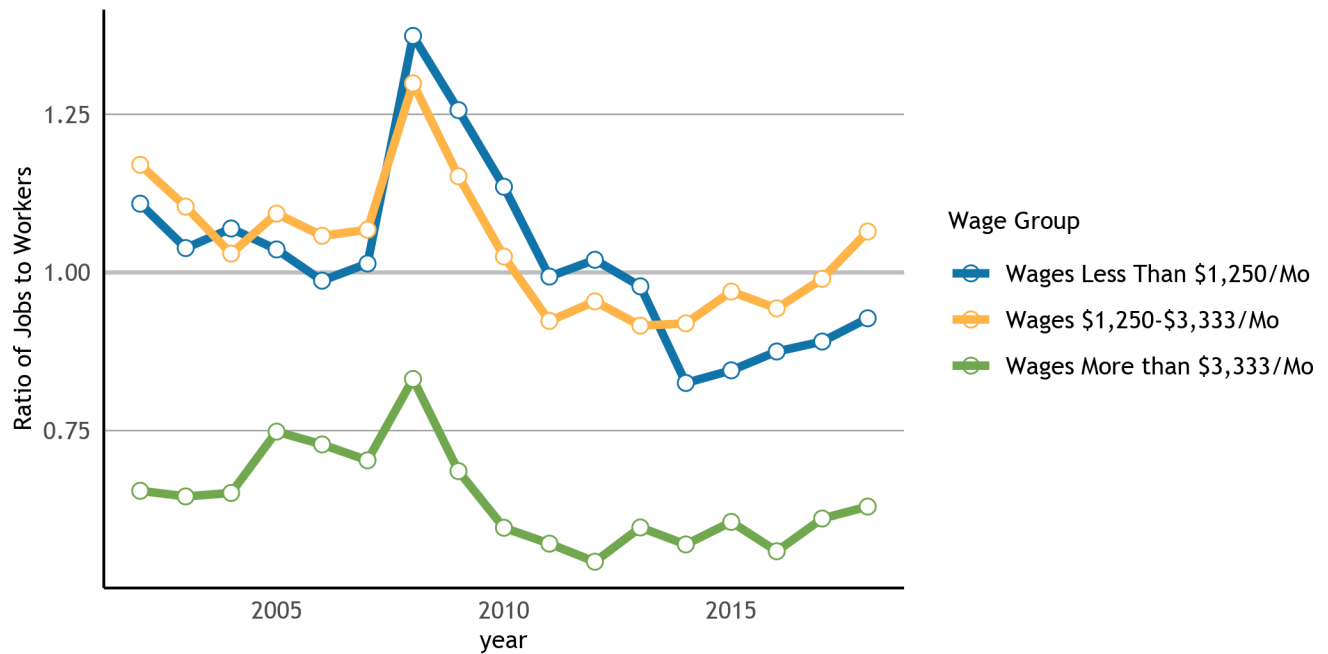
Universe: Workers 16 years and over with earnings

Source: U.S. Census Bureau, American Community Survey 5-Year Data 2015-2019, B08119, B08519

Figure 7 shows the balance of a jurisdiction's resident workers to the jobs located there for different wage groups as a ratio instead - a value of 1 means that a city has the same number of jobs in a wage group as it has resident workers - in principle, a balance. Values above 1 indicate a jurisdiction will need to import workers for jobs in a given wage group. At the regional scale, this ratio is 1.04 jobs for each worker, implying a modest import of workers from outside the region (see Figure 7).

¹¹ The source table is top-coded at \$75,000, precluding more fine grained analysis at the higher end of the wage spectrum.

Figure H 1-7: Jobs-Worker Ratios, By Wage Group



Universe: Jobs in a jurisdiction from unemployment insurance-covered employment (private, state and local government) plus United States Office of Personnel Management-sourced Federal employment

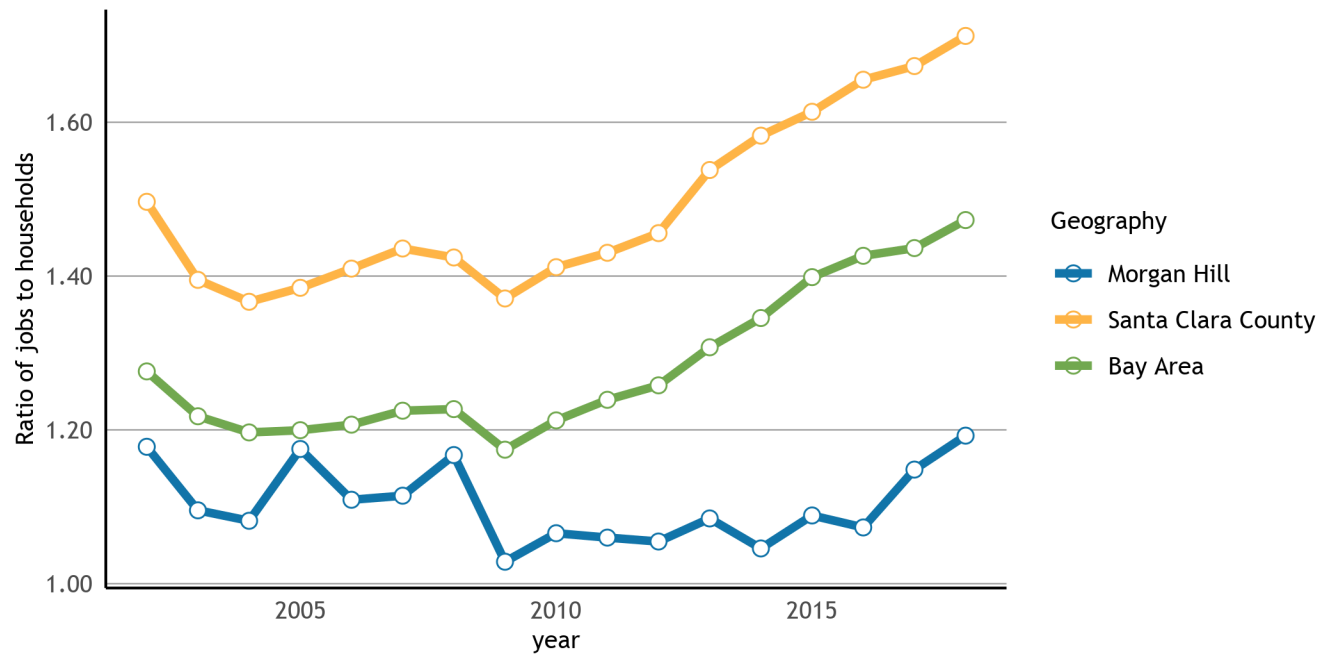
Notes: The ratio compares job counts by wage group from two tabulations of LEHD data: Counts by place of work relative to counts by place of residence. See text for details.

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files (Jobs); Residence Area Characteristics (RAC) files (Employed Residents), 2010-2018

Such balances between jobs and workers may directly influence the housing demand in a community. New jobs may draw new residents, and when there is high demand for housing relative to supply, many workers may be unable to afford to live where they work, particularly where job growth has been in relatively lower wage jobs. This dynamic not only means many workers will need to prepare for long commutes and time spent on the road, but in the aggregate it contributes to traffic congestion and time lost for all road users.

If there are more jobs than employed residents, it means a city is relatively jobs-rich, typically also with a high jobs to household ratio. Thus bringing housing into the measure, the *jobs-household ratio* in Morgan Hill has increased from 1.18 in 2002, to 1.19 jobs per household in 2018 (see Figure 8).

Figure H 1-8: Jobs-Household Ratio



Universe: Jobs in a jurisdiction from unemployment insurance-covered employment (private, state and local government) plus United States Office of Personnel Management-sourced Federal employment; households in a jurisdiction

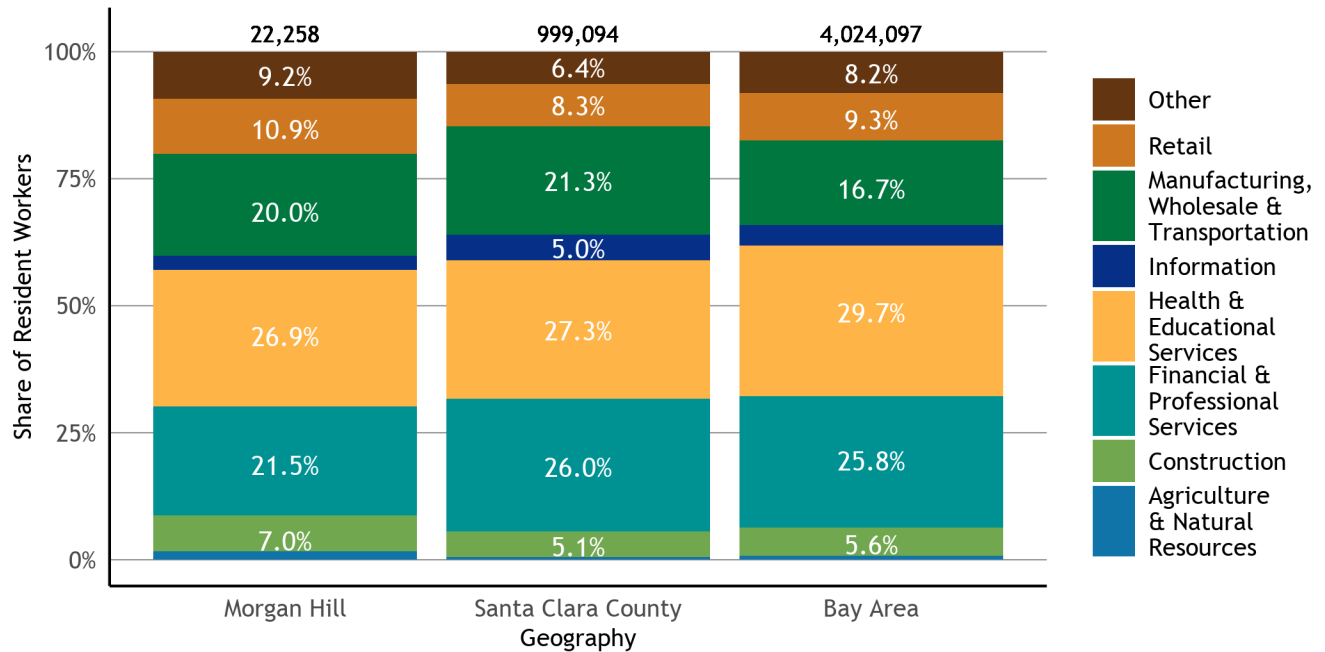
Notes: The data is tabulated by place of work, regardless of where a worker lives. The source data is provided at the census block level. These are crosswalked to jurisdictions and summarized. The ratio compares place of work wage and salary jobs with households, or occupied housing units. A similar measure is the ratio of jobs to housing units. However, this jobs-household ratio serves to compare the number of jobs in a jurisdiction to the number of housing units that are actually occupied. The difference between a jurisdiction's jobs-housing ratio and jobs-household ratio will be most pronounced in jurisdictions with high vacancy rates, a high rate of units used for seasonal use, or a high rate of units used as short-term rentals.

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files (Jobs), 2002-2018; California Department of Finance, E-5 (Households)

1.4.4.2 Sector Composition

In terms of sectoral composition, the largest industry in which Morgan Hill residents work is *Health & Educational Services*, and the largest sector in which Santa Clara residents work is *Health & Educational Services* (see Figure 9). For the Bay Area as a whole, the *Health & Educational Services* industry employs the most workers.

Figure H 1-9: Resident Employment by Industry



Universe: Civilian employed population age 16 years and over

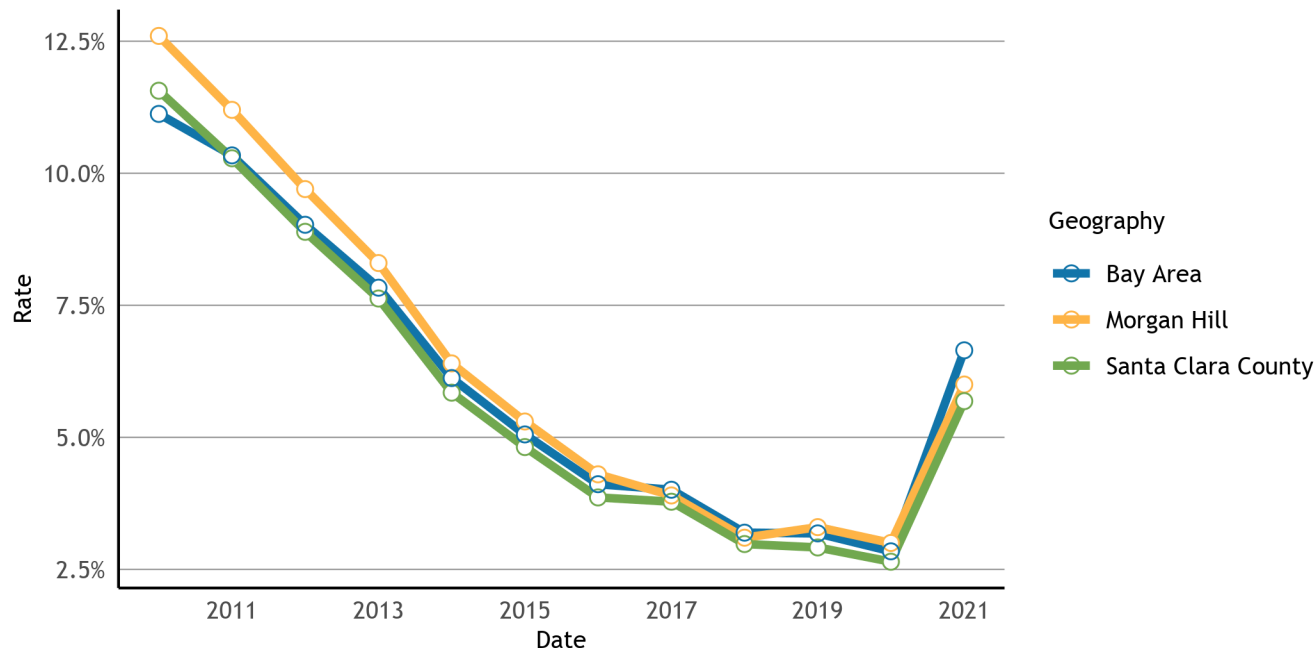
Notes: The data displayed shows the industries in which jurisdiction residents work, regardless of the location where those residents are employed (whether within the jurisdiction or not). Categories are derived from the following source tables: Agriculture & Natural Resources: C24030_003E, C24030_030E; Construction: C24030_006E, C24030_033E; Manufacturing, Wholesale & Transportation: C24030_007E, C24030_034E, C24030_008E, C24030_035E, C24030_010E, C24030_037E; Retail: C24030_009E, C24030_036E; Information: C24030_013E, C24030_040E; Financial & Professional Services: C24030_014E, C24030_041E, C24030_017E, C24030_044E; Health & Educational Services: C24030_021E, C24030_024E, C24030_048E, C24030_051E; Other: C24030_027E, C24030_054E, C24030_028E, C24030_055E

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table C24030

1.4.4.3 Unemployment

In Morgan Hill, there was a 6.6 percentage point decrease in the unemployment rate between January 2010 and January 2021. Jurisdictions through the region experienced a sharp rise in unemployment in 2020 due to impacts related to the COVID-19 pandemic, though with a general improvement and recovery in the later months of 2020.

Figure H 1-10: Unemployment Rate



Universe: Civilian noninstitutional population ages 16 and older

Source: California Employment Development Department, Local Area Unemployment Statistics (LAUS), Sub-county areas monthly updates, 2010-2021.

1.4.5 Extremely Low-Income Households

Despite the economic and job growth experienced throughout the region since 1990, the income gap has continued to widen. 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 state¹².

In Morgan Hill, 55.2% of households make more than 100% of the Area Median Income (AMI)¹³, compared to 13.9% making less than 30% of AMI, which is considered extremely low-income (see Figure 11).

Regionally, more than half of all households make more than 100% AMI, while 15% make less than 30% AMI. In Santa Clara County, 30% AMI is the equivalent to the annual income of \$39,900 for a family of four. Many households with multiple wage earners – including food service workers,

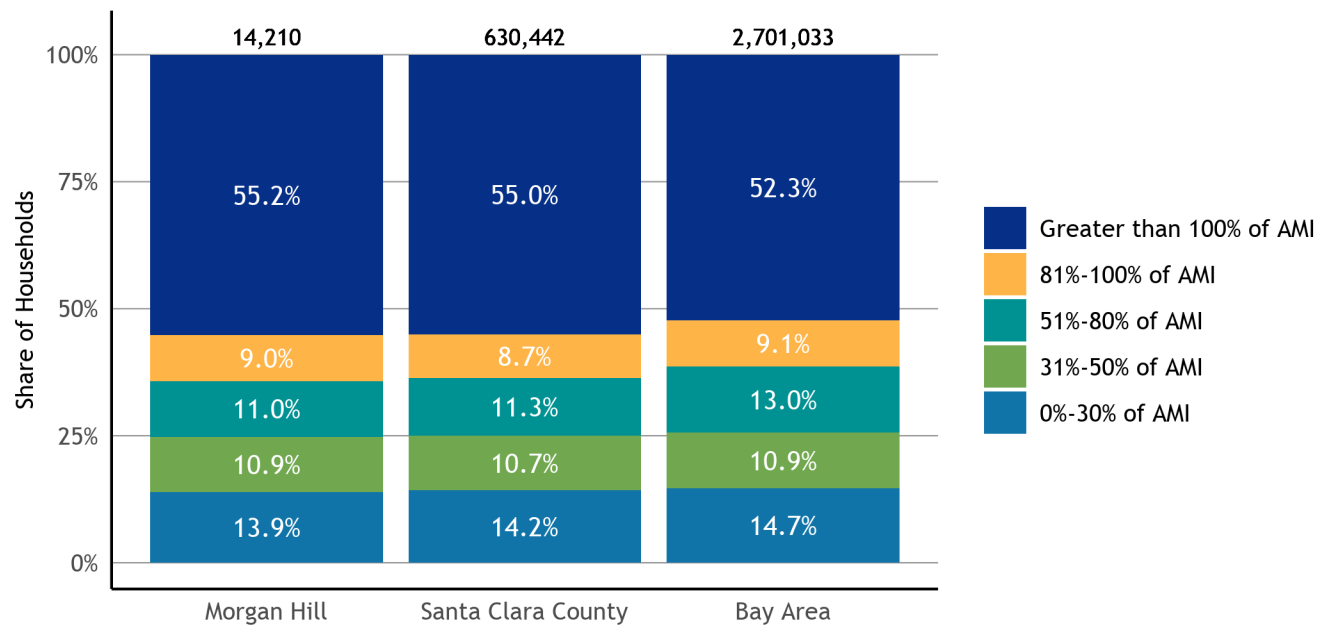
¹² Bohn, S. et al. 2020. Income Inequality and Economic Opportunity in California. *Public Policy Institute of California*.

¹³ Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located. Households making between 80 and 120 percent of the AMI are moderate-income, those making 50 to 80 percent are low-income, those making 30 to 50 percent are very low-income, and those making less than 30 percent are extremely low-income. This is then adjusted for household size.

full-time students, teachers, farmworkers and healthcare professionals – can fall into lower AMI categories due to relatively stagnant wages in many industries.

HCD's guidance notes that instead of using U.S. Census data to calculate the percentage of very low-income RHNA that qualifies for extremely low-income households, local jurisdictions can presume that 50% of their RHNA for very low-income households qualifies for extremely low-income households. Therefore, the City of Morgan Hill assumes that 50% of Morgan Hill's very low-income RHNA is for extremely low-income households.

Figure H 1-11: Households by Household Income Level



Universe: Occupied housing units

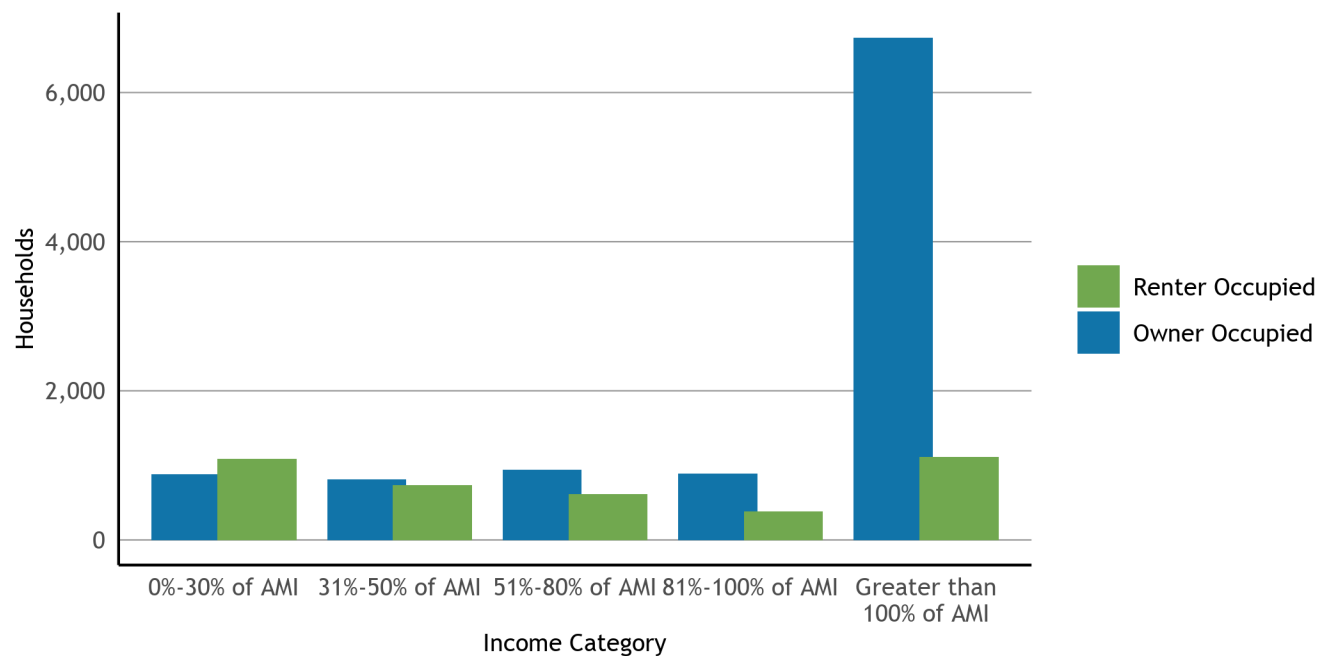
Notes: Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located. The data that is reported for the Bay Area is not based on a regional AMI but instead refers to the regional total of households in an income group relative to the AMI for the county where that household is located. Local jurisdictions are required to provide an estimate for their projected extremely low-income households (0-30% AMI) in their Housing Elements. HCD's official Housing Element guidance notes that jurisdictions can use their RHNA for very low-income households (those making 0-50% AMI) to calculate their projected extremely low-income households.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

Throughout the region, there are disparities between the incomes of homeowners and renters. Typically, the number of low-income renters greatly outpaces the amount of housing available that is affordable for these households.

In Morgan Hill, the largest proportion of renters falls in the *Greater than 100% of AMI* income group, while the largest proportion of homeowners are found in the *Greater than 100% of AMI* group (see Figure 12).

Figure H 1-12: Household Income Level by Tenure



Universe: Occupied housing units

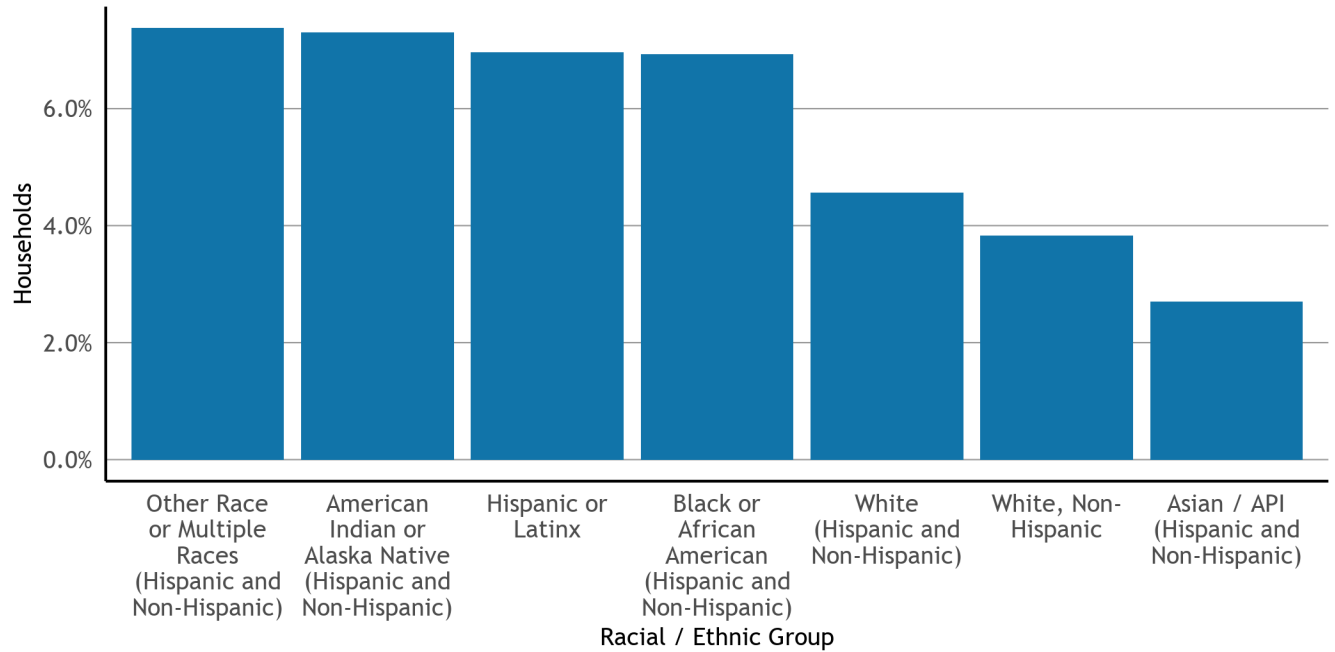
Notes: Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

For the data table behind this figure, please refer to the Data Packet Workbook, Table POPEMP-21.

Currently, people of color are more likely to experience poverty and financial instability as a result of federal and local housing policies that have historically excluded them from the same opportunities extended to white residents.¹⁴ These economic disparities also leave communities of color at higher risk for housing insecurity, displacement or homelessness. In Morgan Hill, Other Race or Multiple Races (Hispanic and Non-Hispanic) residents experience the highest rates of poverty, followed by American Indian or Alaska Native (Hispanic and Non-Hispanic) residents (see Figure 13).

¹⁴ Moore, E., Montojo, N. and Mauri, N., 2019. Roots, Race & Place: A History of Racially Exclusionary Housing the San Francisco Bay Area. *Hass Institute*.

Figure H 1-13: Poverty Status by Race

Universe: Population for whom poverty status is determined

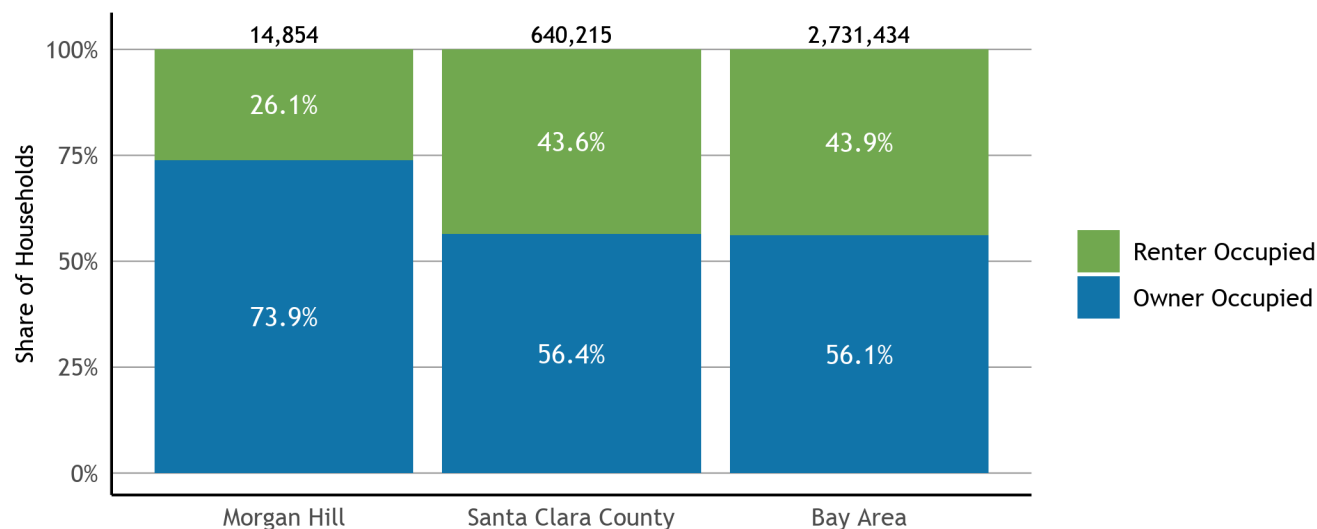
Notes: The Census Bureau uses a federally defined poverty threshold that remains constant throughout the country and does not correspond to Area Median Income. For this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity. However, data for the white racial group is also reported for white householders who are not Hispanic/Latinx. Since residents who identify as white and Hispanic/Latinx may have very different experiences within the housing market and the economy from those who identify as white and non-Hispanic/Latinx, data for multiple white sub-groups are reported here. The racial/ethnic groups reported in this table are not all mutually exclusive. Therefore, the data should not be summed as the sum exceeds the population for whom poverty status is determined for this jurisdiction. However, all groups labelled "Hispanic and Non-Hispanic" are mutually exclusive, and the sum of the data for these groups is equivalent to the population for whom poverty status is determined.

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

1.4.6 Tenure

The number of residents who own their homes compared to those who rent their homes can help identify the level of housing insecurity – ability for individuals to stay in their homes – in a city and region. Generally, renters may be displaced more quickly if prices increase. In Morgan Hill there are a total of 14,854 housing units, and fewer residents rent than own their homes: 26.1% versus 73.9% (see Figure 14). By comparison, 43.6% of households in Santa Clara County are renters, while 44% of Bay Area households rent their homes.

Figure H 1-14: Housing Tenure

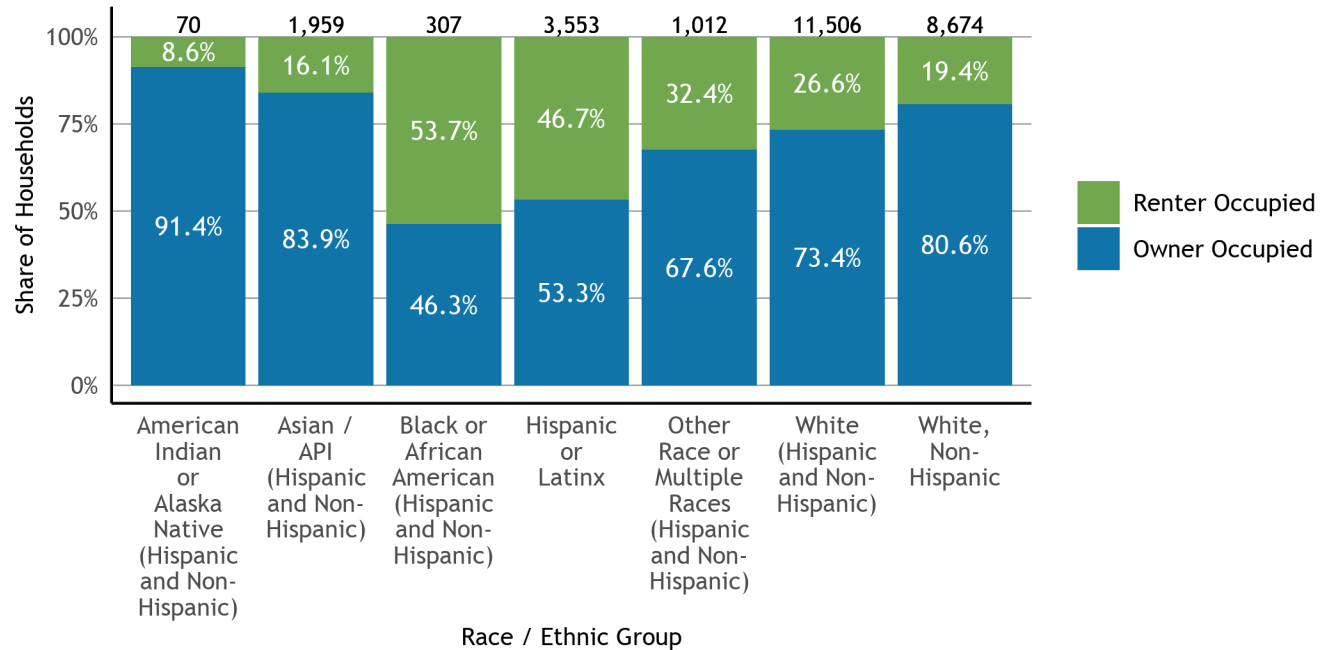


Universe: Occupied housing units

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

Homeownership rates often vary considerably across race/ethnicity in the Bay Area and throughout the country. These disparities not only reflect differences in income and wealth but also stem from federal, state, and local policies that limited access to homeownership for communities of color while facilitating homebuying for white residents. While many of these policies, such as redlining, have been formally disbanded, the impacts of race-based policy are still evident across Bay Area communities.¹⁵ In Morgan Hill, 46.3% of Black households owned their homes, while homeownership rates were 83.9% for Asian households, 53.3% for Latinx households, and 73.4% for White households. Notably, recent changes to state law require local jurisdictions to examine these dynamics and other fair housing issues when updating their Housing Elements.

¹⁵ See, for example, Rothstein, R. (2017). *The color of law : a forgotten history of how our government segregated America*. New York, NY & London, UK: Liveright Publishing.

Figure H 1-15: Housing Tenure by Race of Householder

Universe: Occupied housing units

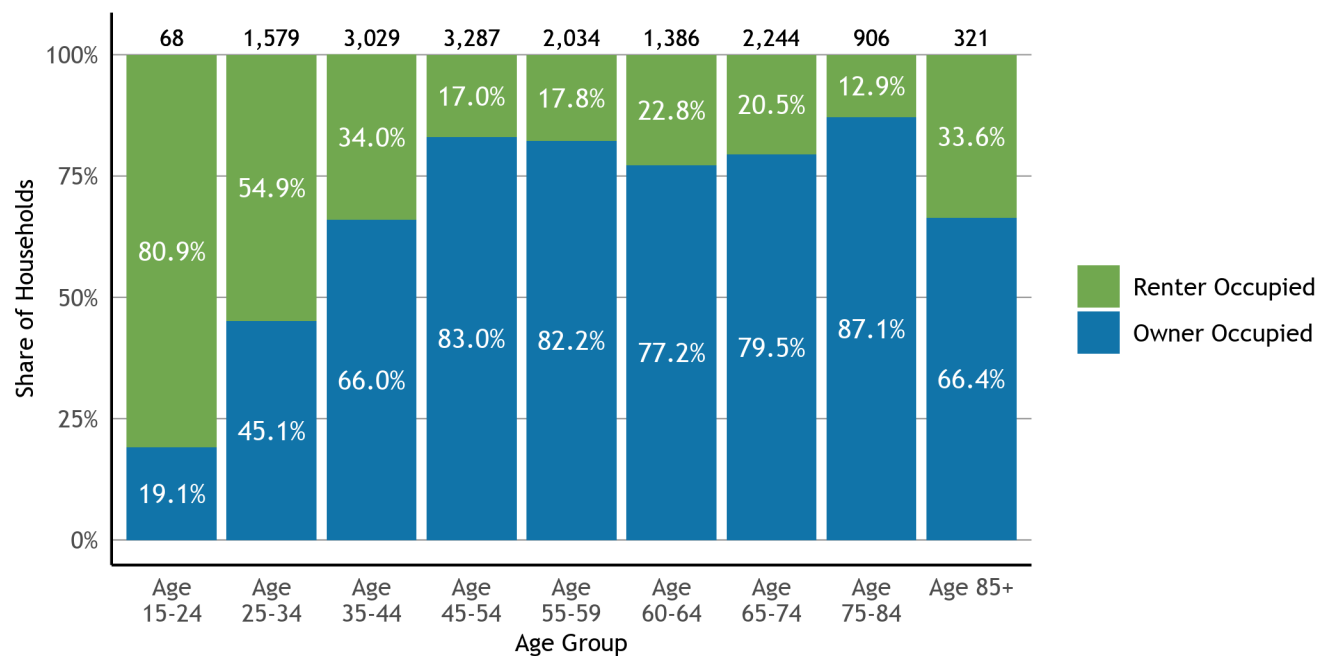
Notes: For this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity. However, data for the white racial group is also reported for white householders who are not Hispanic/Latinx. Since residents who identify as white and Hispanic/Latinx may have very different experiences within the housing market and the economy from those who identify as white and non-Hispanic/Latinx, data for multiple white sub-groups are reported here. The racial/ethnic groups reported in this table are not all mutually exclusive. Therefore, the data should not be summed as the sum exceeds the total number of occupied housing units for this jurisdiction. However, all groups labelled "Hispanic and Non-Hispanic" are mutually exclusive, and the sum of the data for these groups is equivalent to the total number of occupied housing units.

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

The age of residents who rent or own their home can also signal the housing challenges a community is experiencing. Younger households tend to rent and may struggle to buy a first home in the Bay Area due to high housing costs. At the same time, senior homeowners seeking to downsize may have limited options in an expensive housing market.

In Morgan Hill, 41.2% of householders between the ages of 25 and 44 are renters, while 19.8% of householders over 65 are (see Figure 16).

Figure H 1-16: Housing Tenure by Age

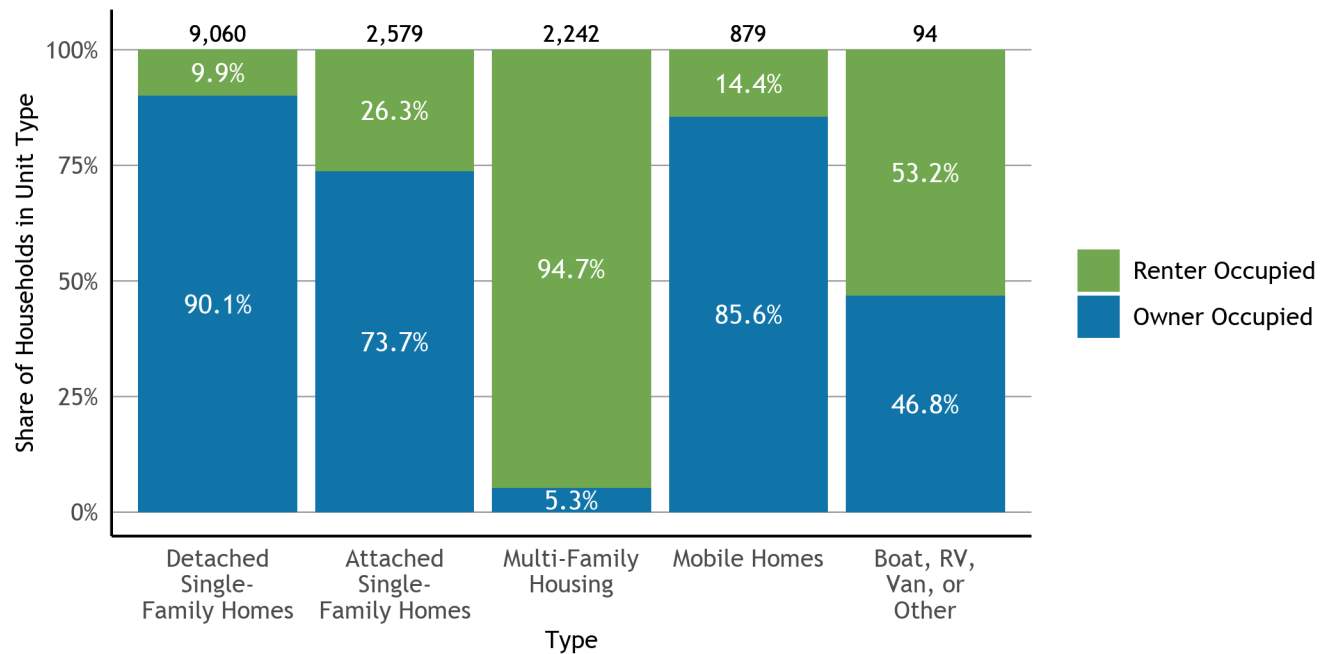


Universe: Occupied housing units

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25007

In many cities, homeownership rates for households in single-family homes are substantially higher than the rates for households in multi-family housing. In Morgan Hill, 90.1% of households in detached single-family homes are homeowners, while 5.3% of households in multi-family housing are homeowners (see Figure 17).

Figure H 1-17: Housing Tenure by Housing Type



Universe: Occupied housing units

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25032

1.4.7 Displacement

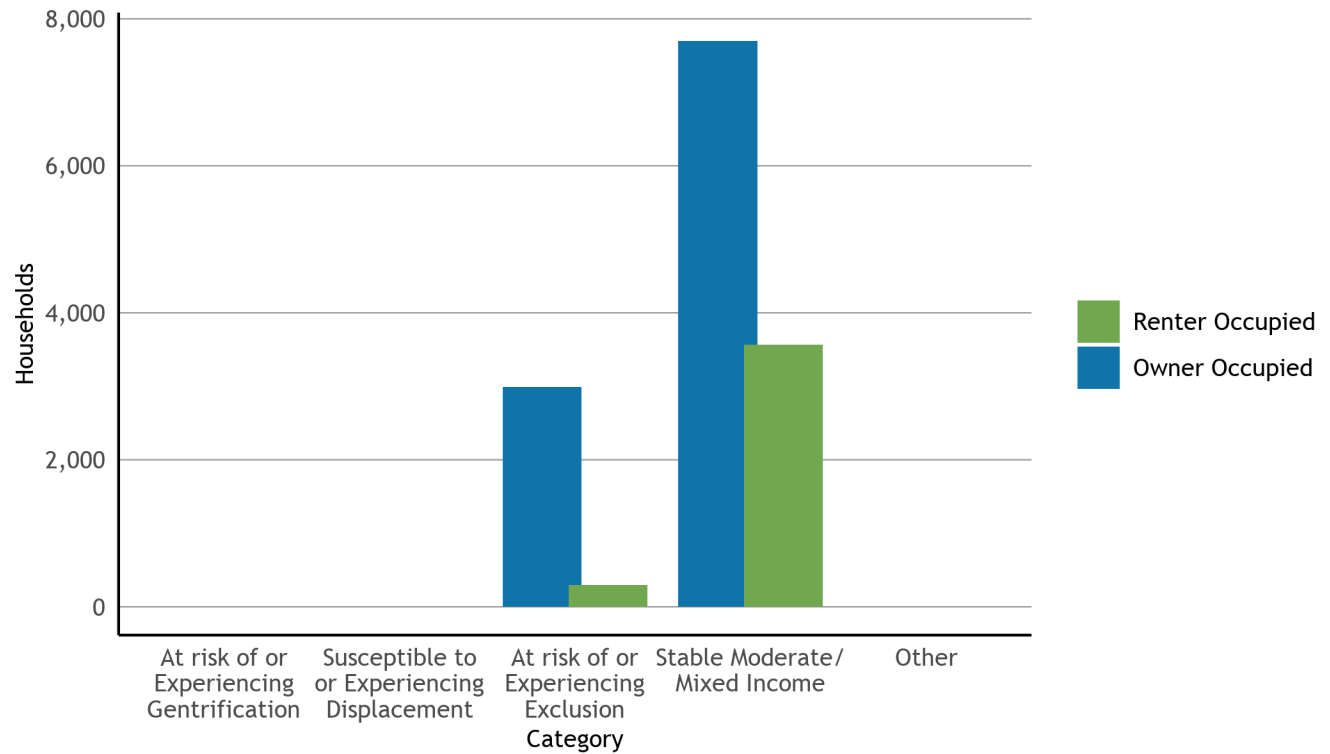
Because of increasing housing prices, displacement is a major concern in the Bay Area. Displacement has the most severe impacts on low- and moderate-income residents. When individuals or families are forced to leave their homes and communities, they also lose their support network.

The University of California, Berkeley has mapped all neighborhoods in the Bay area, identifying their risk for gentrification. They find that in Morgan Hill, 0.0% of households live in neighborhoods that are susceptible to or experiencing displacement and 0.0% live in neighborhoods at risk of or undergoing gentrification.

Equally important, some neighborhoods in the Bay Area do not have housing appropriate for a broad section of the workforce. UC Berkeley estimates that 22.6% of households in Morgan Hill live in neighborhoods where low-income households are likely to be excluded due to prohibitive housing costs.¹⁶

¹⁶ More information about this gentrification and displacement data is available at the Urban Displacement Project's webpage: <https://www.urbandisplacement.org/>. Specifically, one can learn more about the different gentrification/displacement typologies shown in Figure 18 at this link: https://www.urbandisplacement.org/sites/default/files/typology_sheet_2018_0.png. Additionally, one can view maps that show which typologies correspond to which parts of a jurisdiction here: <https://www.urbandisplacement.org/san-francisco/sf-bay-area-gentrification-and-displacement>

Figure H 1-18: Households by Displacement Risk and Tenure



Universe: Households

Notes: Displacement data is available at the census tract level. Staff aggregated tracts up to jurisdiction level using census 2010 population weights, assigning a tract to jurisdiction in proportion to block level population weights. Total household count may differ slightly from counts in other tables sourced from jurisdiction level sources. Categories are combined as follows for simplicity: At risk of or Experiencing Exclusion: At Risk of Becoming Exclusive; Becoming Exclusive; Stable/Advanced Exclusive At risk of or Experiencing Gentrification: At Risk of Gentrification; Early/Ongoing Gentrification; Advanced Gentrification Stable Moderate/Mixed Income: Stable Moderate/Mixed Income Susceptible to or Experiencing Displacement: Low-Income/Susceptible to Displacement; Ongoing Displacement Other: High Student Population; Unavailable or Unreliable Data

Source: Urban Displacement Project for classification, American Community Survey 5-Year Data (2015-2019), Table B25003 for tenure.

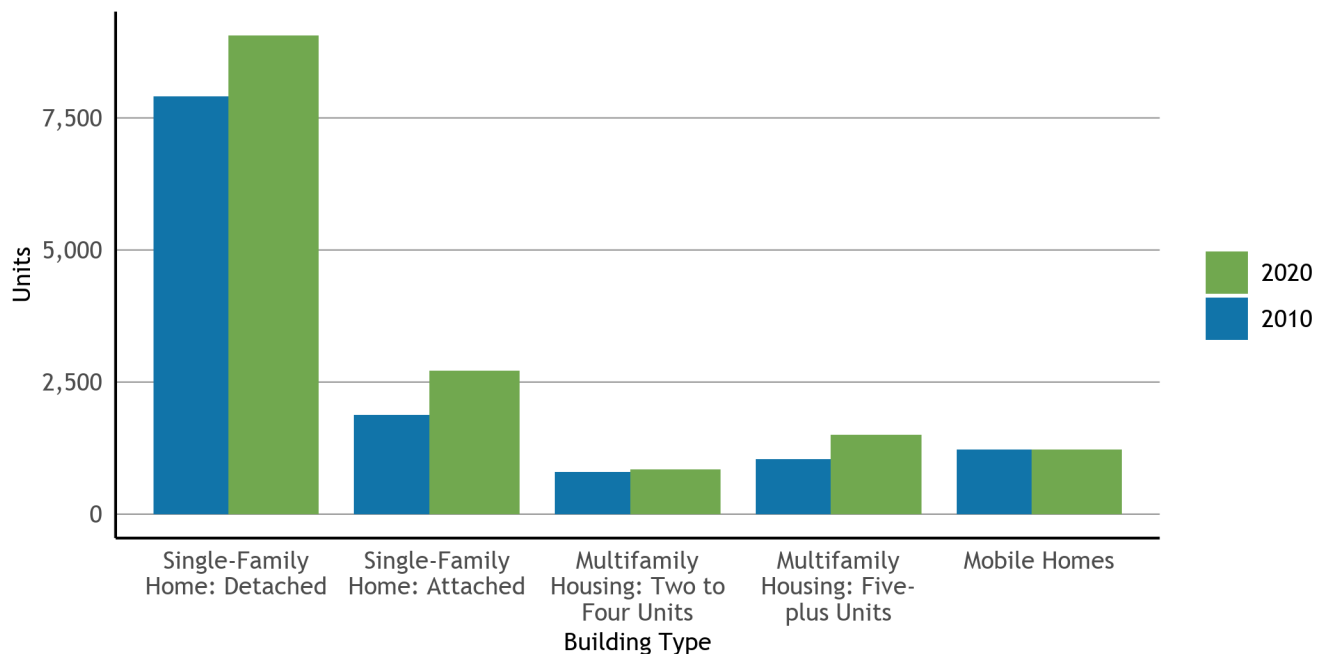
1.5 Housing Stock Characteristics

1.5.1 Housing Types, Year Built, Vacancy, and Permits

In recent years, most housing produced in the region and across the state consisted of single-family homes and larger multi-unit buildings. However, some households are increasingly interested in “missing middle housing” – including duplexes, triplexes, townhomes, cottage clusters and accessory dwelling units (ADUs). These housing types may open up more options across incomes and tenure, from young households seeking homeownership options to seniors looking to downsize and age-in-place.

The housing stock of Morgan Hill in 2020 was made up of 59.0% single family detached homes, 17.7% single family attached homes, 5.5% multifamily homes with 2 to 4 units, 9.8% multifamily homes with 5 or more units, and 8.0% mobile homes (see Figure 19). In Morgan Hill, the housing type that experienced the most growth between 2010 and 2020 was *Single-Family Home: Detached*.

Figure H 1-19: Housing Type Trends

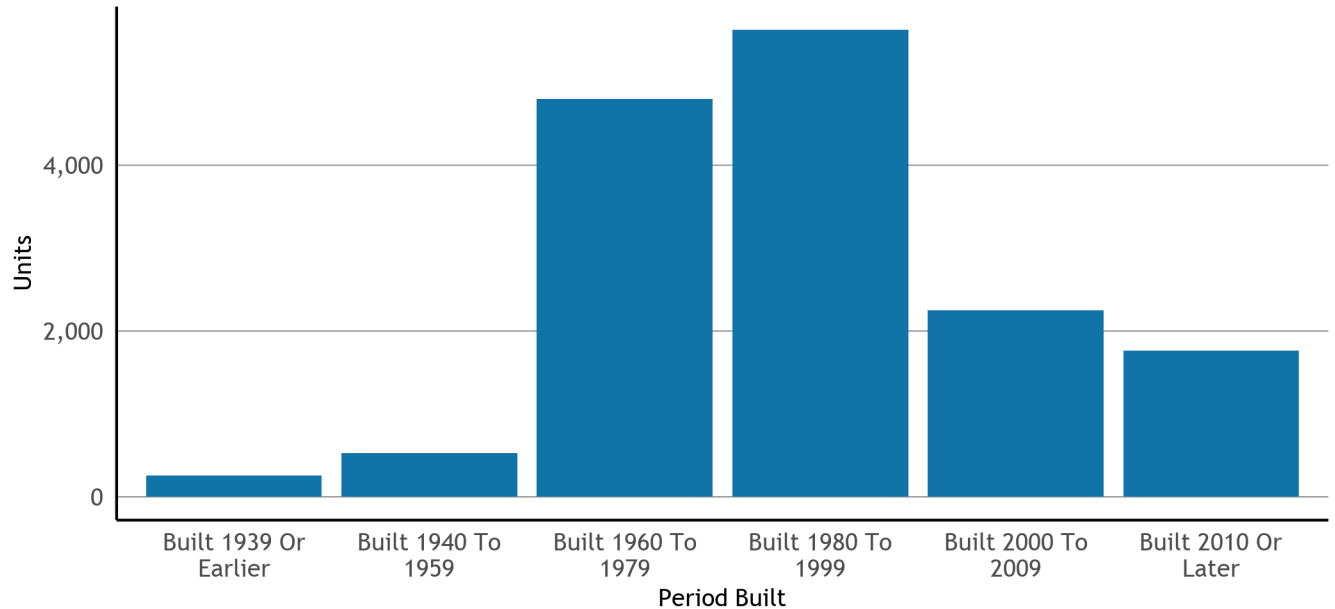


Universe: Housing units

Source: California Department of Finance, E-5 series

Production has not kept up with housing demand for several decades in the Bay Area, as the total number of units built and available has not yet come close to meeting the population and job growth experienced throughout the region. In Morgan Hill, the largest proportion of the housing stock was built 1980 to 1999, with 5,632 units constructed during this period (see Figure 20). Since 2010, 11.6% of the current housing stock was built, which is 1,761 units.

Figure H 1-20: Housing Units by Year Structure Built



Universe: Housing units

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25034

Vacant units make up 2.5% of the overall housing stock in Morgan Hill. The rental vacancy stands at 4.3%, while the ownership vacancy rate is 0.7%. Of the vacant units, the most common type of vacancy is *For Rent* (see Figure 21).¹⁷

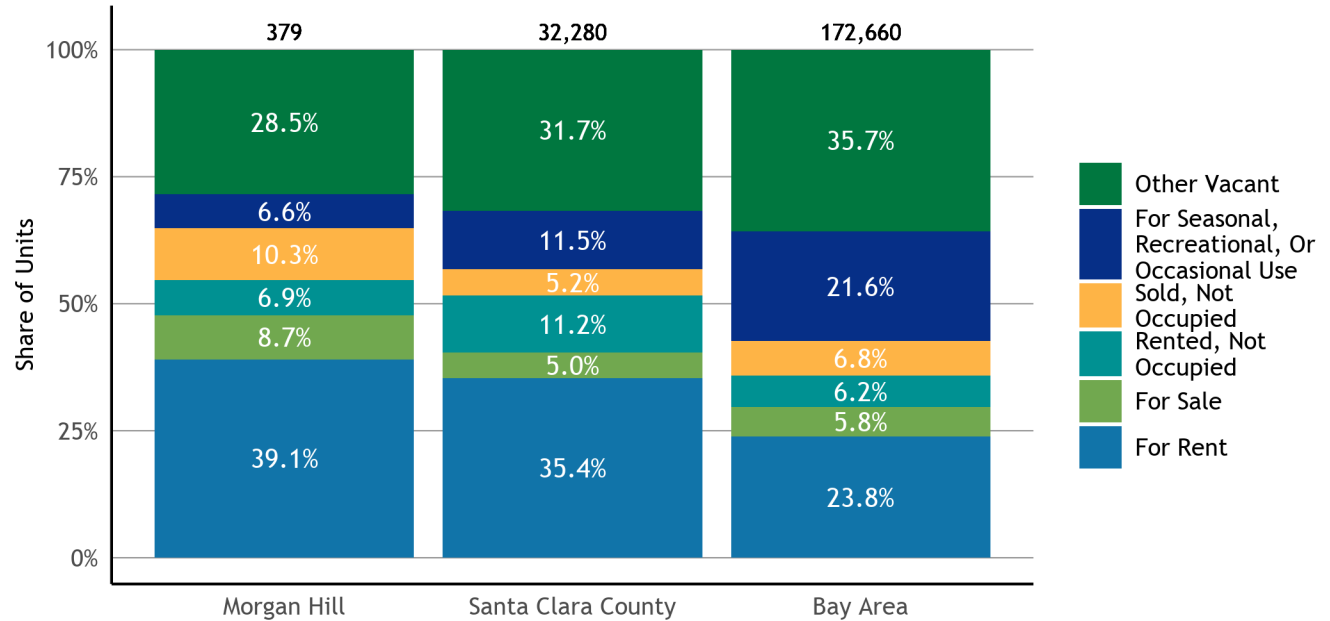
Throughout the Bay Area, vacancies make up 2.6% of the total housing units, with homes listed for rent; units used for *recreational or occasional use*, and units not otherwise classified (*other vacant*) making up the majority of vacancies. The Census Bureau classifies a unit as vacant if no one is occupying it when census interviewers are conducting the American Community Survey or Decennial Census. Vacant units classified as “for recreational or occasional use” are those that are held for short-term periods of use throughout the year. Accordingly, vacation rentals and short-term rentals like AirBnB are likely to fall in this category. The Census Bureau classifies units as “other vacant” if they are vacant due to foreclosure, personal/family reasons, legal proceedings, repairs/renovations, abandonment, preparation for being rented or sold, or vacant for an extended absence for reasons such as a work assignment, military duty, or incarceration.¹⁸ In a region with a thriving economy and housing market like the Bay Area, units being renovated/repared and prepared for rental or sale are likely to represent a large portion of the “other vacant” category.

¹⁷ The vacancy rates by tenure is for a smaller universe than the total vacancy rate first reported, which in principle includes the full stock (2.5%). The vacancy by tenure counts are rates relative to the rental stock (occupied and vacant) and ownership stock (occupied and vacant) - but exclude a significant number of vacancy categories, including the numerically significant *other vacant*.

¹⁸ For more information, see pages 3 through 6 of this list of definitions prepared by the Census Bureau: <https://www.census.gov/housing/hvs/definitions.pdf>.

Additionally, the need for seismic retrofitting in older housing stock could also influence the proportion of “other vacant” units in some jurisdictions.¹⁹

Figure H 1-21: Vacant Units by Type



Universe: Vacant housing units

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25004

Between 2015 and 2019, 1,542 housing units were issued permits in Morgan Hill. 77.8% of permits issued in Morgan Hill were for above moderate-income housing, 8.8% were for moderate-income housing, and 13.4% were for low- or very low-income housing (see Table 3).

Table H 1-3 Housing Permitting	
Income Group	Value
Above Moderate Income Permits	1,200
Low Income Permits	165
Moderate Income Permits	136
Very Low Income Permits	41

Universe: Housing permits issued between 2015 and 2019

Notes: HCD uses the following definitions for the four income categories: Very Low Income: units affordable to households making less than 50% of the Area Median Income for the county in which the jurisdiction is located. Low Income: units affordable to households making between 50% and 80% of the Area Median Income for the county in which the jurisdiction is located. Moderate Income: units affordable to households making between 80% and 120% of the Area Median Income for the county in which the jurisdiction is located.

¹⁹ See Dow, P. (2018). Unpacking the Growth in San Francisco's Vacant Housing Stock: Client Report for the San Francisco Planning Department. University of California, Berkeley.

Above Moderate Income: units affordable to households making above 120% of the Area Median Income for the county in which the jurisdiction is located.

Source: California Department of Housing and Community Development (HCD), 5th Cycle Annual Progress Report Permit Summary (2020)

1.5.2 Assisted Housing Developments At-Risk of Conversion

While there is an immense need to produce new affordable housing units, ensuring that the existing affordable housing stock remains affordable is equally important. Additionally, it is typically faster and less expensive to preserve currently affordable units that are at risk of converting to market-rate than it is to build new affordable housing.

The data in the table below comes from the California Housing Partnership's Preservation Database, the state's most comprehensive source of information on subsidized affordable housing at risk of losing its affordable status and converting to market-rate housing. However, this database does not include all deed-restricted affordable units in the state, so there may be at-risk assisted units in a jurisdiction that are not captured in this data table. There are 1,160 assisted units in Morgan Hill in the Preservation Database. Of these units, 0.0% are at *High Risk* or *Very High Risk* of conversion.²⁰

Table H 1-4 Assisted Units at Risk of Conversion				
Income	Morgan Hill	Santa Clara County	Bay Area	
Low	1,160	28,001	110,177	
Moderate	0	1,471	3,375	
High	0	422	1,854	
Very High	0	270	1,053	
Total Assisted Units in Database	1,160	30,164	116,459	

Universe: HUD, Low-Income Housing Tax Credit (LIHTC), USDA, and CalHFA projects. Subsidized or assisted developments that do not have one of the aforementioned financing sources may not be included.

Notes: While California Housing Partnership's Preservation Database is the state's most comprehensive source of information on subsidized affordable housing at risk of losing its affordable status and converting to market-rate housing, this database does not include all deed-restricted affordable units in the state. Consequently, there may be at-risk assisted units in a jurisdiction that are not captured in this data table. California Housing Partnership uses the following categories for assisted housing developments in its database: Very-High Risk: affordable homes that are at-risk of converting to market rate within the next year that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer. High

²⁰ California Housing Partnership uses the following categories for assisted housing developments in its database:

Very-High Risk: affordable homes that are at-risk of converting to market rate within the next year that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.

High Risk: affordable homes that are at-risk of converting to market rate in the next 1-5 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.

Moderate Risk: affordable homes that are at-risk of converting to market rate in the next 5-10 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer.

Low Risk: affordable homes that are at-risk of converting to market rate in 10+ years and/or are owned by a large/stable non-profit, mission-driven developer.

Risk: affordable homes that are at-risk of converting to market rate in the next 1-5 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer. Moderate Risk: affordable homes that are at-risk of converting to market rate in the next 5-10 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer. Low Risk: affordable homes that are at-risk of converting to market rate in 10+ years and/or are owned by a large/stable non-profit, mission-driven developer.

Source: California Housing Partnership, Preservation Database (2020)

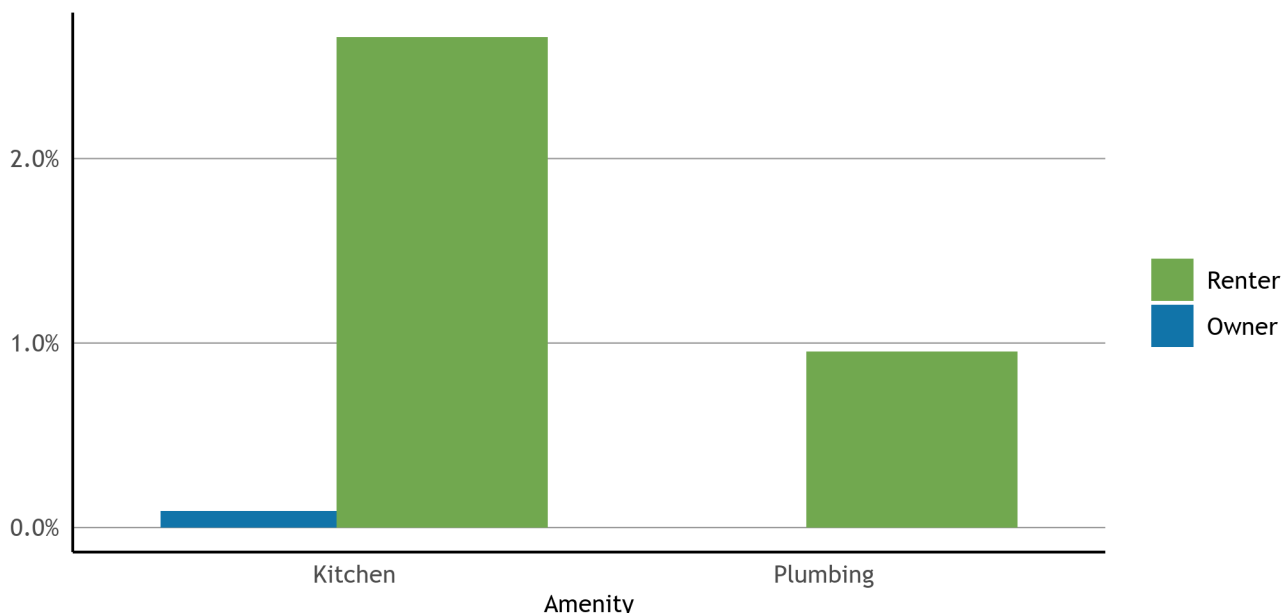
1.5.3 Substandard Housing

Housing costs in the region are among the highest in the country, which could result in households, particularly renters, needing to live in substandard conditions in order to afford housing. Generally, there is limited data on the extent of substandard housing issues in a community. The City's Building Division was surveyed to determine the number of housing units that are in need of rehabilitation (repair) or those in need of replacement (demolition) in calendar year 2021. The Building Division serves the residents and developers within the City by providing plan review services, issuing grading and building permits, and much more. In addition, the Building Division is responsible for code compliance and enforcement of the Morgan Hill Municipal Code. The Building Division indicated that there were zero units in dire need of rehabilitation or replacement that have been made aware to the City in 2021. Although the City's housing stock is in good condition, more than a third (37%) of the City's housing stock is more than 40 years old and may also be in need of rehabilitation. Programs which assist lower-income and/or elderly homeowners with home maintenance and repair should continue to be an important part of the City's housing program.

The City takes a proactive approach toward housing conditions through housing rehabilitation programs. The City has participated in the Urban Counties Consortium Community Development Block Grant (CDBG) funds to provide rehabilitation assistance. Between July 1, 2017 and June 30, 2021, 83 units were rehabilitated within the City of Morgan Hill.

Although the City's housing stock is in good condition, the Census Bureau data included in the graph below gives a sense of some of the substandard conditions that may be present in Morgan Hill. For example, 2.7% of renters in Morgan Hill reported lacking a kitchen and 1.0% of renters lack plumbing, compared to 0.1% of owners who lack a kitchen and 0.0% of owners who lack plumbing.

Figure H 1-22: Substandard Housing Issues



Universe: Occupied housing units

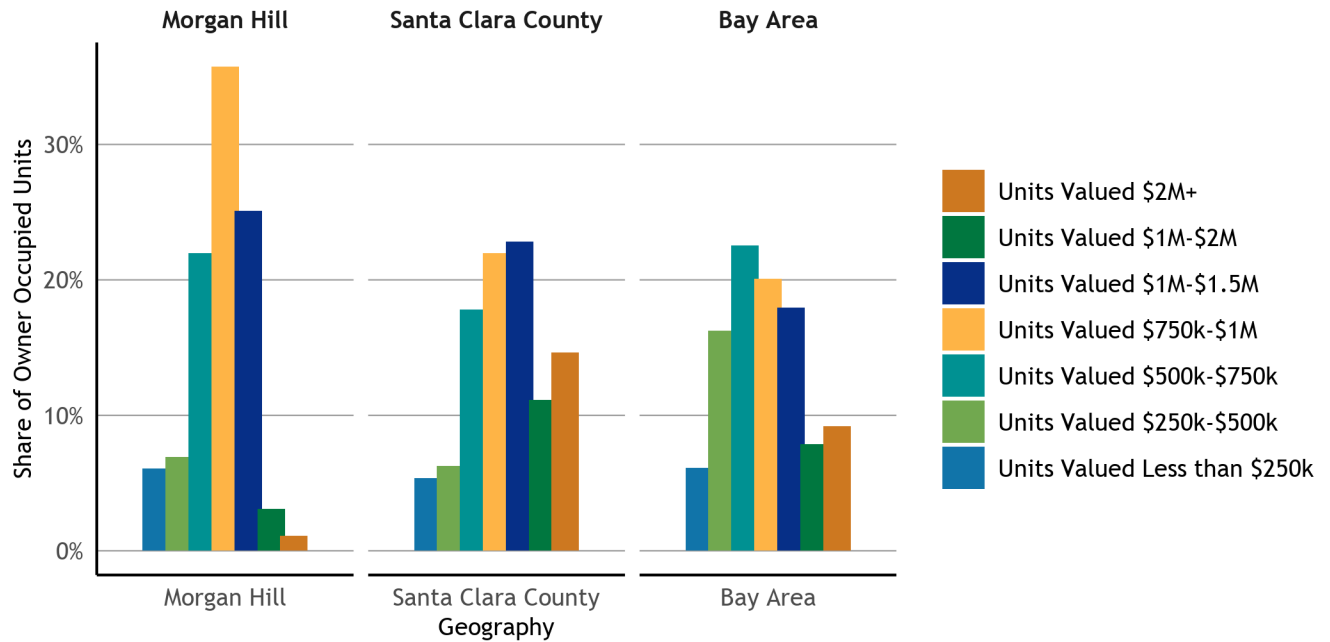
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25053, Table B25043, Table B25049

1.5.4 Home and Rent Values

Home prices reflect a complex mix of supply and demand factors, including an area's demographic profile, labor market, prevailing wages and job outlook, coupled with land and construction costs. In the Bay Area, the costs of housing have long been among the highest in the nation. The typical home value in Morgan Hill was estimated at \$1,055,130 by December of 2020, per data from Zillow. The largest proportion of homes were valued between \$750k-\$1M (see Figure 23). By comparison, the typical home value is \$1,290,970 in Santa Clara County and \$1,077,230 in the Bay Area, with the largest share of units valued \$1m-\$1.5m (county) and \$500k-\$750k (region).

The region's home values have increased steadily since 2000, besides a decrease during the Great Recession. The rise in home prices has been especially steep since 2012, with the median home value in the Bay Area nearly doubling during this time. Since 2001, the typical home value has increased 123.1% in Morgan Hill from \$472,850 to \$1,055,130. This change is below the change in Santa Clara County, and below the change for the region (see Figure 24).

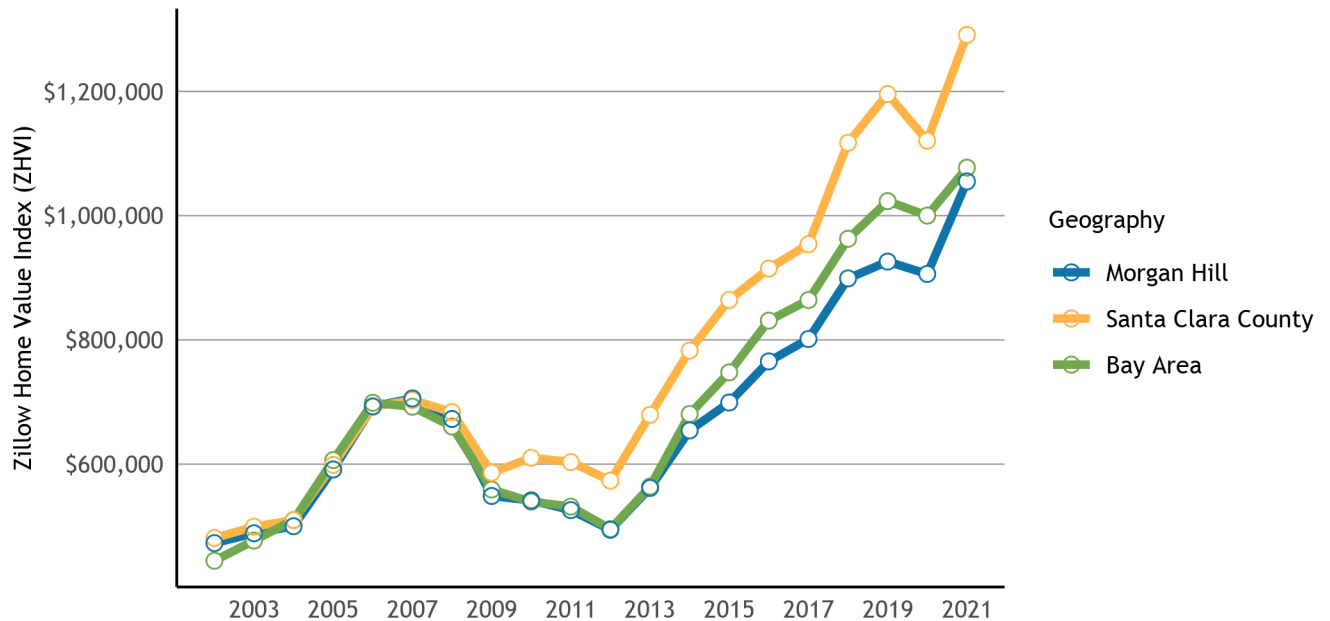
Figure H 1-23: Home Values of Owner-Occupied Units



Universe: Owner-occupied units

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25075

Figure H 1-24: Zillow Home Value Index (ZHVI)



Universe: Owner-occupied housing units

Notes: Zillow describes the ZHVI as a smoothed, seasonally adjusted measure of the typical home value and market changes across a given region and housing type. The ZHVI reflects the typical value for homes in the 35th to 65th percentile range. The ZHVI includes all owner-occupied housing units, including both single-family homes and condominiums. More information on the ZHVI is available

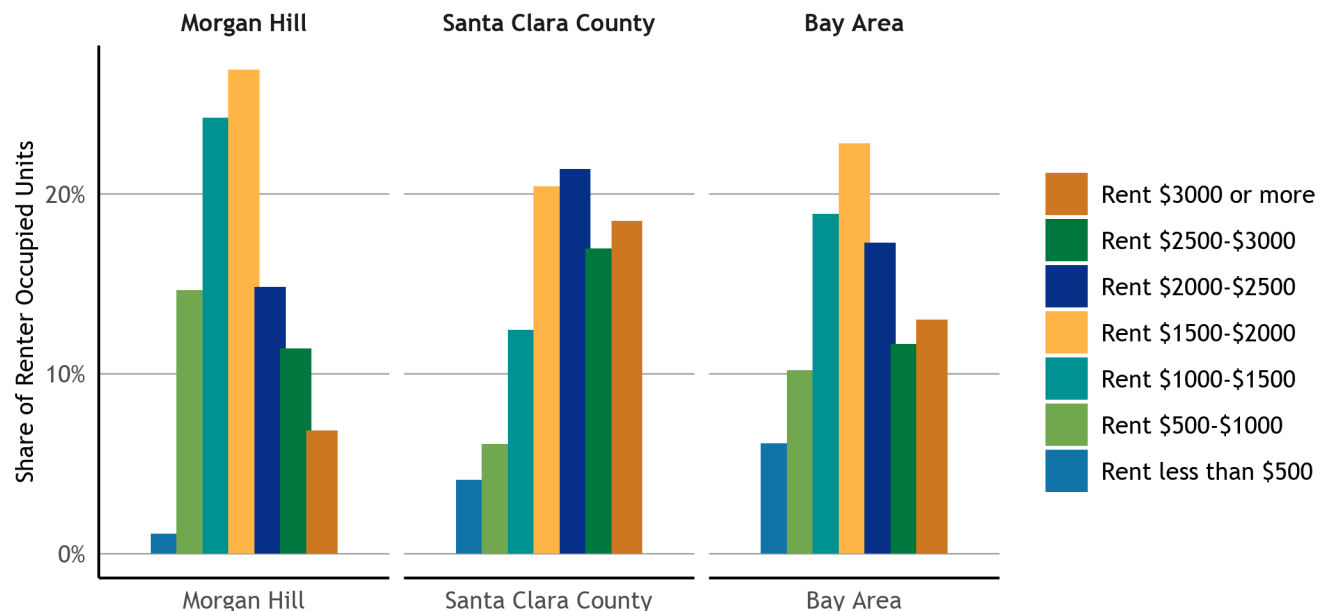
from Zillow. The regional estimate is a household-weighted average of county-level ZHVI files, where household counts are yearly estimates from DOF's E-5 series. For unincorporated areas, the value is a population weighted average of unincorporated communities in the county matched to census-designated population counts.

Source: Zillow, Zillow Home Value Index (ZHVI)

Similar to home values, rents have also increased dramatically across the Bay Area in recent years. Many renters have been priced out, evicted or displaced, particularly communities of color. Residents finding themselves in one of these situations may have had to choose between commuting long distances to their jobs and schools or moving out of the region, and sometimes, out of the state.

In Morgan Hill, the largest proportion of rental units rented in the *Rent \$1500-\$2000* category, totaling 26.9%, followed by 24.2% of units renting in the *Rent \$1000-\$1500* category (see Figure 25). Looking beyond the city, the largest share of units is in the *\$2000-\$2500* category (county) compared to the *\$1500-\$2000* category for the region as a whole.

Figure H 1-25: Contract Rents for Renter-Occupied Units

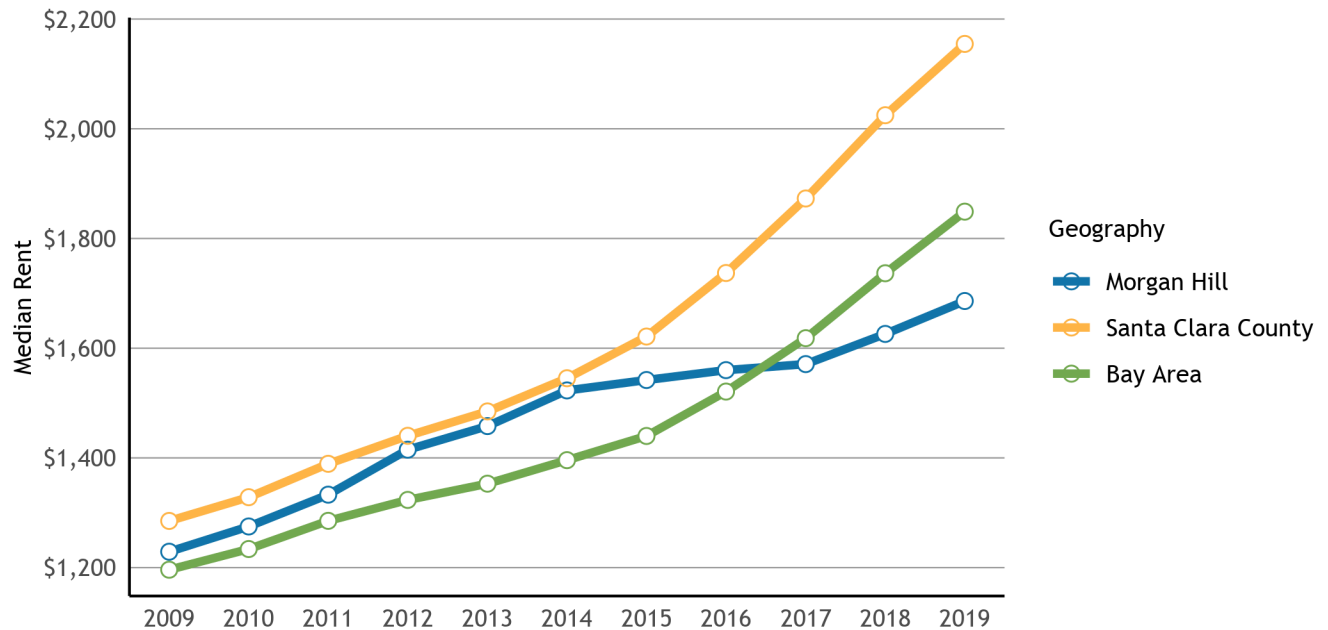


Universe: Renter-occupied housing units paying cash rent

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25056

Since 2009, the median rent has increased by 36.6% in Morgan Hill, from \$1,230 to \$1,680 per month (see Figure 26). In Santa Clara County, the median rent has increased 67.7%, from \$1,285 to \$2,150. The median rent in the region has increased significantly during this time from \$1,200 to \$1,850, a 54% increase.²¹

²¹ While the data on home values shown in Figure 24 comes from Zillow, Zillow does not have data on rent prices available for most Bay Area jurisdictions. To have a more comprehensive dataset on rental data for the region, the rent data in this document comes from the U.S. Census Bureau's American Community Survey, which may not fully reflect

Figure H 1-26: Median Contract Rent

Universe: Renter-occupied housing units paying cash rent

Notes: For unincorporated areas, median is calculated using distribution in B25056

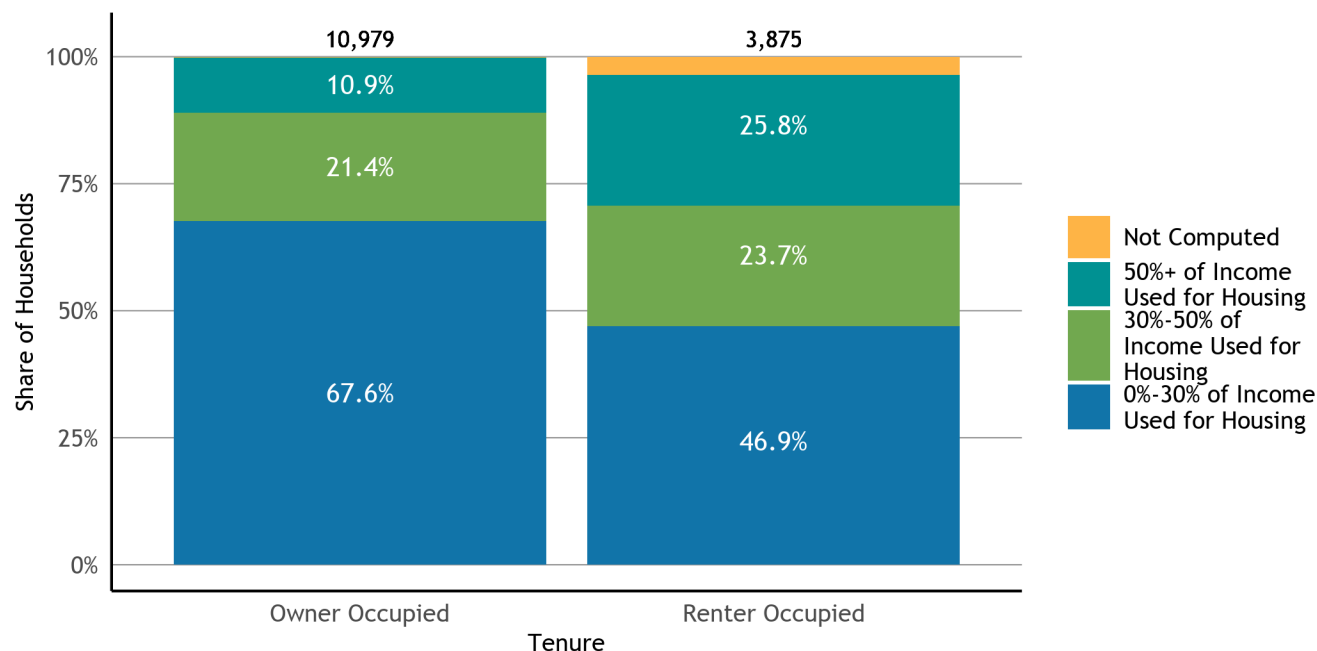
Source: U.S. Census Bureau, American Community Survey 5-Year Data releases, starting with 2005-2009 through 2015-2019, B25058, B25056 (for unincorporated areas). County and regional counts are weighted averages of jurisdiction median using B25003 rental unit counts from the relevant year.

1.5.5 Overpayment and Overcrowding

A household is considered “cost-burdened” if it spends more than 30% of its monthly income on housing costs, while those who spend more than 50% of their income on housing costs are considered “severely cost-burdened.” Low-income residents are the most impacted by high housing costs and experience the highest rates of cost burden. Spending such large portions of their income on housing puts low-income households at higher risk of displacement, eviction, or homelessness.

current rents. Local jurisdiction staff may want to supplement the data on rents with local realtor data or other sources for rent data that are more current than Census Bureau data.

Figure H 1-27: Cost Burden by Tenure



Universe: Occupied housing units

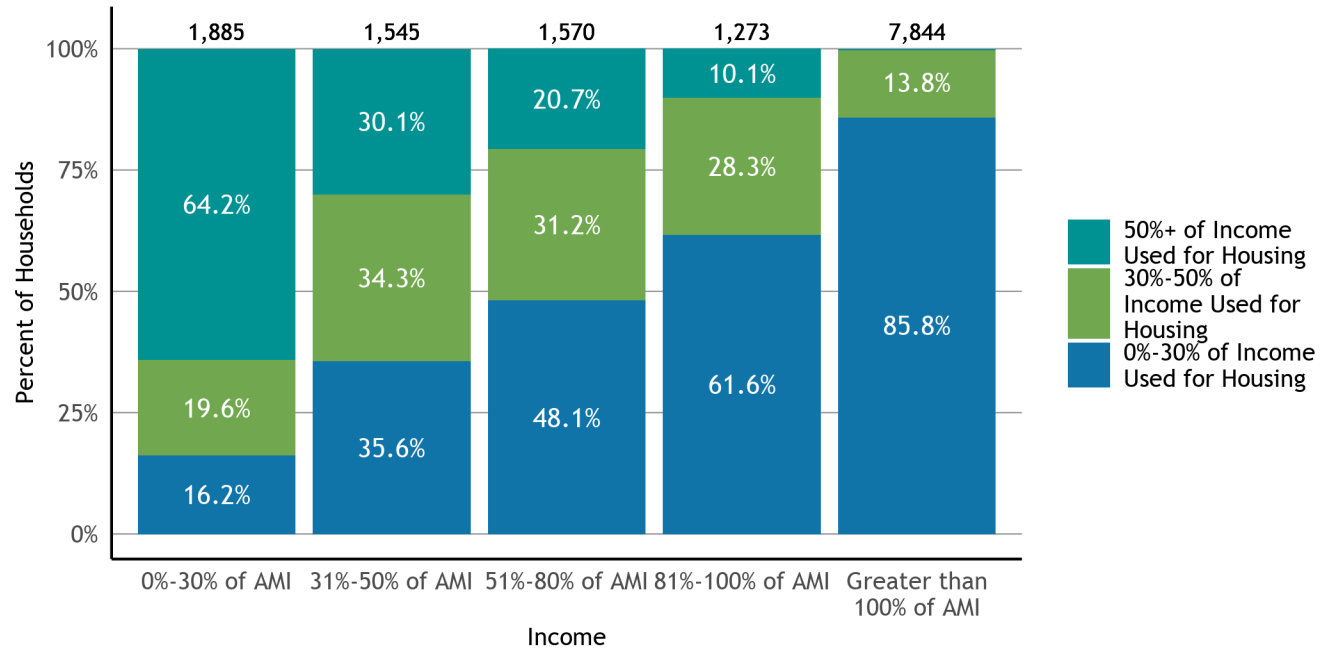
Notes: Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines cost-burdened households as those whose monthly housing costs exceed 30% of monthly income, while severely cost-burdened households are those whose monthly housing costs exceed 50% of monthly income.

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25070, B25091

Renters are often more cost-burdened than owners. While the housing market has resulted in home prices increasing dramatically, homeowners often have mortgages with fixed rates, whereas renters are more likely to be impacted by market increases. When looking at the cost burden across tenure in Morgan Hill, 23.7% of renters spend 30% to 50% of their income on housing compared to 21.4% of those that own (see Figure 27). Additionally, 25.8% of renters spend 50% or more of their income on housing, while 10.9% of owners are severely cost-burdened.

In Morgan Hill, 15.3% of households spend 50% or more of their income on housing, while 20.1% spend 30% to 50%. However, these rates vary greatly across income categories (see Figure 28). For example, 64.2% of Morgan Hill households making less than 30% of AMI spend the majority of their income on housing. For Morgan Hill residents making more than 100% of AMI, just 0.4% are severely cost-burdened, and 85.8% of those making more than 100% of AMI spend less than 30% of their income on housing.

Figure H 1-28: Cost Burden by Income Level



Universe: Occupied housing units

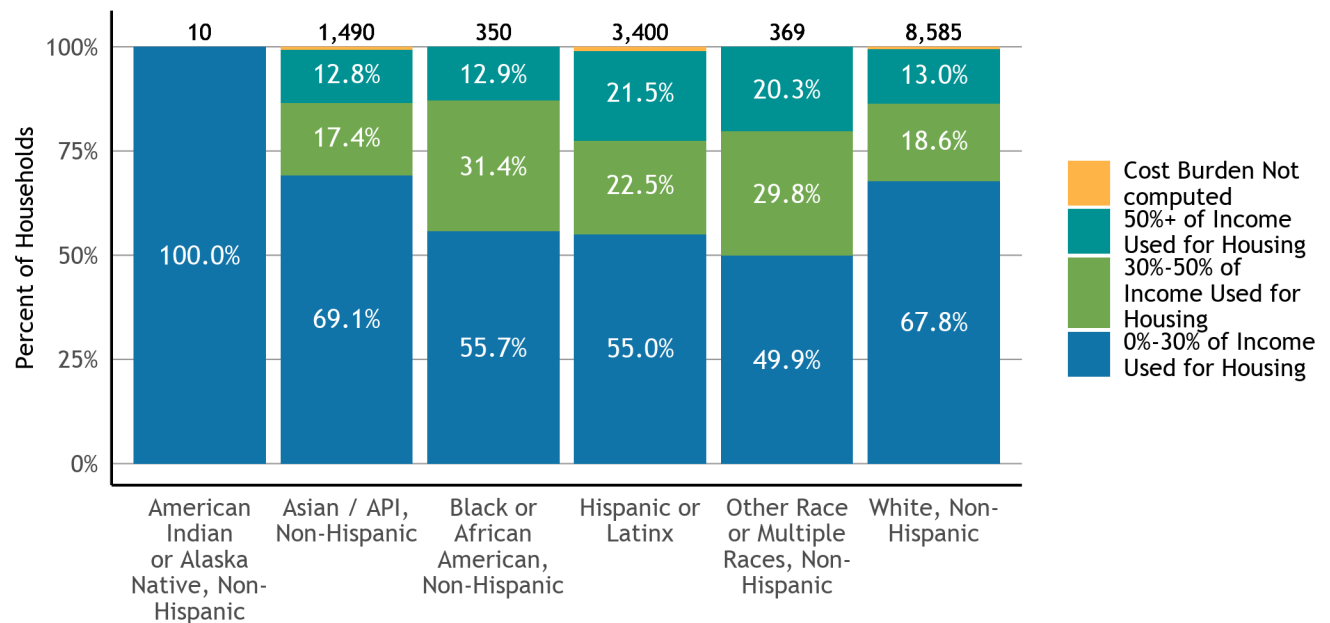
Notes: Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines cost-burdened households as those whose monthly housing costs exceed 30% of monthly income, while severely cost-burdened households are those whose monthly housing costs exceed 50% of monthly income. Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

Currently, people of color are more likely to experience poverty and financial instability as a result of federal and local housing policies that have historically excluded them from the same opportunities extended to white residents. As a result, they often pay a greater percentage of their income on housing, and in turn, are at a greater risk of housing insecurity.

Black or African American, Non-Hispanic residents are the most cost burdened with 31.4% spending 30% to 50% of their income on housing, and **Hispanic or Latinx** residents are the most severely cost burdened with 21.5% spending more than 50% of their income on housing (see Figure 29).

Figure H 1-29: Cost Burden by Race



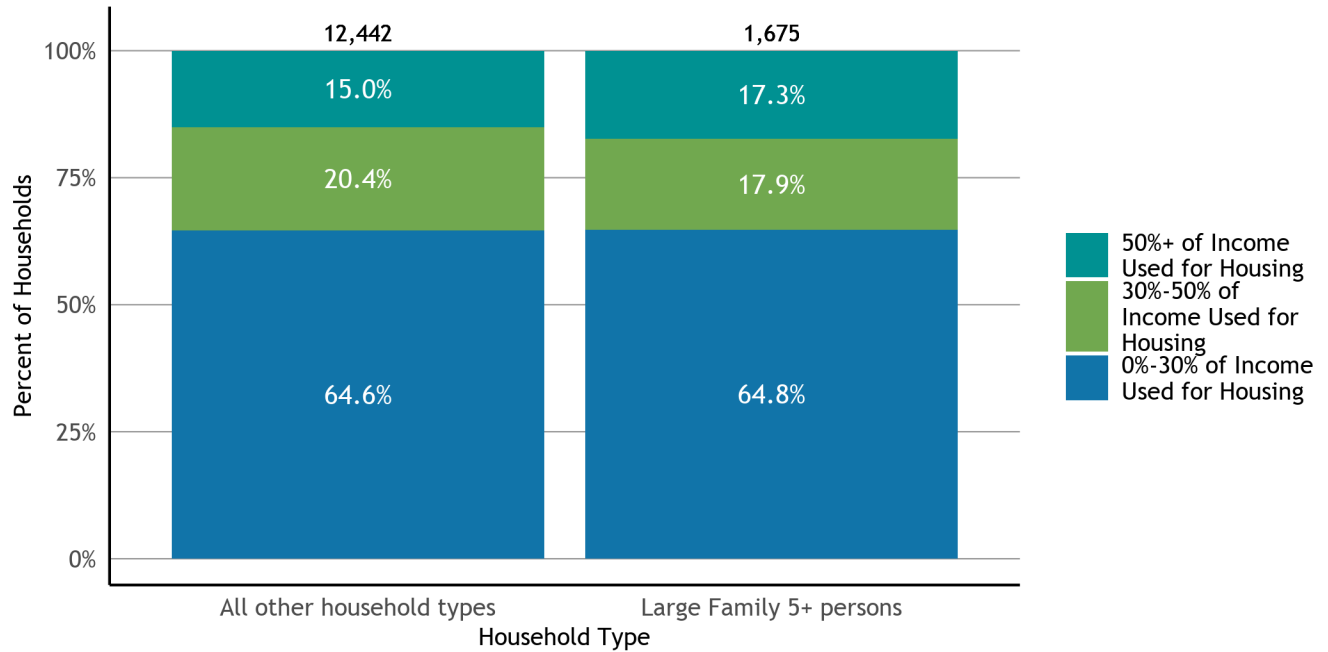
Universe: Occupied housing units

Notes: Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines cost-burdened households as those whose monthly housing costs exceed 30% of monthly income, while severely cost-burdened households are those whose monthly housing costs exceed 50% of monthly income. For the purposes of this graph, the "Hispanic or Latinx" racial/ethnic group represents those who identify as having Hispanic/Latinx ethnicity and may also be members of any racial group. All other racial categories on this graph represent those who identify with that racial category and do not identify with Hispanic/Latinx ethnicity.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

Large family households often have special housing needs due to a lack of adequately sized affordable housing available. The higher costs required for homes with multiple bedrooms can result in larger families experiencing a disproportionate cost burden than the rest of the population and can increase the risk of housing insecurity.

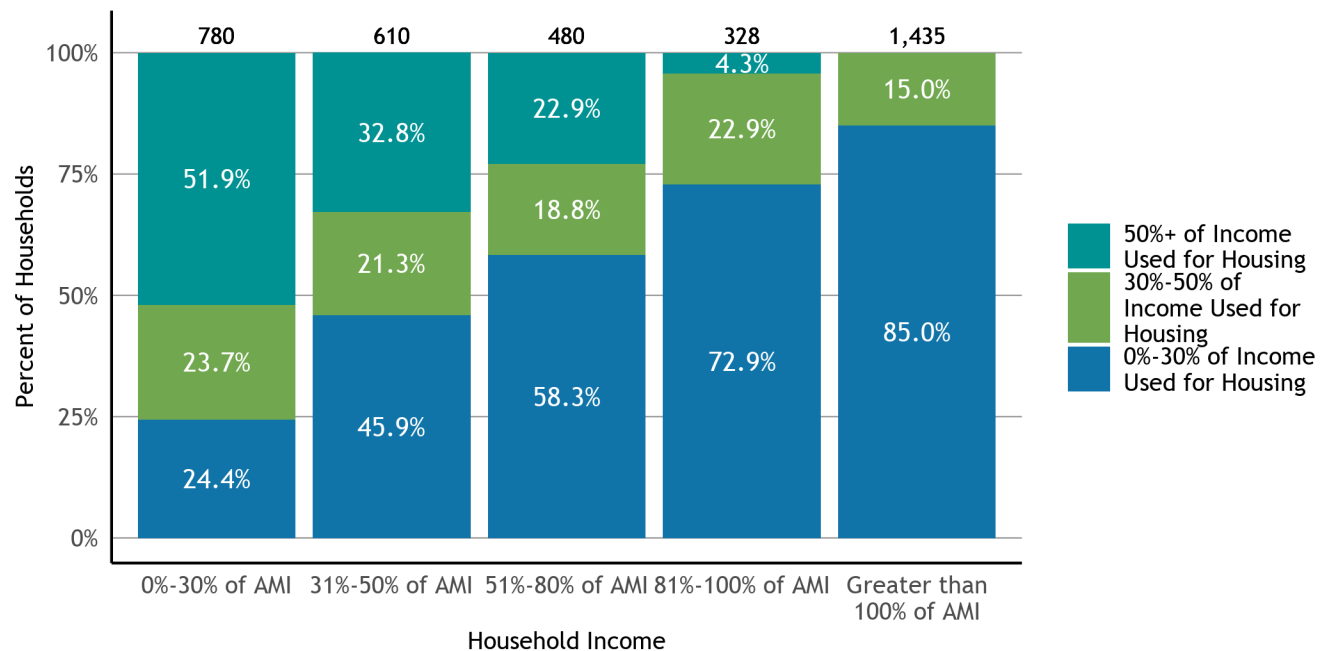
In Morgan Hill, 17.9% of large family households experience a cost burden of 30%-50%, while 17.3% of households spend more than half of their income on housing. Some 20.4% of all other households have a cost burden of 30%-50%, with 15.0% of households spending more than 50% of their income on housing (see Figure 30).

Figure H 1-30: Cost Burden by Household Size

Universe: Occupied housing units

Notes: Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines cost-burdened households as those whose monthly housing costs exceed 30% of monthly income, while severely cost-burdened households are those whose monthly housing costs exceed 50% of monthly income. Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

When cost-burdened seniors are no longer able to make house payments or pay rents, displacement from their homes can occur, putting further stress on the local rental market or forcing residents out of the community they call home. Understanding how seniors might be cost-burdened is of particular importance due to their special housing needs, particularly for low-income seniors. 51.9% of seniors making less than 30% of AMI are spending the majority of their income on housing. For seniors making more than 100% of AMI, 85.0% are not cost-burdened and spend less than 30% of their income on housing (see Figure 31).

Figure 1-31: Cost-Burdened Senior Households by Income Level

Universe: Senior households

Notes: For the purposes of this graph, senior households are those with a householder who is aged 62 or older. Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines cost-burdened households as those whose monthly housing costs exceed 30% of monthly income, while severely cost-burdened households are those whose monthly housing costs exceed 50% of monthly income. Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

Overcrowding occurs when the number of people living in a household is greater than the home was designed to hold. There are several different standards for defining overcrowding, but this report uses the Census Bureau definition, which is more than one occupant per room (not including bathrooms or kitchens). Additionally, the Census Bureau considers units with more than 1.5 occupants per room to be severely overcrowded.

Overcrowding is often related to the cost of housing and can occur when demand in a city or region is high. In many cities, overcrowding is seen more amongst those that are renting, with multiple households sharing a unit to make it possible to stay in their communities. In Morgan Hill, 4.6% of households that rent are severely overcrowded (more than 1.5 occupants per room), compared to 0.2% of households that own (see Figure 32). In Morgan Hill, 9.2% of renters experience moderate overcrowding (1 to 1.5 occupants per room), compared to 1.6% for those own.

Figure H 1-32: Overcrowding by Tenure and Severity

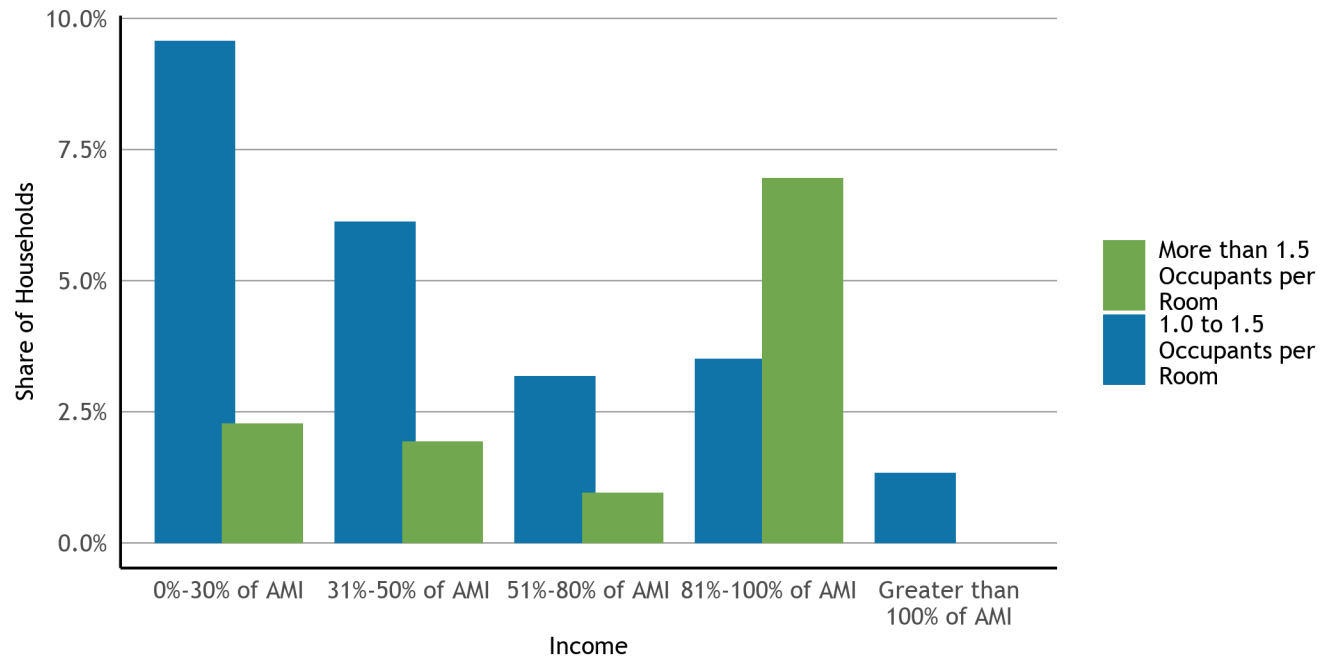
Universe: Occupied housing units

Notes: The Census Bureau defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens), and units with more than 1.5 persons per room are considered severely overcrowded.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

Overcrowding often disproportionately impacts low-income households. 2.3% of very low-income households (below 50% AMI) experience severe overcrowding, while 0.0% of households above 100% experience this level of overcrowding (see Figure 33).

Figure H 1-33: Overcrowding by Income Level and Severity

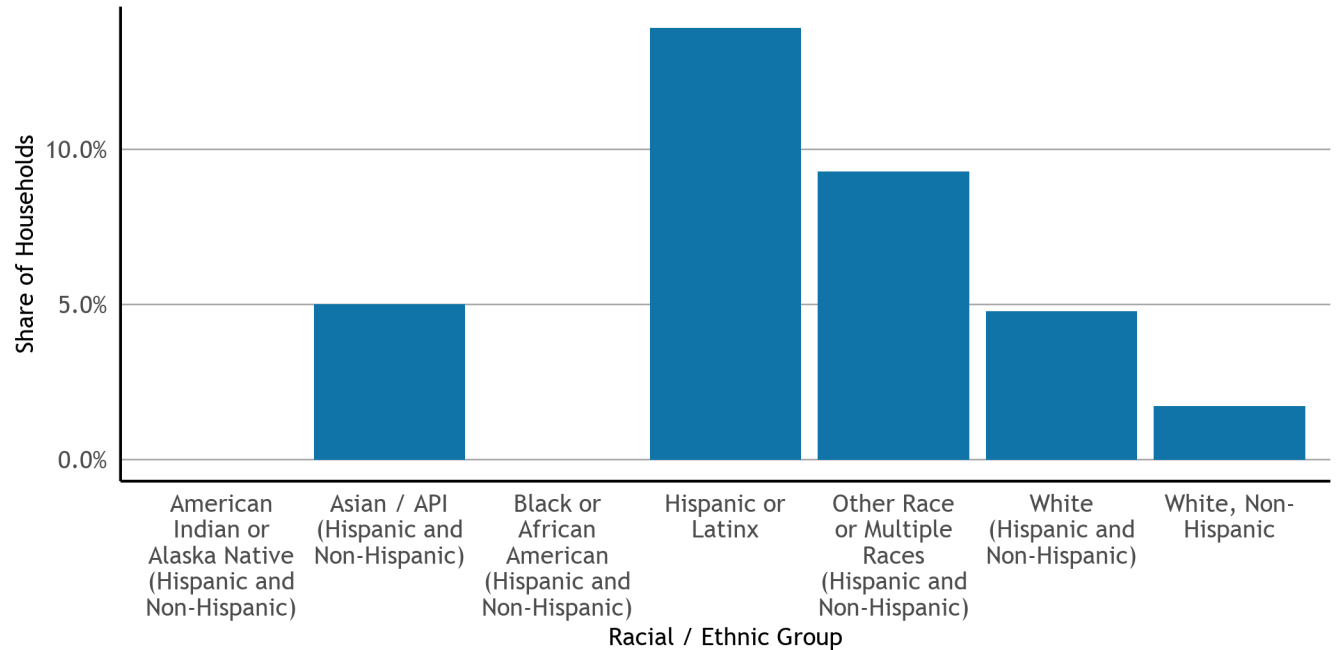


Universe: Occupied housing units

Notes: The Census Bureau defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens), and units with more than 1.5 persons per room are considered severely overcrowded. Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located.

Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

Communities of color are more likely to experience overcrowding similar to how they are more likely to experience poverty, financial instability, and housing insecurity. People of color tend to experience overcrowding at higher rates than White residents. In Morgan Hill, the racial group with the largest overcrowding rate is *Hispanic or Latinx* (see Figure 34)

Figure H 1-34: Overcrowding by Race

Universe: Occupied housing units

Notes: The Census Bureau defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens), and units with more than 1.5 persons per room are considered severely overcrowded. For this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity. However, data for the white racial group is also reported for white householders who are not Hispanic/Latinx. Since residents who identify as white and Hispanic/Latinx may have very different experiences within the housing market and the economy from those who identify as white and non-Hispanic/Latinx, data for multiple white sub-groups are reported here. The racial/ethnic groups reported in this table are not all mutually exclusive. Therefore, the data should not be summed as the sum exceeds the total number of occupied housing units for this jurisdiction. However, all groups labelled "Hispanic and Non-Hispanic" are mutually exclusive, and the sum of the data for these groups is equivalent to the total number of occupied housing units.

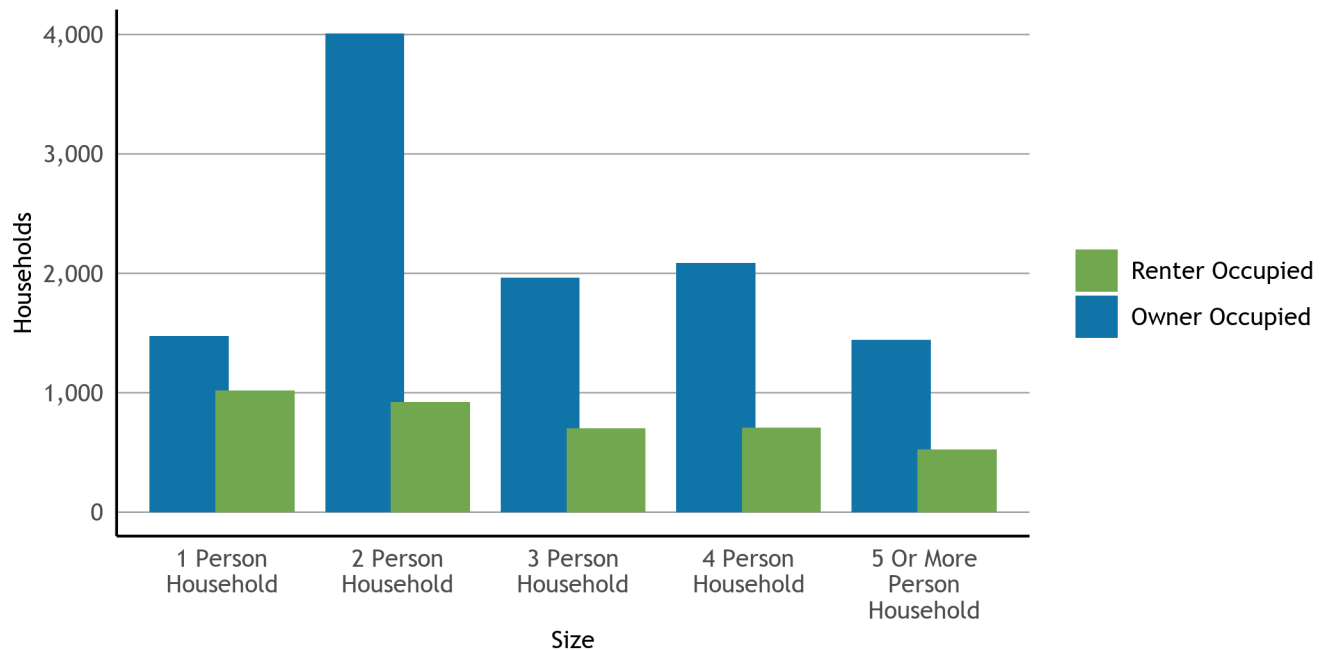
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25014

1.6 Special Housing Needs

1.6.1 Large Households

Large households often have different housing needs than smaller households. If a city's rental housing stock does not include larger apartments, large households who rent could end up living in overcrowded conditions. In Morgan Hill, for large households with 5 or more persons, most units (73.2%) are owner occupied (see Figure 35). In 2017, 23.3% of large households were very low-income, earning less than 50% of the area median income (AMI).

Figure H 1-35: Household Size by Tenure

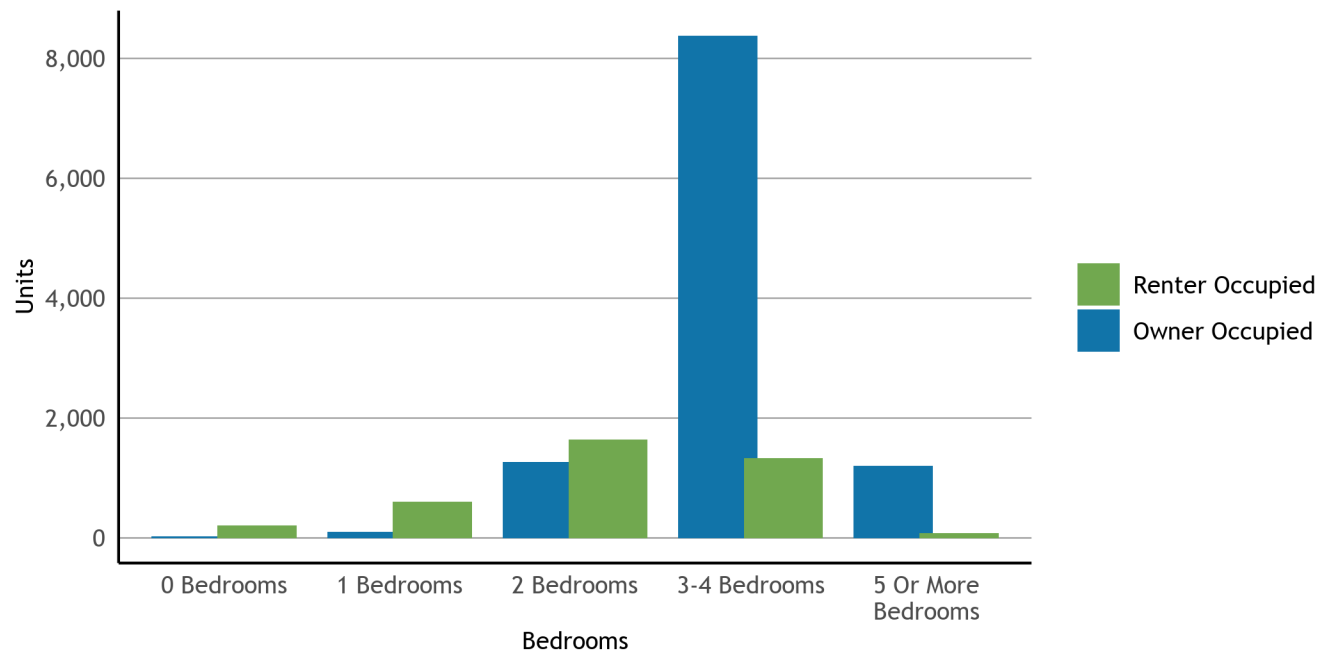


Universe: Occupied housing units

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25009

The unit sizes available in a community affect the household sizes that can access that community. Large families are generally served by housing units with 3 or more bedrooms, of which there are 10,992 units in Morgan Hill. Among these large units with 3 or more bedrooms, 12.9% are renter-occupied and 87.1% are owner-occupied (see Figure 36).

Figure H 1-36: Housing Units by Number of Bedrooms



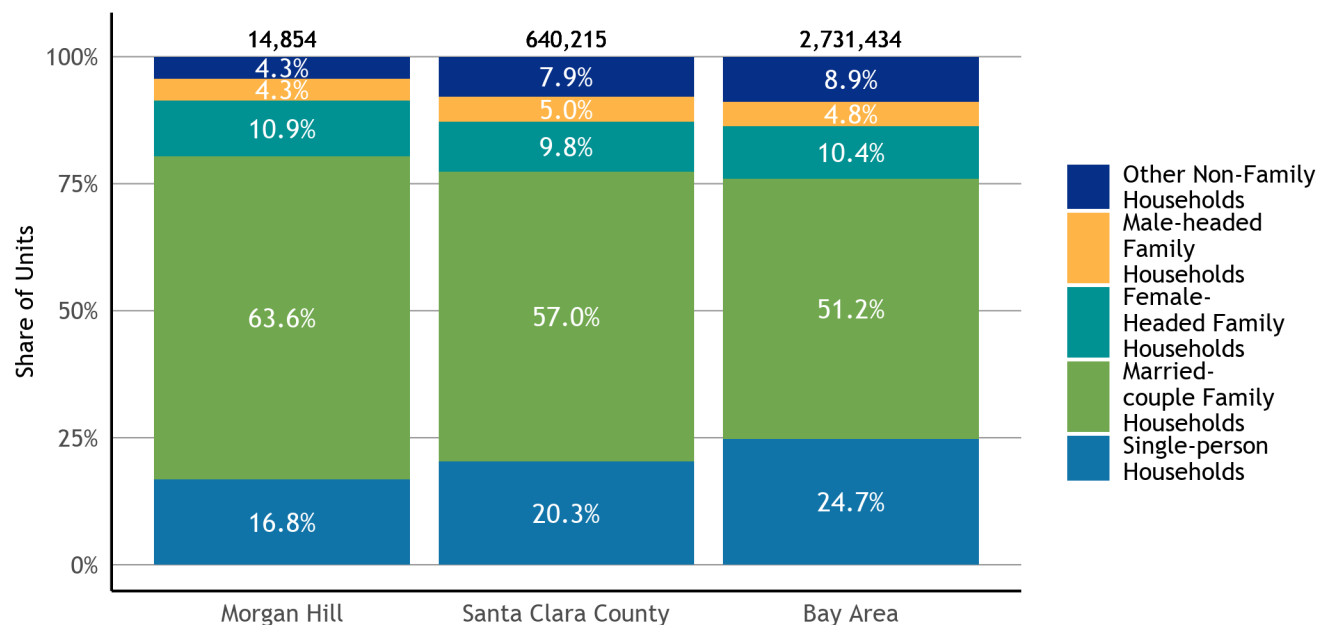
Universe: Housing units

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25042

1.6.2 Female-Headed Households

Households headed by one person are often at greater risk of housing insecurity, particularly female-headed households, who may be supporting children or a family with only one income. In Morgan Hill, the largest proportion of households is *Married-couple Family Households* at 63.6% of total, while *Female-Headed Households* make up 10.9% of all households.

Figure H 1-37: Household Type



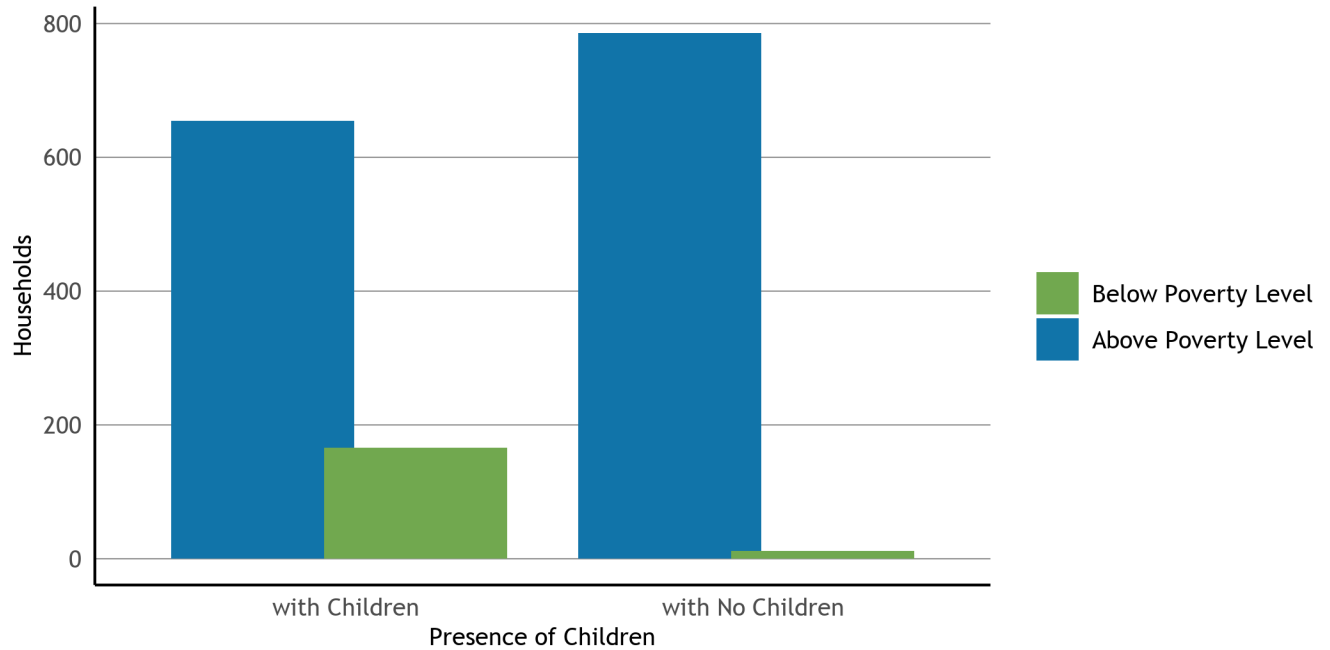
Universe: Households

Notes: For data from the Census Bureau, a "family household" is a household where two or more people are related by birth, marriage, or adoption. "Non-family households" are households of one person living alone, as well as households where none of the people are related to each other.

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B11001

Female-headed households with children may face particular housing challenges, with pervasive gender inequality resulting in lower wages for women. Moreover, the added need for childcare can make finding a home that is affordable more challenging.

In Morgan Hill, 20.2% of female-headed households with children fall below the Federal Poverty Line, while 1.5% of female-headed households *without* children live in poverty (see Figure 38).

Figure H 1-38: Female-Headed Households by Poverty Status

Universe: Female Households

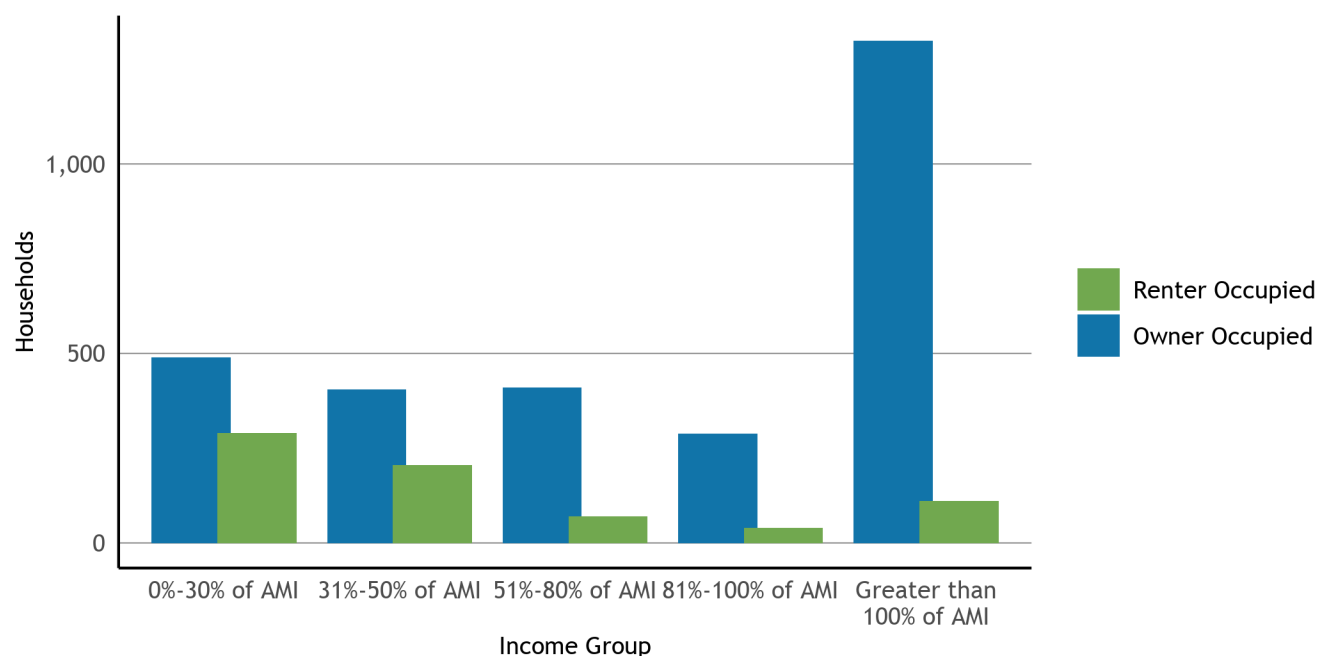
Notes: The Census Bureau uses a federally defined poverty threshold that remains constant throughout the country and does not correspond to Area Median Income.

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B17012

1.6.3 Seniors

Senior households often experience a combination of factors that can make accessing or keeping affordable housing a challenge. They often live on fixed incomes and are more likely to have disabilities, chronic health conditions and/or reduced mobility.

Seniors who rent may be at even greater risk for housing challenges than those who own, due to income differences between these groups. The largest proportion of senior households who rent make 0%-30% of AMI, while the largest proportion of senior households who are homeowners falls in the income group *Greater than 100% of AMI* (see Figure 39).

Figure H 1-39: Senior Households by Income and Tenure

Universe: Senior households

Notes: For the purposes of this graph, senior households are those with a householder who is aged 62 or older. Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located.

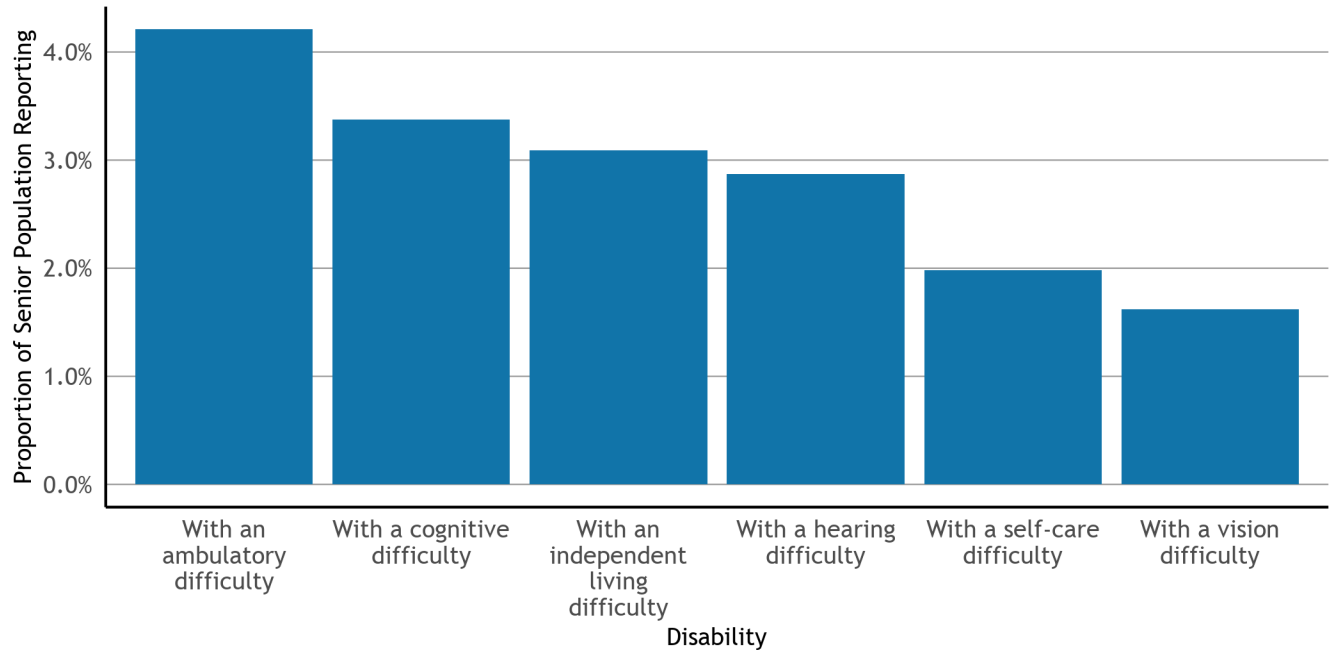
Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

1.6.4 People with Disabilities

People with disabilities face additional housing challenges. Encompassing a broad group of individuals living with a variety of physical, cognitive and sensory impairments, many people with disabilities live on fixed incomes and are in need of specialized care, yet often rely on family members for assistance due to the high cost of care.

When it comes to housing, people with disabilities are not only in need of affordable housing but accessibly designed housing, which offers greater mobility and opportunity for independence. Unfortunately, the need typically outweighs what is available, particularly in a housing market with such high demand. People with disabilities are at a high risk for housing insecurity, homelessness and institutionalization, particularly when they lose aging caregivers. Figure 40 shows the rates at which different disabilities are present among residents of Morgan Hill. Overall, 9.1% of people in Morgan Hill have a disability of any kind.²²

²² These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed.

Figure H 1-40: Disability by Type

Universe: Civilian noninstitutionalized population 18 years and over

Notes: These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed. The Census Bureau provides the following definitions for these disability types: Hearing difficulty: deaf or has serious difficulty hearing. Vision difficulty: blind or has serious difficulty seeing even with glasses. Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions. Ambulatory difficulty: has serious difficulty walking or climbing stairs. Self-care difficulty: has difficulty dressing or bathing. Independent living difficulty: has difficulty doing errands alone such as visiting a doctor's office or shopping.

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B18102, Table B18103, Table B18104, Table B18105, Table B18106, Table B18107.

State law also requires Housing Elements to examine the housing needs of people with developmental disabilities. Developmental disabilities are defined as severe, chronic, and attributed to a mental or physical impairment that begins before a person turns 18 years old. This can include Down's Syndrome, autism, epilepsy, cerebral palsy, and mild to severe mental retardation. Some people with developmental disabilities are unable to work, rely on Supplemental Security Income, and live with family members. In addition to their specific housing needs, they are at increased risk of housing insecurity after an aging parent or family member is no longer able to care for them.

In Morgan Hill, of the population with a developmental disability, children under the age of 18 make up 39.8%, while adults account for 60.2%.

Table H 1-5 Population with Developmental Disabilities by Age	
Age Group	Value
Age 18+	171
Age Under 18	113

Universe: Population with developmental disabilities

Notes: The California Department of Developmental Services is responsible for overseeing the coordination and delivery of services to more than 330,000 Californians with developmental disabilities including cerebral palsy, intellectual disability, Down syndrome, autism, epilepsy, and related conditions. The California Department of Developmental Services provides ZIP code level counts. To get jurisdiction-level estimates, ZIP code counts were crosswalked to jurisdictions using census block population counts from Census 2010 SF1 to determine the share of a ZIP code to assign to a given jurisdiction.

Source: California Department of Developmental Services, Consumer Count by California ZIP Code and Age Group (2020)

The most common living arrangement for individuals with disabilities in Morgan Hill is the home of parent /family /guardian.

Table H 1-6 Population with Developmental Disabilities by Residence	
<i>Residence Type</i>	<i>Value</i>
Home of Parent / Family / Guardian	235
Community Care Facility	30
Independent / Supported Living	16
Other	4
Foster / Family Home	0
Intermediate Care Facility	0

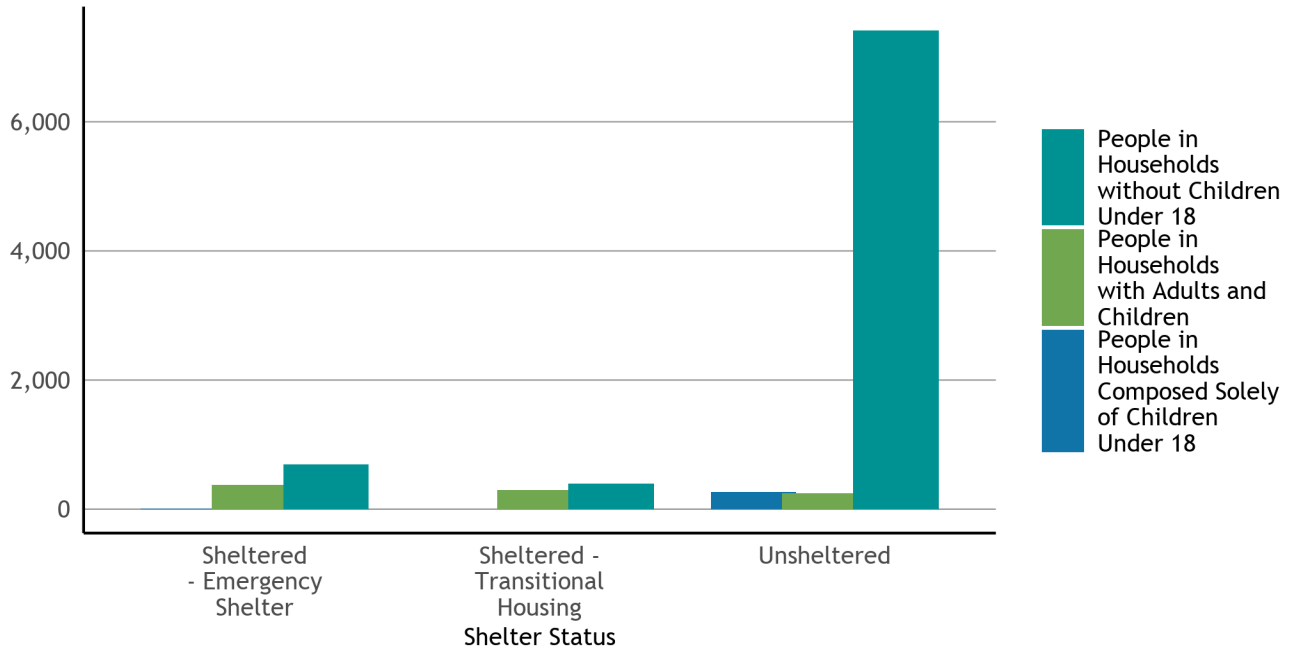
Universe: Population with developmental disabilities

Notes: The California Department of Developmental Services is responsible for overseeing the coordination and delivery of services to more than 330,000 Californians with developmental disabilities including cerebral palsy, intellectual disability, Down syndrome, autism, epilepsy, and related conditions. The California Department of Developmental Services provides ZIP code level counts. To get jurisdiction-level estimates, ZIP code counts were crosswalked to jurisdictions using census block population counts from Census 2010 SF1 to determine the share of a ZIP code to assign to a given jurisdiction.

Source: California Department of Developmental Services, Consumer Count by California ZIP Code and Residence Type (2020)

1.6.5 Homelessness

Homelessness remains an urgent challenge in many communities across the state, reflecting a range of social, economic, and psychological factors. Rising housing costs result in increased risks of community members experiencing homelessness. Far too many residents who have found themselves housing insecure have ended up unhoused or homeless in recent years, either temporarily or longer term. Addressing the specific housing needs for the unhoused population remains a priority throughout the region, particularly since homelessness is disproportionately experienced by people of color, people with disabilities, those struggling with addiction and those dealing with traumatic life circumstances. In Santa Clara County, the most common type of household experiencing homelessness is those without children in their care. Among households experiencing homelessness that do not have children, 76.4% are unsheltered. Of homeless households with children, most are sheltered in emergency shelter (see Figure 41).

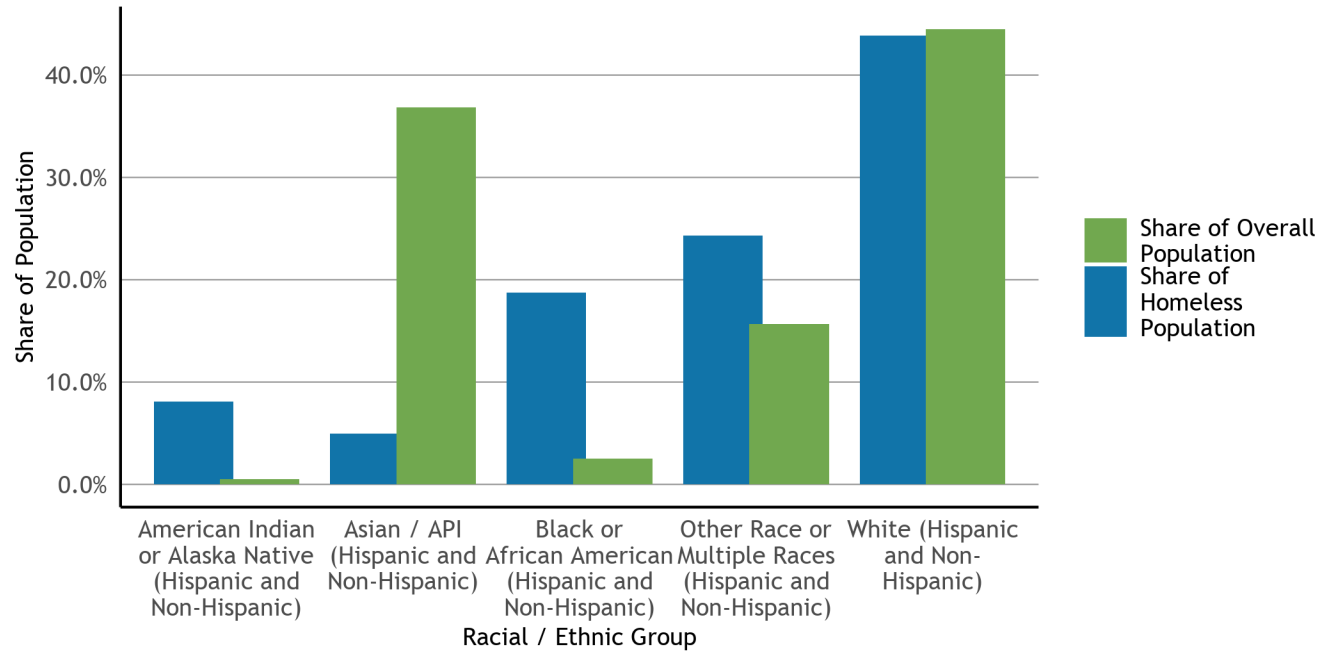
Figure H 1-41: Homelessness by Household Type and Shelter Status, Santa Clara County

Universe: Population experiencing homelessness

Notes: This data is based on Point-in-Time (PIT) information provided to HUD by CoCs in the application for CoC Homeless Assistance Programs. The PIT Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January. Each Bay Area county is its own CoC, and so the data for this table is provided at the county-level. Per HCD's requirements, jurisdictions will need to supplement this county-level data with local estimates of people experiencing homelessness.

Source: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019)

People of color are more likely to experience poverty and financial instability as a result of federal and local housing policies that have historically excluded them from the same opportunities extended to white residents. Consequently, people of color are often disproportionately impacted by homelessness, particularly Black residents of the Bay Area. In Santa Clara County, White (Hispanic and Non-Hispanic) residents represent the largest proportion of residents experiencing homelessness and account for 43.9% of the homeless population, while making up 44.5% of the overall population (see Figure 42).

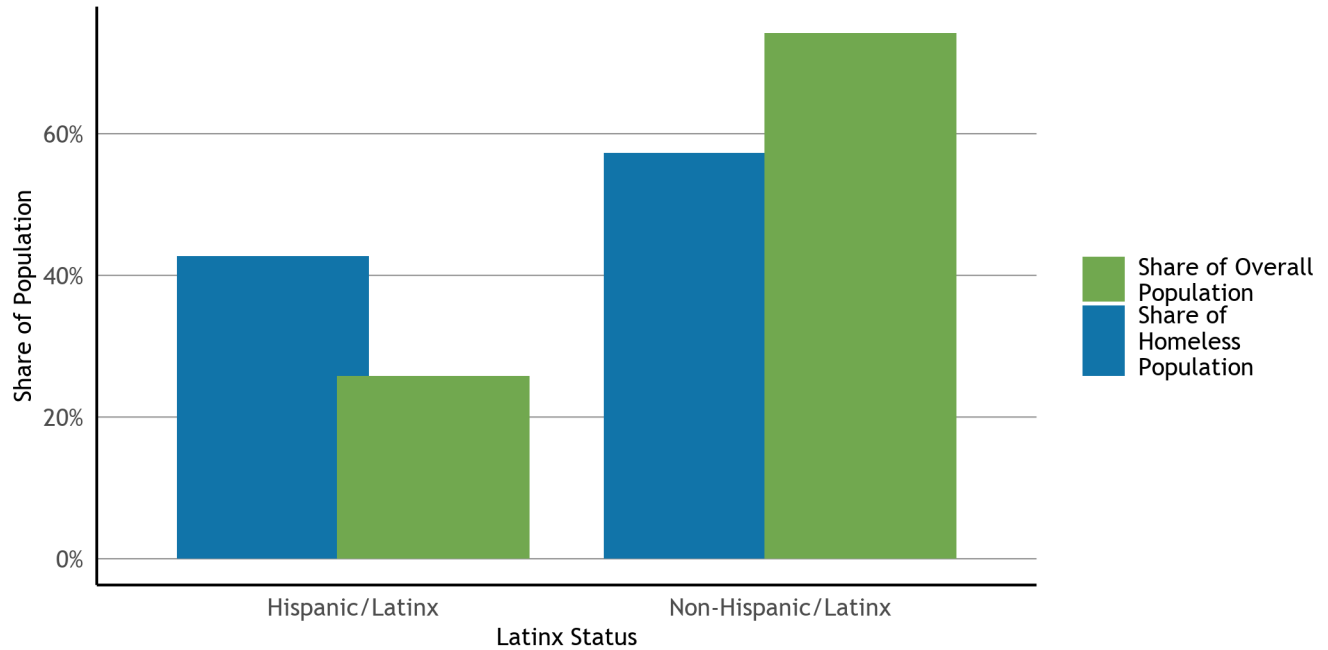
Figure H 1-42: Racial Group Share of General and Homeless Populations, Santa Clara County

Universe: Population experiencing homelessness

Notes: This data is based on Point-in-Time (PIT) information provided to HUD by CoCs in the application for CoC Homeless Assistance Programs. The PIT Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January. Each Bay Area county is its own CoC, and so the data for this table is provided at the county-level. Per HCD's requirements, jurisdictions will need to supplement this county-level data with local estimates of people experiencing homelessness. HUD does not disaggregate racial demographic data by Hispanic/Latinx ethnicity for people experiencing homelessness. Instead, HUD reports data on Hispanic/Latinx ethnicity for people experiencing homelessness in a separate table. Accordingly, the racial group data listed here includes both Hispanic/Latinx and non-Hispanic/Latinx individuals.

Source: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019); U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001(A-I)

In Santa Clara, Latinx residents represent 42.7% of the population experiencing homelessness, while Latinx residents comprise 25.8% of the general population (see Figure 43).

Figure H 1-43: Latinx Share of General and Homeless Populations, Santa Clara County

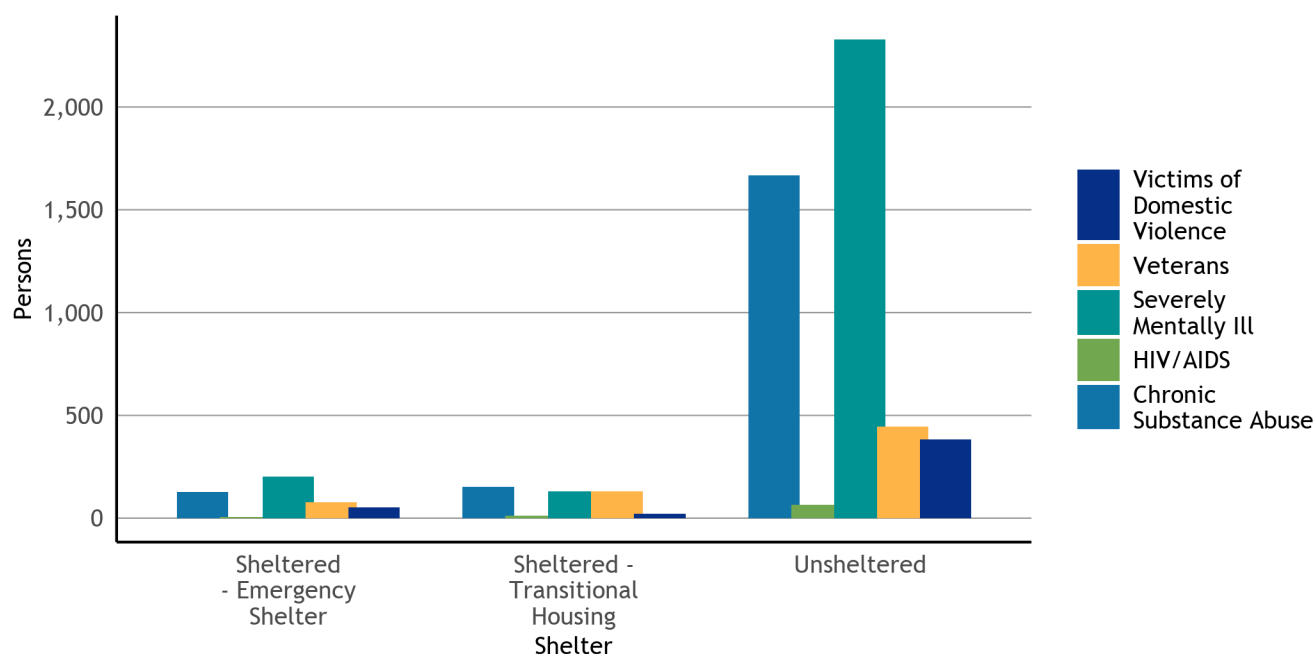
Universe: Population experiencing homelessness

Notes: This data is based on Point-in-Time (PIT) information provided to HUD by CoCs in the application for CoC Homeless Assistance Programs. The PIT Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January. Each Bay Area county is its own CoC, and so the data for this table is provided at the county-level. Per HCD's requirements, jurisdictions will need to supplement this county-level data with local estimates of people experiencing homelessness. The data from HUD on Hispanic/Latinx ethnicity for individuals experiencing homelessness does not specify racial group identity. Accordingly, individuals in either ethnic group identity category (Hispanic/Latinx or non-Hispanic/Latinx) could be of any racial background.

Source: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019); U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001(A-I)

Many of those experiencing homelessness are dealing with severe issues – including mental illness, substance abuse and domestic violence – that are potentially life threatening and require additional assistance. In Santa Clara County, homeless individuals are commonly challenged by severe mental illness, with 2,659 reporting this condition (see Figure 12). Of those, some 87.6% are unsheltered, further adding to the challenge of handling the issue. According to the Santa Clara County Homeless Census and Survey, within Morgan Hill there were 114 persons experiencing homelessness, a 71% decrease from 2017 (388 persons experiencing homelessness). However, the number of persons experiencing homelessness has increased since 2013; in which the Santa Clara County Homeless Census and Survey identified 61 people experiencing homelessness in 2013 and 81 people experiencing homelessness in 2015.

Table H 1-7 Homeless Population within Morgan Hill			
2013	2015	2017	2019
61	81	388	114

Figure H 1-44: Characteristics for the Population Experiencing Homelessness, Santa Clara County

Universe: Population experiencing homelessness

Notes: This data is based on Point-in-Time (PIT) information provided to HUD by CoCs in the application for CoC Homeless Assistance Programs. The PIT Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January. Each Bay Area county is its own CoC, and so the data for this table is provided at the county-level. Per HCD's requirements, jurisdictions will need to supplement this county-level data with local estimates of people experiencing homelessness. These challenges/characteristics are counted separately and are not mutually exclusive, as an individual may report more than one challenge/characteristic. These counts should not be summed.

Source: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019)

In Morgan Hill, the student population experiencing homelessness totaled 280 during the 2019-20 school year and increased by 23.3% since the 2016-17 school year. By comparison, Santa Clara County has seen a 3.5% increase in the population of students experiencing homelessness since the 2016-17 school year, and the Bay Area population of students experiencing homelessness decreased by 8.5%. During the 2019-2020 school year, there were still some 13,718 students experiencing homelessness throughout the region, adding undue burdens on learning and thriving, with the potential for longer term negative effects.

The number of students in Morgan Hill experiencing homelessness in 2019 represents 12.2% of the Santa Clara County total and 2.0% of the Bay Area total.

Table H 1-8 Students in Local Public Schools Experiencing Homelessness			
Academic Year	Morgan Hill	Santa Clara County	Bay Area
2016-17	227	2,219	14,990
2017-18	320	2,189	15,142
2018-19	292	2,405	15,427
2019-20	280	2,297	13,718

Universe: Total number of unduplicated primary and short-term enrollments within the academic year (July 1 to June 30), public schools

Notes: The California Department of Education considers students to be homeless if they are unsheltered, living in temporary shelters for people experiencing homelessness, living in hotels/motels, or temporarily doubled up and sharing the housing of other persons due to the loss of housing or economic hardship. The data used for this table was obtained at the school site level, matched to a file containing school locations, geocoded and assigned to jurisdiction, and finally summarized by geography.

Source: California Department of Education, California Longitudinal Pupil Achievement Data System (CALPADS), Cumulative Enrollment Data (Academic Years 2016-2017, 2017-2018, 2018-2019, 2019-2020)

1.6.6 Farmworkers

Across the state, housing for farmworkers has been recognized as an important and unique concern. Farmworkers generally receive wages that are considerably lower than other jobs and may have temporary housing needs. Finding decent and affordable housing can be challenging, particularly in the current housing market.

In Morgan Hill, the migrant worker student population totaled 120 during the 2019-20 school year and has decreased by 34.9% since the 2016-17 school year. The trend for the region for the past few years has been a decline of 2.4% in the number of migrant worker students since the 2016-17 school year. The change at the county level is a 49.7% decrease in the number of migrant worker students since the 2016-17 school year.

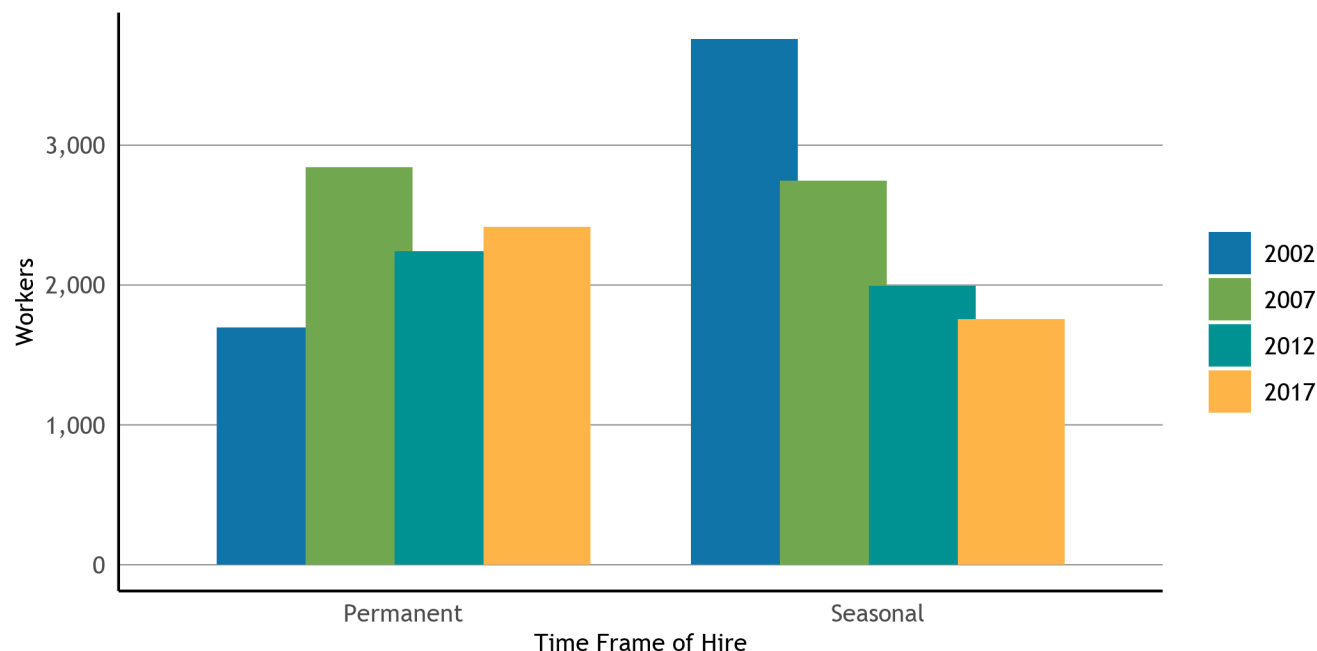
Table H 1-9 Migrant Worker Student Population			
Academic Year	Morgan Hill	Santa Clara County	Bay Area
2016-17	149	978	4,630
2017-18	151	732	4,607
2018-19	120	645	4,075
2019-20	97	492	3,976

Universe: Total number of unduplicated primary and short-term enrollments within the academic year (July 1 to June 30), public schools

Notes: The data used for this table was obtained at the school site level, matched to a file containing school locations, geocoded and assigned to jurisdiction, and finally summarized by geography.

Source: California Department of Education, California Longitudinal Pupil Achievement Data System (CALPADS), Cumulative Enrollment Data (Academic Years 2016-2017, 2017-2018, 2018-2019, 2019-2020)

According to the U.S. Department of Agriculture Census of Farmworkers, the number of permanent farm workers in Santa Clara County has increased since 2002, totaling 2,418 in 2017, while the number of seasonal farm workers has decreased, totaling 1,757 in 2017 (see Figure 45).

Figure H 1-45: Farm Operations and Farm Labor by County, Santa Clara County

Universe: Hired farm workers (including direct hires and agricultural service workers who are often hired through labor contractors)

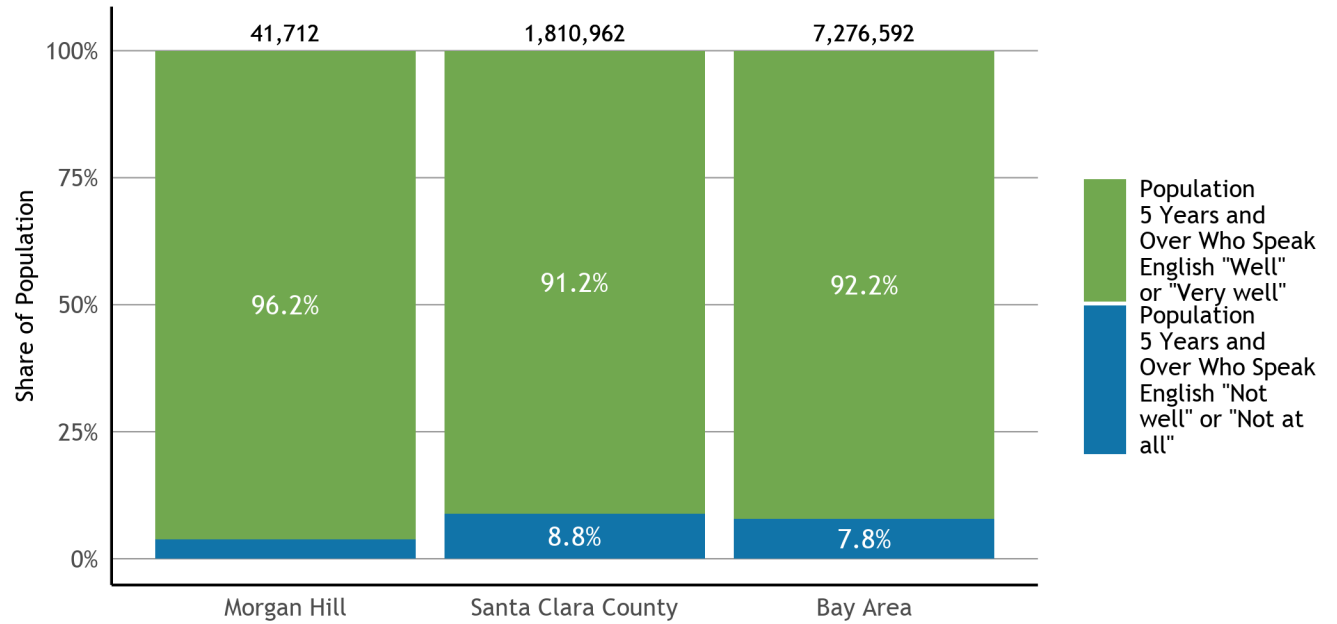
Notes: Farm workers are considered seasonal if they work on a farm less than 150 days in a year, while farm workers who work on a farm more than 150 days are considered to be permanent workers for that farm.

Source: U.S. Department of Agriculture, Census of Farmworkers (2002, 2007, 2012, 2017), Table 7: Hired Farm Labor

1.6.7 Non-English Speakers

California has long been an immigration gateway to the United States, which means that many languages are spoken throughout the Bay Area. Since learning a new language is universally challenging, it is not uncommon for residents who have immigrated to the United States to have limited English proficiency. This limit can lead to additional disparities if there is a disruption in housing, such as an eviction, because residents might not be aware of their rights or they might be wary to engage due to immigration status concerns. In Morgan Hill, 3.8% of residents 5 years and older identify as speaking English not well or not at all, which is below the proportion for Santa Clara County. Throughout the region the proportion of residents 5 years and older with limited English proficiency is 8%.

Figure H 1-46: Population with Limited English Proficiency



Universe: Population 5 years and over

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B16005