



**Regular Meeting Agenda
Planning Commission**

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

**Tuesday, September 9, 2025
7:00 PM**

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

Morgan Hill Planning Commission meetings are held in person with the option for the public to attend in-person or participate by teleconference/video conference. Information on how the public may observe and participate in the meeting is below.

MEETING PARTICIPATION

The community can participate by attending in person, joining via Zoom (video/teleconference). The meetings are also live-streamed on the City's website and Facebook page.

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

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

As a courtesy, and technology permitting, for members who attend online, the City cannot guarantee that the public's access to online technology will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Ralph M. Brown Act, the meeting will continue despite technical difficulties for participants using

the online option.

PUBLIC COMMENT

Public comment may be offered verbally at the meeting or in writing before the meeting.

Those attending remotely may only offer public comment for items on the agenda in any of these three categories:

- Consent Calendar
- Other Business
- Public Hearings

Public comment will be heard from those attending in person first with the submission of a speaker card. Once that is complete, we will move to those on Zoom that have their hand raised. Following public comment from Zoom, we will close the public comment period for that item.

Remote public comment for items not on the agenda will not be accepted.

Written public comment may be submitted to the Planning Office:

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

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

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

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the Planning Office at (408) 310-4709 or by email at

planning@morganhill.ca.gov. Requests must be made as early as possible and at least two full business days before the start of the meeting.

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING

Pursuant to Government Code Section 54954.2

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

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

ORDERS OF THE DAY

PUBLIC HEARINGS

NONE

OTHER BUSINESS

1. ECONOMIC DEVELOPMENT OUTLOOK

Recommendation:

1. Receive Presentation

2. HOUSING AND HOMELESSNESS

Recommendation:

1. Receive Presentation

DIRECTOR'S REPORT/ANNOUNCEMENTS

ADJOURNMENT

NOTICE

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

PUBLIC COMMENT

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

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

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

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

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

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

The background of the slide is a photograph of a modern, multi-story building with large windows and a group of people walking on a sidewalk. The image is overlaid with a blue and green gradient that transitions from the top to the bottom. A thin orange horizontal line is positioned above the main title.

ECONOMIC DEVELOPMENT

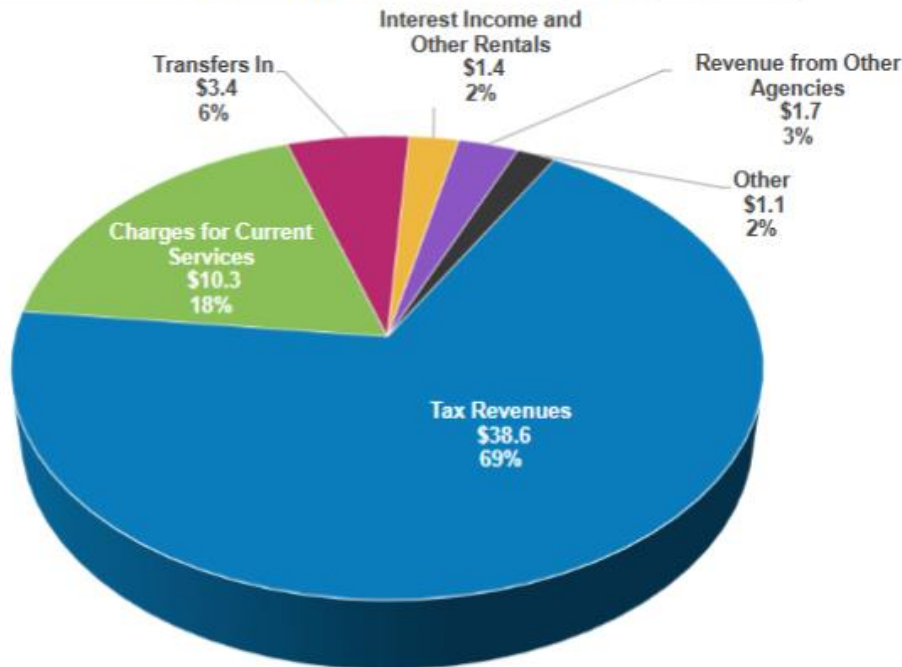
| Economic Development

The City's Economic Development efforts continue to focus on implementing the Economic Blueprint strategies and actions to help build long-term fiscal sustainability and improve the quality of life for residents through the generation of jobs and revenue that support City services and infrastructure.

General Fund

Discretionary Revenues

FY 2024-25 GF Amended Budget: \$56.5M



Economic Development supports the General Fund.

69% of the City's General Funds are derived from taxes (TOT, Sales, Property).

TAX COLLECTION

Residents & Visitors Pay



Property Tax

Sales Tax

TOT
(Transient Occupancy Tax)

Morgan Hill Receives



| RETAIL IMPACT

Did you know?

Tax revenue from new businesses helps our community.



 TAX
Revenue



1 Hotel



1.5 Police
Officers



 TAX
Revenue



1 Dealership



2.5 Police
Officers



 TAX
Revenue



1 Costco

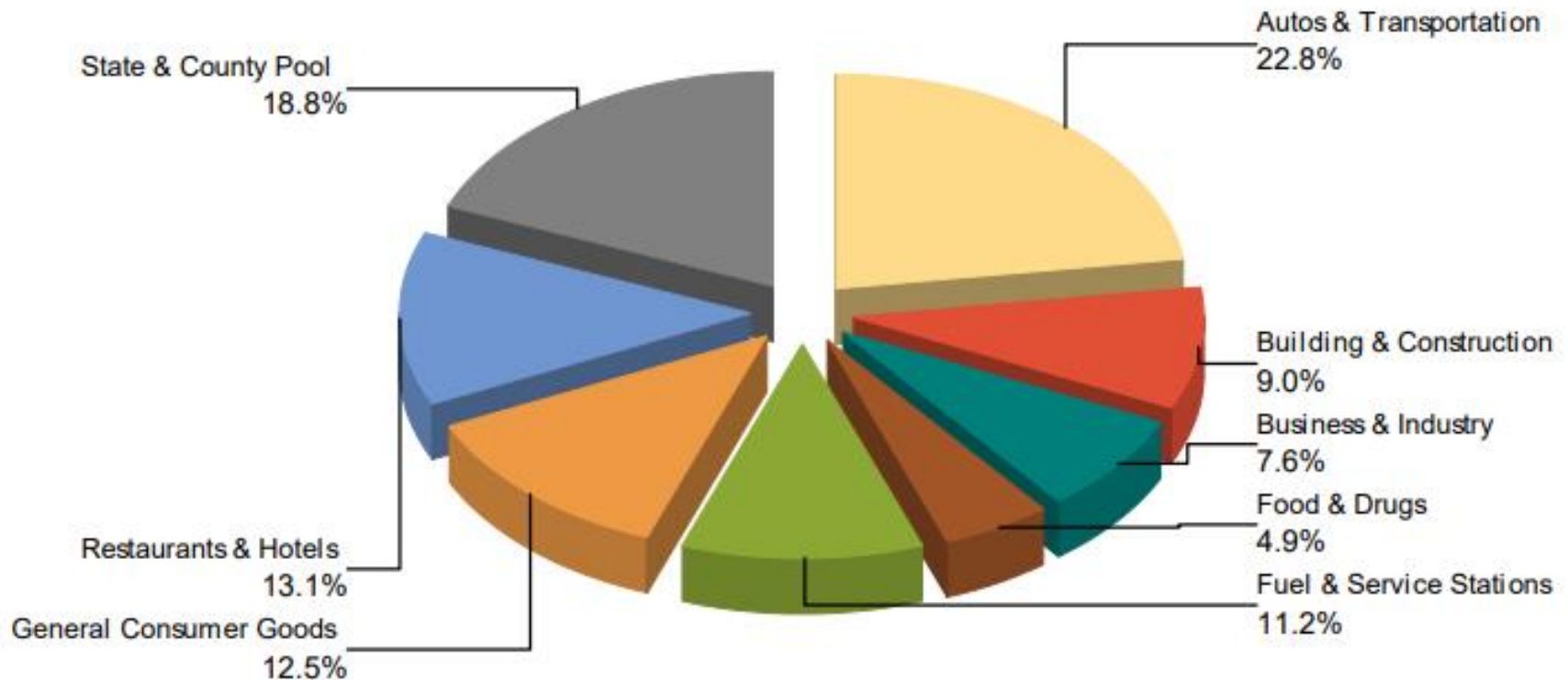


4.5 Police
Officers



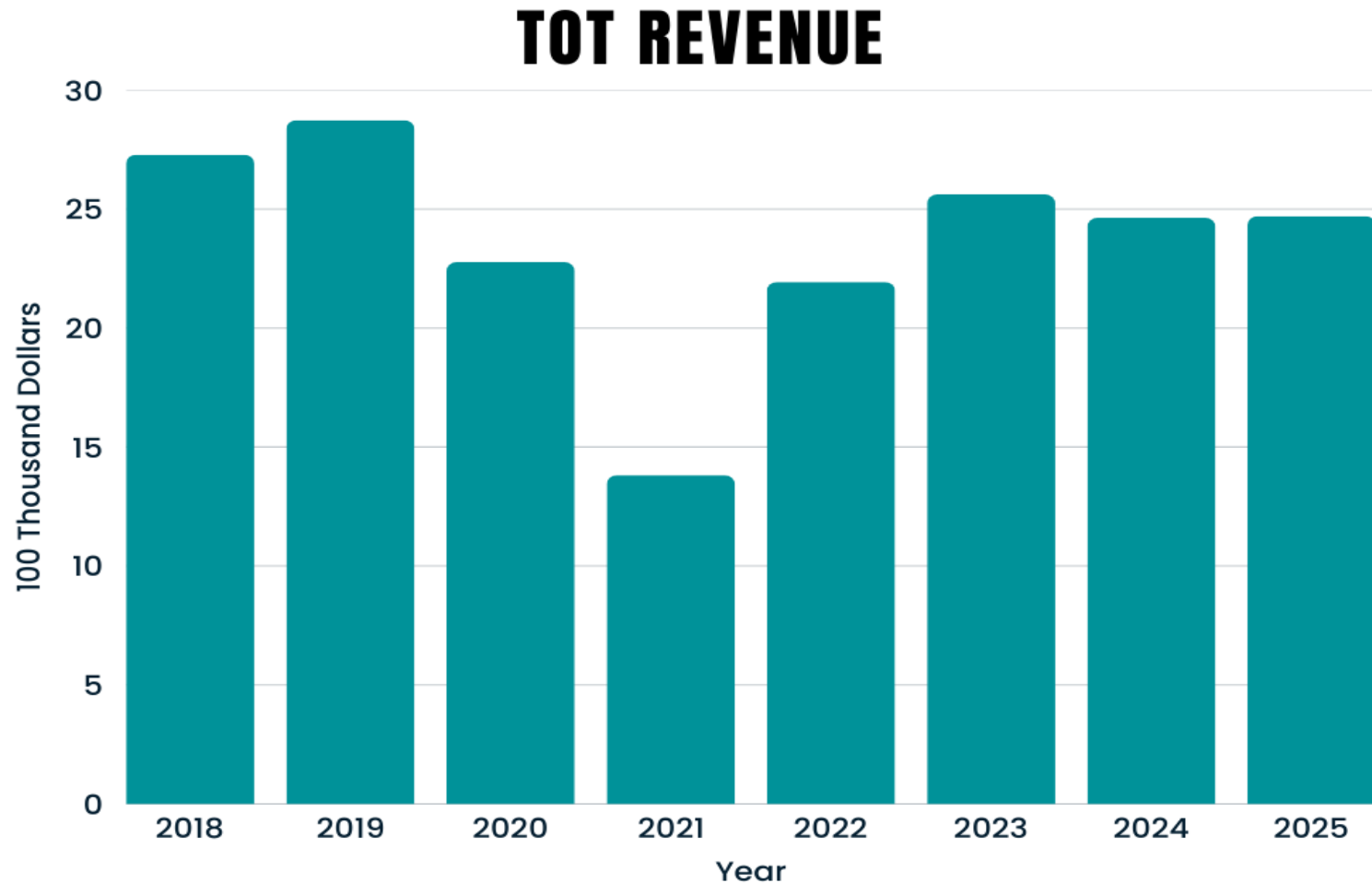
| Sales Tax

Sales Tax collections account for 25% of General Fund



(2024 Sales Tax Collection Categories)

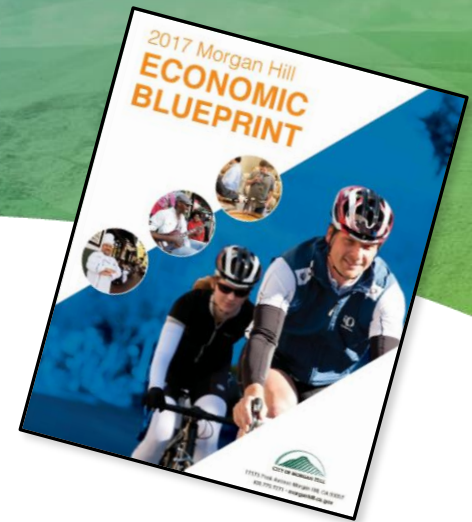
Transit Occupancy Tax



Data Collected from City Finance Department



A CLEAR VISION



Four Industry Areas



Innovation and Advanced Manufacturing

Grow existing companies, attract new industry and grow professional jobs.



Retail

Grow retail offerings and strengthen commercial nodes.



Tourism

Grow leisure, agriculture, wine country and recreational tourism.



Healthcare

Grow and foster the medical service and diagnostics industry by attracting services and facilities.



CHOOSE **MORGAN HILL**

INNOVATION & ADVANCED MANUFACTURING

Challenges

- Economic climate slowed all Silicon Valley expansions
- Interest rates affecting flow of investment capital
- High construction costs

Opportunities

- Best Class A Industrial space in greater Silicon Valley
- 15.7% vacancy rate
- Good mix of product size and type

INNOVATION & ADVANCED MANUFACTURING

- Two (2) Butterfield 5 Tech Park buildings fully leased.
- Actively working with CBRE to market Cochrane Tech Center.
- Local company expansions include Toray, Paramit, Pinnacle Exhibits and Sempera Organics.



| RETAIL

Challenges

- Over retailed for population under 50,000
- Share Trade Area with San Jose and Gilroy
- High cost of greenfield development
- Limited small retail space availability
- Several retail vacancies underway

Opportunities

- Downtown district is on high demand
- Freeway-fronting sites
- Condit and Laurel PUD Updates

| RETAIL

Recently Opened: Grocery Outlet, Chick-fil-A, Luxe Design & Décor, Hiram & Diana Boutique, Pre-Hispanic MX, Chocotella Crepe Shop, Stacks, Cura Contemporary and Vera Restaurant

Under construction: Raising Canes, Taco Bell

Coming Soon: Philz Coffee, Tractor Supply, El Pollo Loco



| TOURISM

Challenges

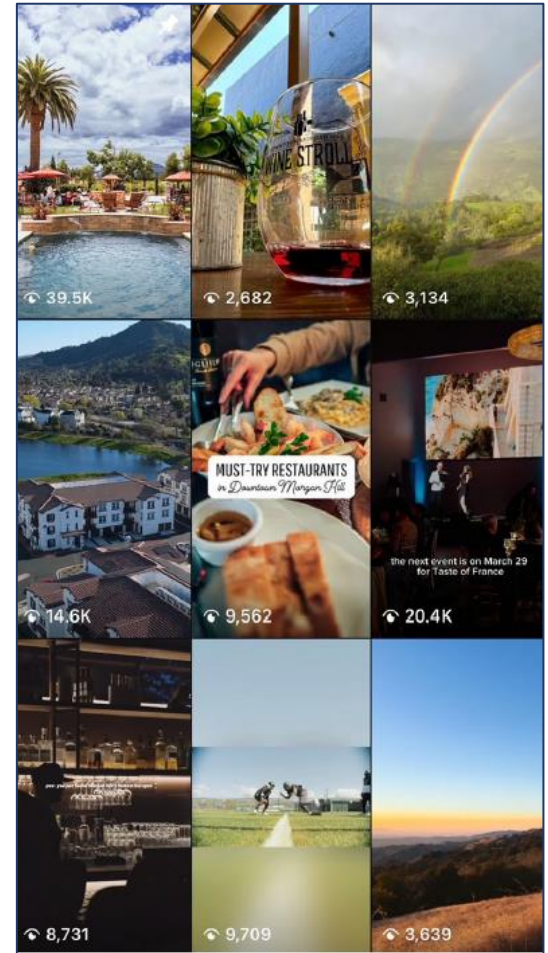
- Slow recovery from COVID-19 pandemic
- High cost of construction
- Aging hotel inventory

Opportunities

- Downtown full-service hotel under construction
- Entitled 116-room hotel on Cochrane
- Expand sports, entertainment, and recreation assets
- Hotel Incentive Plan
- 2026 Super Bowl and FIFA games

| TOURISM

- New fine art center
- Established a percent for art ordinance
- Public Art Master Plan underway
- Destination Magazine underway
- Strong Visit Morgan Hill marketing presence



| HEALTHCARE

Challenges

- Market population is small for large providers
- Limited space available for satellite providers
- Medical tenant improvements are cost prohibitive

Opportunities

- Sutter Health Medical Center
- Medical allowed in all zones
- EIR for medical center expansion near completion



| STRATEGIC EFFORTS

- **Business Retention & Expansion**

- Business Support, Tools, Resources & Information
- Businesses of all sizes and all industries
- Workforce development & business entrepreneurship

- **Marketing & Promotion**

- Website, Blogs, Social Media, e-Newsletter, Advertising, Conferences, Events, Presentations, Community Meetings

- **Support Development & Investment**

- Ombudsman, Grants, Tax Programs, Broker Communication, Tours

- **Policy & Programs**

- Incentives, Zoning, Research & Studies



CHOOSE **MORGAN HILL**

QUESTIONS?



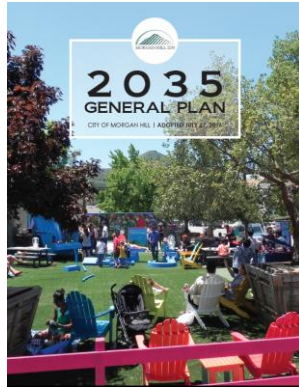
City of Morgan Hill Housing and Homelessness Program



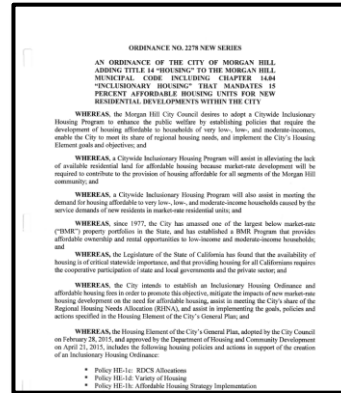
Morgan Hill Housing Services Pillars



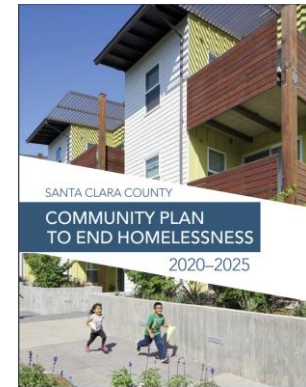
Guiding Documents



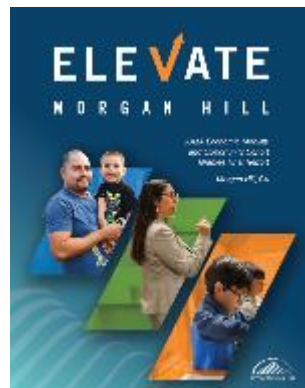
General Plan 2035
Housing Element



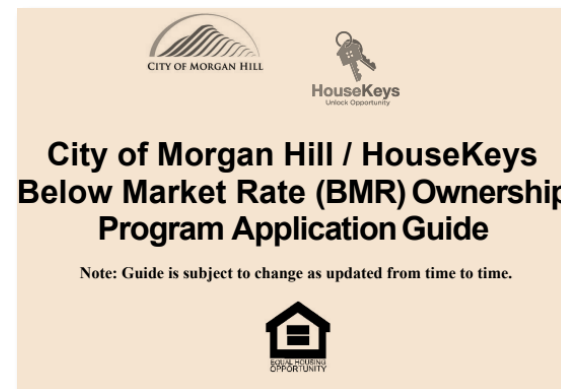
Inclusionary
Housing Ordinance
(IHO)



Community Plan to
End Homelessness

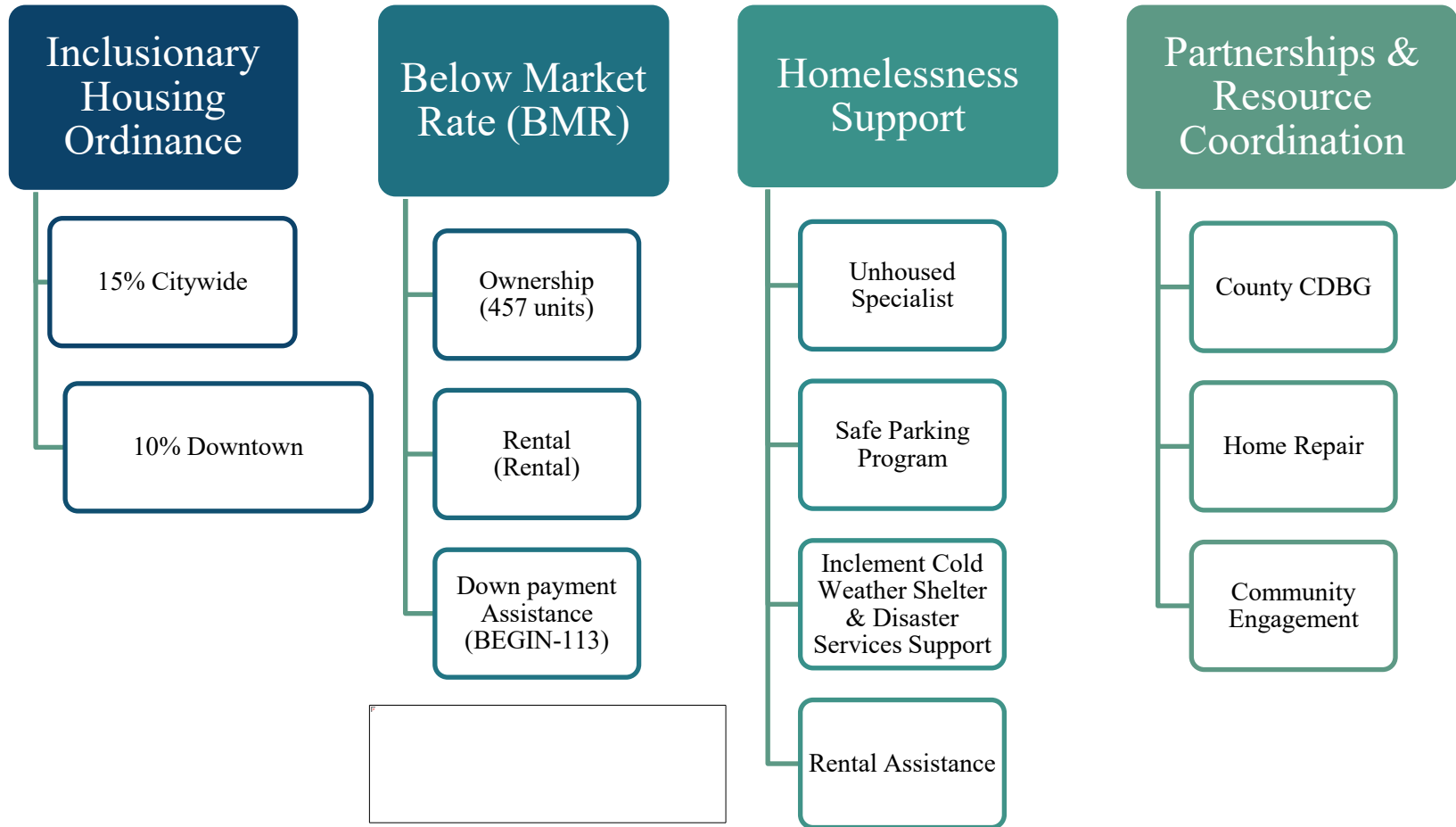


ELEVATE
Morgan Hill



BMR Program
Participation and
Ownership Guides

Housing Program Verticals



Inclusionary Housing Ordinance



- Inclusionary Housing Ordinance (IHO) was created in 2018. Prior to inclusionary housing requirements were accomplished through the Residential Development Control System (RDCS).
- Projects are required to provide affordable housing units: 10% (in Downtown), 15% (outside of Downtown).
- Projects are allowed to fee out up to 50% of obligation by right. Anything greater requires City Council approval.
- Current Below Market Rate (BMR) portfolio includes 457 ownership properties and 93 rentals.

2023 Housing Element



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

2025 Income Limits



Number of Persons in Household:	1	2	3	4
Acutely Low	20,500	23,450	26,350	29,300
Extremely Low	42,200	48,200	54,250	60,250
Very Low Income	70,350	80,400	90,450	100,450
Low Income	111,700	127,650	143,600	159,550
Median Income	136,500	156,150	175,700	195,200
Moderate Income	164,000	187,400	210,850	234,250

The 2025 Area Median Income (AMI) is \$195,200 for a family of four. This AMI is adjusted by household size to determine income eligibility thresholds for housing assistance.

The cost of living in Santa Clara County is so high that a single individual making \$164,000 qualifies for affordable housing.

Regional Housing Needs Allocation (RHNA)



6th Cycle RHNA Goals (2023-2031)*			
Income	RHNA Goal	Permits Issued	Remaining
Very Low	262	147	115
Low	151	253	0
Moderate	174	76	98
Above Moderate	450	339	111
Total	1,037	815	324

**Through 2024 APR Report*

- Very Low and Low-Income housing are typically rental housing product.
- Above Moderate means market rate.
- Moderate product tends to be close to market rate due to high AMI limits.

What is the Need?



Over 5,000 Morgan Hill families need affordable housing.

Morgan Hill only has 130 homes available to meet the needs of over 2,000 extremely low-income residents.

Morgan Hill housing costs have increased from about \$472,850 in 2001 to over \$1,475,000 in July 2025.

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

Recent Affordable Housing Projects (Rental)



Village at Madrone

249 Affordable
Apartments



Royal Oak Village

72 Units
Rapid Rehousing +
Farm Worker Housing



Senior Housing

82 Age-restricted
Apartments

Housing Projects in the Pipeline



Top Housing Projects Actively Processing or Under Construction

Borello Ranch Estates (243 Ownership)	Crosswinds (269 Ownership)
Rosewood (120 Ownership)	Ten South (259 Rental)
The Lumber Yard (49 Ownership)	Magnolia's (66 Rental)
Andalusia (49 Ownership)	DeNova (93 Ownership)
The Gates (49 Ownership)	Manzanita Park (67 Ownership)

Currently processing 2,497 housing units (528 are BMRs or 100% Affordable units).

Majority of projects are single family or townhomes.

City is processing two builder remedy projects.

UNHOUSED COMMUNITY SUPPORT



Unhoused Community Support



Unhoused Specialist

Safe Park Program

Inclement Cold Weather Shelter

Disaster Services Support

Rental Assistance

Unhoused Specialist



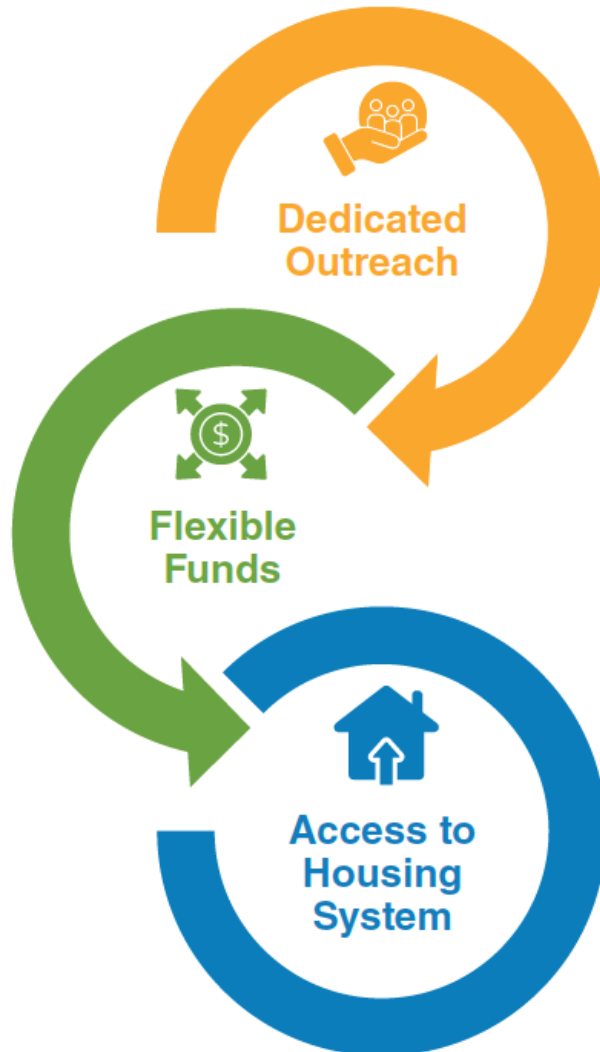
The Unhoused Specialist is responsible for connecting Morgan Hill's unhoused population and vulnerable community with resources and proper services, with the primary goal to solve or prevent homelessness.



Brian Malicdem

Brian.Malicdem@morganhill.ca.gov
(408) 310-4637

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



- 1 Dedicated Outreach:** A dedicated Unhoused Specialist with a background in social work and a mental health lens which provides real time support.
- 2 Flexible Funds:** Partnerships with St. Vicent DePaul, Edward Boss Prado Foundation and other community organizations that provide resources and funding that is flexible to meet the varying needs of the community (e.g. money for gas, car repair, hotel vouchers, rent-gap money, furniture, clothing, and food).
- 3 Access To Housing System:** The Unhoused Specialist has access to the Santa Clara County's Vulnerability Index Service Prioritization Decision Assessment Tool (VISPDAT) system, which evaluates and prioritizes who gets help based on their need. The Unhoused Specialist can enlist individuals on the spot and update their applications based on new information.

Morgan Hill Homeless Count



Year	Count
2025	Coming Soon (Sept 2025)
2023	230*
2022	60
2019	114
2017	388
2015	81
2013	61

*240 VISPDATs completed



Homelessness Program Accomplishments



1. Received 653 Referrals
2. Successfully connected with 604
 - 168 Housed (unhoused & housing insecure)
 - 193 prevented homelessness
3. Increased coordination across Departments
4. Improved collaborations with Morgan Hill Police Department, Code Compliance, Public Works, Morgan Hill Unified School District, Saint Vincent DePaul, South County Compassion Center, Environmental Services.
5. Secured County of Santa Clara and Faith-based organization funding to support services.

What is on the Horizon for Housing Division



1. Update the Inclusionary Housing Ordinance
2. Zoning and public policy recommendations to be considered in related to tasks identified in the Housing Element
3. Working on developing the next Community Plan to End Homelessness