



**Regular Meeting Agenda
Planning Commission**

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

**Tuesday, February 10, 2026
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

To access written translation during the meeting, a QR Code will be provided during the meeting.

Para tener acceso a servicios de traducción escrita durante la reunión, un código QR sera disponible durante la reunion.

Use a headset on your phone for audio or read the transcript on your device. Tablets and disposable headphones will be provided in-person during the meeting to those who do not have their own devices.

Usa unos audífonos con tu teléfono para escuchar el audio o lee la transcripción en su pantalla. Se darán tabletas y audífonos desechables en persona durante la reunión a quienes no tengan sus propios aparatos.

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

MINUTES APPROVAL

1. DECEMBER 9, 2025, MEETING MINUTES

Recommendation:

1. Accept the December 9, 2025, Meeting Minutes.

PUBLIC HEARINGS

2. RECOMMEND APPROVAL OF THE ROSEWOOD MEDICAL CAMPUS MASTER PLAN AMENDMENT (AAE2023-0001) LOCATED ON THE SOUTHEAST CORNER OF JUAN HERNANDEZ DRIVE AND BARRETT AVENUE (APN: 817-09-040 AND -057).

Recommendation:

1. Open and close the public hearing;
2. Recommend that the City Council certify the Final Subsequent Environmental Impact Report (SEIR) and adopt the Mitigation Monitoring and Reporting Program; and
3. Recommend that the City Council approve a Zoning Amendment and Planned Development Master Plan Amendment for the Rosewood Medical Campus project.

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.



**Meeting Minutes
Planning Commission**

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

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

**Council Chambers
17555 Peak Avenue, Morgan Hill, CA 95037**

CALL TO ORDER

Chair Wilson called the meeting to order at 7:00 p.m.

Planning Commission Lovato attended via teleconference under AB 2449 provisions and confirmed compliance with disclosure requirements.

ROLL CALL ATTENDANCE

Minutes Clerk Luna made an announcement regarding translation services at 7:01 p.m.

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

PRESENT	James Wilson, Mohammad Habib, Paul Lake, Joseph Mueller, Wayne Tanda, David Lovato, Liam Downey
ABSENT	None

DECLARATION OF POSTING

Minutes Clerk Luna declared the posting of the agenda at 7:01 p.m.

PLEDGE OF ALLEGIANCE

Planning Commissioner Lake led the Pledge of Allegiance at 7:02 p.m.

PUBLIC COMMENT

Chair Wilson opened the Public Comment Period at 7:02 p.m.

ORDERS OF THE DAY

There were no changes made.

MINUTES APPROVAL

MOTION:

Accept the October 28, 2025, & the November 11, 2025, meeting minutes.

RESULT:	Passed
MOVER:	Planning Commissioner Lake
SECONDER:	Chair Wilson
AYES:	Chair Wilson, Vice Chair Habib, Planning Commissioner Lake, Planning Commissioner Mueller, Planning Commissioner Tanda, Planning Commissioner Lovato, Planning Commissioner Downey
NAYS:	None
ABSTAIN:	None

1. OCTOBER 28, 2025 MEETING MINUTES

Recommendation:

1. Accept the October 28, 2025, Meeting Minutes.

2. NOVEMBER 11, 2025, MEETING MINUTES

Recommendation:

1. Accept the November 11, 2025, Meeting Minutes

PUBLIC HEARINGS

3. **A REQUEST FOR A CONDITIONAL USE PERMIT (UP2025-0003/EA2025-0006) TO ALLOW THE OPERATION OF A NEW 13,730 SQUARE FOOT DAY CARE FACILITY WITHIN MADRONE VILLAGE. (PRIMROSE SCHOOL)**

Recommendation:

1. Open/close public hearing; and
2. Adopt a Resolution approving a Conditional Use Permit for the operation of a Day Care Facility within Madrone Village.

Senior Planner Tiffany Brown presented the Staff Report at 7:06 p.m.

The Planning Commissioners asked clarifying questions of Staff at 7:13 p.m.

Chair Wilson opened the Public Hearing at 7:18 p.m. The following individuals were called to speak:

- Katelynn Scheren

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

MOTION:

Adopt a Resolution approving a Conditional Use Permit for the operation of a Day Care Facility within Madrone Village.

RESULT:	Passed
MOVER:	Planning Commissioner Mueller
SECONDER:	Planning Commissioner Lake
AYES:	Chair Wilson, Vice Chair Habib, Planning Commissioner Lake, Planning Commissioner Mueller, Planning Commissioner Tanda, Planning Commissioner Lovato, Planning Commissioner Downey
NAYS:	None
ABSTAIN:	None

CONTINUED PUBLIC HEARING

4. **REQUEST FOR A DESIGN PERMIT (SR2024-0030) AND A TENTATIVE SUBDIVISION MAP (SD2025-0004) FOR THE DEVELOPMENT OF 106 SINGLE-FAMILY ATTACHED TOWNHOME-STYLE CONDOMINIUMS WITH ASSOCIATED ONSITE AND OFFSITE IMPROVEMENTS ON A 6.28 ACRE SITE IN THE RAM-RESIDENTIAL ATTACHED MEDIUM DENSITY ZONING DISTRICT. (TENNANT – CHIRI FAMILY LTD. PARTNERSHIP)**

Recommendation:

1. Open/close the public hearing,
2. Adopt a Resolution approving a Design Permit for the development of 106 townhome-style condominium units; and

3. Adopt a Resolution approving a Tentative Subdivision Map to create a one-lot condominium subdivision for the development of 106 residential condominium units on an approximate 6.35-acre site.

Senior Planner Rich Buikema presented the Staff Report at 7:24 p.m.

The Planning Commissioners asked clarifying questions of Staff at 7:29 p.m.

Chair Wilson opened the Public Hearing at 8:15 p.m. The following individuals were called to speak:

- Bill McClintock
- Ron Chiri

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

MOTION:

Adopt a Resolution approving the Design Permit for the development of 106 townhome-style condominium units with the following added conditions: The applicant shall provide safety enhancements, a statement that residents shall use dedicated garages for parking and that this requirement be incorporated into the Covenants, Conditions, and Restrictions (CC&R's), and include future street extension signage to be installed on the two stub streets of the project.

RESULT:	Passed
MOVER:	Planning Commissioner Mueller
SECONDER:	Planning Commissioner Lake
AYES:	Chair Wilson, Vice Chair Habib, Planning Commissioner Lake, Planning Commissioner Mueller, Planning Commissioner Tanda, Planning Commissioner Lovato, Planning Commissioner Downey
NAYS:	None
ABSTAIN:	None

MOTION:

Adopt a Resolution approving a Tentative Subdivision Map to create a one-lot condominium subdivision for the development of 106 residential condominium units with the following added condition to add the deed restrictions on wells.

RESULT:	Passed
MOVER:	Planning Commissioner Mueller
SECONDER:	Planning Commissioner Lake
AYES:	Chair Wilson, Vice Chair Habib, Planning Commissioner Lake, Planning Commissioner Mueller, Planning Commissioner Tanda, Planning Commissioner Lovato, Planning Commissioner Downey

NAYS:	None
ABSTAIN:	None

DIRECTOR'S REPORT/ANNOUNCEMENTS

Principal Planner Adam Paszkowski made an announcement at 9:07 p.m.

ADJOURNMENT

There being no further business to discuss, Chair Wilson adjourned the meeting at 9:10 p.m.

MINUTES PREPARED BY:
Jenna Luna, Minutes Clerk

PLANNING COMMISSION STAFF REPORT

MEETING DATE: February 10, 2026

PREPARED BY:

Joey Dinh, Associate Planner

APPROVED BY: Jennifer Carman

RECOMMEND APPROVAL OF THE ROSEWOOD MEDICAL CAMPUS MASTER PLAN AMENDMENT (AAE2023-0001) LOCATED ON THE SOUTHEAST CORNER OF JUAN HERNANDEZ DRIVE AND BARRETT AVENUE (APN: 817-09-040 AND -057).

RECOMMENDATION(S)

1. Open and close the public hearing;
2. Recommend that the City Council certify the Final Subsequent Environmental Impact Report (SEIR) and adopt the Mitigation Monitoring and Reporting Program; and
3. Recommend that the City Council approve a Zoning Amendment and Planned Development Master Plan Amendment for the Rosewood Medical Campus project.

LOCATION MAP/PROJECT INFORMATION:



1. Location: Southeast corner of Juan Hernandez Drive and Barrett Avenue (APN: 817-09-040 and -057)
2. Site Area: 9.61-acres
3. General Plan: Mixed-Use Flex (MU-F) designation
4. Zoning: Mixed-Use Flex (MU-F) designation with a Planned Development (PD) overlay
5. Request: A Zoning and Planned Development Master Plan Amendment to increase the allowable medical/commercial square footage, modify development standards, adjust permitted uses, and update parking requirements for the medical campus portion of the previously approved Rosewood (Lillian Commons) Medical Mixed-Use Master Plan.

Executive Summary

The applicant requests approval of a Planned Development (PD) Master Plan Amendment to allow for expanded medical campus development within the previously approved Rosewood (formerly Lillian Commons) Medical Mixed-Use Master Plan area. The amendment would increase the allowable medical/commercial square footage by 150,000 square feet for a total of 275,000 square feet, allow building heights up to 65 feet, increase the maximum building coverage to 60 percent,

remove floor area ratio (FAR) standards, modify parking requirements for medical office uses, and expand permitted uses to include assisted living, daycare facilities, farmers markets, residential care facilities, and skilled nursing facilities. A [Final Subsequent Environmental Impact Report \(SEIR\)](#) has been prepared in accordance with the California Environmental Quality Act (CEQA) to evaluate the environmental effects associated with the proposed amendments. The SEIR is a focused analysis that builds upon the previously adopted Mitigated Negative Declaration for the Rosewood Master Plan and evaluates only those environmental topics where new or more severe impacts could occur as a result of the proposed changes. With implementation of mitigation measures identified in the SEIR, all environmental impacts would be reduced to a less-than-significant level. No significant and unavoidable impacts were identified. Staff recommends that the Planning Commission recommend City Council certification of the Final SEIR and approval of the PD Master Plan Amendment.

BACKGROUND:

The Rosewood site was originally entitled as the Lillian Commons Medical Mixed-Use Master Plan, which established a comprehensive development master plan for a large mixed-use project consisting of a medical campus, supporting commercial uses, and a residential neighborhood. In November 2020, the City Council approved the Planned Development Master Plan, Zoning Amendment, Tentative Parcel Map, and Mitigated Negative Declaration (MND) for the project. The approved Master Plan limited residential development to the northern portion of the site and required that the remainder of the property be reserved for medical and related commercial uses. The Rosewood Residential project has since been approved and constructed pursuant to those approvals and is nearing completion. The medical campus portion of the site currently contains an existing medical office building, a surgical facility, and surface parking. Since approval of the original Master Plan, changes in healthcare delivery models, market conditions, and regional demand for medical services have prompted the applicant to seek amendments to the Rosewood PD Master Plan to allow a larger and more flexible medical campus. Because the proposed amendments could result in new or more severe environmental impacts beyond those analyzed in the original MND, the City determined that preparation of a [Subsequent Environmental Impact Report \(SEIR\)](#) was required pursuant to CEQA Guidelines Section 15162.

PROJECT DESCRIPTION:

The proposed Planned Development Master Plan Amendment would allow development of up to 275,000 square feet of medical and related commercial uses on the medical campus portion of the Rosewood Master Plan area. The amendment includes the following key components:

- Increase allowable medical/commercial square footage from 125,000 square feet to a total of 275,000 square feet;
- Allow building heights up to 65 feet, enabling up to six-story medical office buildings;
- Increase maximum building coverage from 50 percent to 60 percent;
- Remove floor area ratio (FAR) standards from the PD Master Plan development standards;
- Modify parking requirements for medical office uses from one space per 200 square feet to one space per 250 square feet of net floor area;
- Add assisted living facilities as a permitted use; and
- Change daycare facilities, farmers markets, residential care facilities, and skilled nursing facilities from conditionally permitted to permitted uses.
- Provides performance standards that limit total square footage of nonmedical uses.

The site plan included in the environmental analysis is conceptual and intended solely for purposes of CEQA review. Final site layout, architecture, and design details will be subject to future discretionary review through the Design Permit process.

Site Description

The project site is located within the previously approved Rosewood (formerly Lillian Commons) Medical Mixed-Use Master Plan area near the southeast corner of Juan Hernandez Drive and Barrett Avenue in the City of Morgan Hill. The overall Master Plan area encompasses approximately 19.67 acres and includes both the Rosewood Residential neighborhood and the Rosewood Medical Campus. The proposed amendments apply only to the medical campus portion of the Master Plan, which comprises approximately 9.6 acres. The medical campus site currently contains existing medical office uses, including a medical office building and a surgical facility, along with associated surface parking areas. The site is relatively flat and previously disturbed, with frontage along Juan Hernandez Drive providing primary vehicular access. Regional access is provided via nearby U.S. Highway 101. Surrounding land uses include single-family residential development and Barrett Elementary School to the west and north, commercial and highway-oriented uses to the south, and U.S. Highway 101 and related commercial uses to the east. The residential portion of the Rosewood Master Plan is located immediately adjacent to the medical campus and is nearing completion. The site is served by existing public infrastructure, including roadway access, water, sewer, storm drainage, and other utilities.

Surrounding Uses

	General Plan Land Use	Zoning	Existing Use
North	Public Facilities (PF)/Residential Detached Medium Density (RDM)/Mixed-Use Flex (MU-F)	Public Facilities (PF)/Residential Detached Medium Density 7,000 (RDM 7000)/Mixed Use Flex (MU-F)	Single-family residential development and Barrett Elementary School
South	Highway Commercial (CH)	Highway Commercial (CH)/Planned Unit Development (PUD)	Undeveloped
East	Highway Commercial (CH)	Highway Commercial (CH)/Planned Unit Development (PUD)	U.S. Highway 101 and adjacent commercial uses
West	Residential Attached Low (RAL)	Residential Attached Low Density 3,500 (RAL 3500)/Planned Unit Development (PUD)	Single-family residential

PROJECT ANALYSIS AND FINDINGS:

ANALYSIS

The proposed project was analyzed with respect to conformance with: 1) Morgan Hill 2035 General Plan; 2) Zoning Ordinance; 3) Findings; and 4) California Environmental Quality Act:

1. General Plan Land Use Consistency

The proposed PD Master Plan Amendment is consistent with the Morgan Hill 2035 General Plan. The amendment supports policies encouraging employment-generating uses, access to healthcare services, and efficient use of land within urbanized areas. The project advances General Plan goals related to economic development by supporting the growth of healthcare and life sciences industries, providing local access to medical services, and creating employment opportunities. The amendment also supports land use policies that encourage the concentration of medical and institutional uses in appropriate locations with access to regional transportation infrastructure. The

proposed amendment also aligns with the City's Economic Development Strategic Plan by strengthening Morgan Hill's role as a regional healthcare hub. Expanding medical campus capacity supports long-term economic resilience, diversifies the local employment base, and reduces the need for residents to travel outside the community for specialized medical services.

The project is found to be consistent with the policies and provisions of the Morgan Hill 2035 General Plan as described below.

CITY AND NEIGHBORHOOD FORM

Policy CNF-2.2 - A Balanced Community. Plan for the needs of all socioeconomic segments of the community, encouraging a balance and match in jobs and housing within the City.

Policy CNF-2.3 - Quality of Life. Maintain Morgan Hill's high quality of life for existing and future residents.

Policy CNF-3.7 - Jobs/Housing Balance. Plan for residential Growth that supports a healthy balance between residents and jobs located within Morgan Hill.

Policy CNF-10.3 - Adequate supply of Multi-Family Housing. Provide for an adequate supply of multi-family housing, located convenient to shopping, services, and transportation routes.

Policy CNF-10.6 - Density Near Infrastructure. Encourage higher residential densities at locations where convenient access and adequate infrastructure is readily available.

Policy CNF-11.10 - Open Space. Require new subdivisions to feature integrated common open spaces, parks, and community facilities that serve as social and design focal points. Open spaces should be a close walking distance from all residents and should be large enough to be useful for residents.

Policy CNF-13.1 - Mixed Use Flex Development. Encourage a mix of uses, either vertically or horizontally, to allow residents and employees to meet daily needs without the use of private automobile.

Policy CNF-15.5 - Office Development. Encourage new regional and local-serving office development at appropriate locations.

HOUSING ELEMENT

Goal 1. Provide a diversified housing stock to meet the full range of future community housing needs.

Policy HE-6.1 - Housing for Seniors and Persons with Disabilities. Promote housing that is appropriate for seniors and accessible to persons living with disabilities where appropriate, such as areas near amenities, shopping, and transit.

ECONOMIC DEVELOPMENT ELEMENT

Policy ED-7.4 - Compatible Uses in Retail Centers. Encourage the evolution of retail centers into mixed-use activity nodes by supporting integration of uses that provide necessary or useful services or amenities that will benefit nearby residential areas and commercial establishments. Such uses may include but shall be limited to:

- a. Health services and fitness facilities
- b. Childcare
- c. Housing, including affordable and senior housing.
- d. Religious facilities.
- e. Education/training facilities.
- f. Parks/community facilities/public gathering places.

Policy ED-8.1 - Office and Industrial Development. Support the development of office and industrial facilities to meet local demand, compete for regional growth opportunities, and create high-quality jobs that match with local housing opportunities.

HEALTHY COMMUNITY ELEMENT

Policy HC-3.8 - Private Open Space. Encourage new development to permit public access to private open space and parks where feasible and appropriate.

Policy HC-7.2 - Professional Education. Encourage increased education and professional development resources to support students and employees in the health care field.

TRANSPORTATION ELEMENT

Policy TR-3.17 - Planned Development Access near Highway 101. Require Planned Developments (PDs) for commercial, office, or industrial uses at the intersections of Highway 101 and arterial streets to take access from a public street intersecting with the arterial street at a minimum distance of 600 feet from the freeway on and off ramps, unless the City Engineer finds that direct access to the arterial street or closer access will meet safety standards, or that mitigating actions will be taken to ensure safe access and minimum interference with traffic flows.

Policy TR-5.1 - Adequate Parking Supply. Ensure that all developments provide adequate and convenient parking.

Policy TR-9.7 - Concurrent Implementation. Where feasible, implement the trails and pedestrian system concurrent with adjacent developments.

2. Zoning Ordinance Consistency

The project site is zoned Mixed-Use Flex with a Planned Development (PD) Combining District overlay and is governed by the Rosewood (formerly Lillian Commons) Medical Mixed-Use PD Master Plan. The PD zoning establishes permitted uses, development standards, and a master plan concept intended to guide long-term development of the site. The proposed project is an amendment to the previously approved PD Master Plan and does not constitute a new zoning designation. The amendment modifies development standards and permitted uses applicable to the medical campus portion of the Master Plan while retaining the overall intent and structure of the PD zoning. Specifically, the PD Master Plan Amendment would:

- Increase the allowable medical and commercial floor area within the medical campus.

- Increase maximum building height from 55 feet to 65 feet.
- Increase maximum building coverage from 50 percent to 60 percent.
- Remove floor area ratio standards from the PD development regulations.
- Modify parking requirements for medical office uses.
- Expand permitted uses to include assisted living facilities and allow other healthcare-related uses by right.
- Require a minimum of 50,000 square feet of medical uses prior to the, or concurrent, issuance of building permits for non-medical uses.
- Establish a minimum of 75% of medical uses and a maximum of 25% maximum of non-medical uses at project build-out.

The PD master plan is intended to provide flexibility in site design and development standards while ensuring consistency with the General Plan and compatibility with surrounding land uses. The proposed amendment remains consistent with this intent by allowing adjustments to the development framework to respond to evolving healthcare delivery models and market conditions, while maintaining appropriate controls through future discretionary review. The amendment does not approve final site layout, building design, or architectural details. All future development within the medical campus will be subject to Design Permit review, which will ensure compliance with applicable City standards related to building form, site design, circulation, landscaping, lighting, and compatibility with adjacent residential uses.

Staff finds that the proposed Zoning and Planned Development Master Plan Amendment is consistent with the overall Zoning Ordinance and complies with the intent of the original Rosewood Medical Mixed Use Master Plan as approved by City Council, and remains compatible with surrounding uses.

PARKING

Parking for the Rosewood Medical Campus is regulated by the Planned Development (PD) Master Plan. The proposed amendment would modify the parking standard for medical office uses from one parking space per 200 square feet of net floor area to one space per 250 square feet of net floor area. This adjustment reflects contemporary medical office parking demand and aligns with regional trends in healthcare facility design. The project includes a proposed structured parking facility to accommodate parking demand within the medical campus while minimizing surface parking and improving site efficiency. Final parking counts, stall dimensions, and layout will be reviewed and approved as part of a future Design Permit application to ensure compliance with the PD Master Plan, the Zoning Ordinance, and the California Building Code. The Transportation Analysis prepared for the project evaluated parking demand in conjunction with anticipated medical office uses and concluded that the proposed parking standards would adequately serve the site. Parking impacts are addressed through compliance with adopted standards and payment of applicable impact fees.

AESTHETICS AND BUILDING HEIGHT

The proposed amendment would increase the maximum permitted building height within the medical campus from 55 feet to 65 feet, allowing up to six-story medical office buildings. This height increase is intended to support efficient site planning, accommodate structured parking, and reduce

the overall site footprint by encouraging vertical development. The PD zoning framework requires that building massing, articulation, and architectural design be compatible with surrounding development. While the conceptual site plan included in the environmental analysis illustrates a potential build-out scenario, final building height, setbacks, stepbacks, and architectural treatments will be reviewed as part of the Design Permit process. The Final SEIR evaluated potential visual impacts associated with increased building height and concluded that aesthetic impacts would be less than significant. Design Permit review will ensure that building height and massing are thoughtfully designed to minimize visual impacts, particularly where the medical campus interfaces with adjacent residential neighborhoods.

NOISE

Noise impacts associated with the proposed amendment were evaluated in the Final Subsequent Environmental Impact Report. The analysis focused on construction noise and operational noise related to expanded medical campus development.

Construction noise was identified as a potentially significant impact. However, implementation of required mitigation measures, including construction noise controls and equipment standards, would reduce impacts to a less-than-significant level. These measures are included in the Mitigation Monitoring and Reporting Program and will be enforced during construction. Operational noise associated with medical office uses is anticipated to be minimal and consistent with existing conditions. Medical facilities typically generate limited nighttime activity, and the project does not include high-noise industrial operations. With implementation of mitigation measures and adherence to City noise regulations, operational noise impacts would be less than significant.

MEDICAL AND NON-MEDICAL LAND USE FRAMEWORK

The City recognizes that large medical campuses typically build out over an extended period and that market conditions, healthcare delivery models, and tenant needs may evolve over time. The Planned Development framework for the Rosewood Medical Campus is intended to provide sufficient flexibility to allow the project to respond to these changing conditions while maintaining a clear and enforceable long-term vision for the site. The Rosewood Medical Campus has long been planned and entitled to function as a primarily medical-serving destination within the City. Preserving this core intent is a key policy objective, particularly given the community's need for expanded medical services and employment opportunities. The City seeks to ensure that future development prioritizes medical uses such as hospital, outpatient, and medical office facilities, rather than incrementally transitioning toward predominantly non-medical or residential care uses.

The proposed PD Master Plan Amendment modifies the list of permitted and conditionally permitted uses within the medical campus to provide flexibility to accommodate evolving healthcare-related and community-serving uses. Assisted living facilities would be added as a permitted use; and daycare facilities, farmers markets, residential care facilities, skilled nursing facilities, and hotels would be changed from conditionally permitted to permitted uses. Existing medical office, outpatient care, and related commercial uses would remain permitted as currently allowed. To balance this added flexibility with preservation of the medical campus intent, staff is proposing additional standards in the Master Plan that establish clear limits and phasing requirements for non-medical uses. These refinements include:

- A minimum of 75% of the total developed gross building square footage within the Medical Campus shall consist of medical uses. Non-medical uses shall not exceed 25% of the total developed gross building square footage.
- Medical uses for purposes of this Planned Development Master Plan are limited to facilities providing diagnosis, treatment, surgery, imaging, or outpatient clinical services on a non-residential basis, including hospital facilities, medical office buildings, outpatient facilities,

clinics, diagnostic and imaging centers, and similar uses consistent with Morgan Hill Zoning Code, Title 18.

- Skilled nursing facilities and long-term supportive healthcare residential uses, such as nursing homes, assisted living facilities, and residential care facilities, shall not be counted toward the minimum required medical uses square footage.
- The City shall not approve or issue building permits for any non-medical uses until building permits have been issued for a minimum of 50,000 square feet of medical uses or the non-medical uses are being processed concurrently with the medical uses and conform with the square-footage requirements for medical.
- Non-medical uses may be approved concurrently with medical uses provided the development phase includes at least 50,000 square feet of medical uses and the project will remain in compliance with the 75% minimum medical uses and 25% maximum non-medical uses at buildout.

These standards are intended to preserve the medical-serving character of the campus while allowing flexibility in project phasing and future tenant mix. Changing certain uses from conditionally permitted to permitted does not eliminate City oversight. All development remains subject to applicable development standards, mitigation measures, and discretionary review, including Design Permit approval where required. At the time of future Design Permit review, the City will be required to make findings that proposed non-medical uses comply with the Master Plan limitations and remain subordinate to medical uses. Staff finds that the proposed land use framework, as refined, is consistent with the Planned Development zoning intent, supports the City's healthcare and economic development objectives, and maintains compatibility with surrounding residential and commercial uses. The proposed approach provides clarity and predictability for future development while preserving the spirit and long-term intent of the Rosewood Medical Campus Master Plan.

3. Findings

Zoning Map Amendment Findings (MHMC 18.114.040)

Finding 1: The proposed amendment is consistent with the General Plan and any applicable specific plan, as provided by Government Code Section 65860.

The project site is designated for commercial and mixed-use development under the Morgan Hill 2035 General Plan and is governed by the Rosewood (formerly Lillian Commons) Medical Mixed-Use Master Plan. The proposed Zoning Map Amendment and Planned Development Master Plan Amendment would allow expanded medical and healthcare-related uses within an area that was specifically planned and reserved for such uses under the original Master Plan. The amendment supports General Plan policies related to mixed-use development, employment-generating uses, access to healthcare services, and economic development. No specific plan applies to the site. Therefore, the proposed amendment is consistent with the General Plan, in compliance with Government Code Section 65860.

Finding 2: The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The proposed amendment has been evaluated through preparation of a Final Subsequent Environmental Impact Report in compliance with the California Environmental Quality Act. The environmental analysis evaluated potential impacts related to air quality, greenhouse gas

emissions, noise, and transportation. With implementation of identified mitigation measures, all impacts would be reduced to a less-than-significant level. The amendment does not introduce incompatible land uses and retains discretionary review through future Design Permit approvals. As a result, the proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

Finding 3: The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the Zoning Code and General Plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

The project site is a large, master-planned property that has been previously entitled for medical and mixed-use development. The site is relatively flat, previously disturbed, and served by existing public infrastructure, including roadways, utilities, and access to regional transportation facilities. The size and configuration of the site are sufficient to accommodate expanded medical campus development, including structured parking and appropriate buffering from adjacent residential uses. The proposed amendment builds upon the established Planned Development framework and includes future discretionary review to ensure compatibility with surrounding properties. Therefore, the site is physically suitable for the proposed land uses and development standards.

Planned Development Combining District Findings (MHMC 18.30.050.H.7)

Finding A: The proposed development is consistent with the General Plan, Zoning Code, and any applicable specific plan or area plan adopted by the City Council.

The project site is designated for mixed-use development under the Morgan Hill 2035 General Plan and is governed by the Rosewood (formerly Lillian Commons) Medical Mixed-Use Planned Development Master Plan. The proposed PD Master Plan Amendment would allow expanded medical and healthcare-related uses within an area specifically planned and reserved for such uses. The amendment supports General Plan policies related to mixed-use development, employment-generating uses, access to healthcare services, and economic development. No specific plan or area plan applies to the site. Therefore, the proposed development is consistent with the General Plan and Zoning Code.

Finding B: The proposed development is superior to the development that could occur under the standards applicable in the existing zoning districts.

Development under the existing base zoning districts would provide less flexibility to accommodate modern medical campus design, structured parking, and evolving healthcare delivery models. The Planned Development framework allows for coordinated site planning, shared infrastructure, and design flexibility. The proposed PD Master Plan Amendment enables a more efficient, cohesive, and thoughtfully planned medical campus than would be achievable under standard zoning regulations, resulting in superior site design and functionality.

Finding C: The proposed project will provide a substantial public benefit as defined in Paragraph 8 (Substantial Public Benefit Defined). The public benefit provided shall be of sufficient value to justify deviation from the standards of the zoning district that currently applies to the property.

The proposed amendment provides substantial public benefits by expanding access to healthcare services within Morgan Hill, supporting the City's role as a regional medical and service center, and creating employment opportunities in a key economic sector. The project facilitates development of a comprehensive medical campus that reduces the need for residents to travel outside the City for specialized medical care. These benefits, combined with efficient land use, economic diversification, and long-term community health support, are of sufficient value to justify the requested deviations

from standard zoning development standards.

Finding D: The site for the proposed development is adequate in size and shape to accommodate the proposed land uses.

The medical campus portion of the Rosewood Master Plan consists of approximately 9.6 acres within a larger master-planned development. The site is relatively flat, previously disturbed, and of sufficient size and configuration to accommodate expanded medical office development, structured parking, internal circulation, landscaping, and buffering from adjacent residential uses. The site's size and shape are adequate to support the proposed land uses and development standards.

Finding E: Adequate transportation facilities, infrastructure, and public services exist or will be provided to serve the proposed development.

The project site is served by existing roadway infrastructure, utilities, and public services. A Transportation Analysis prepared for the project evaluated potential transportation impacts using Vehicle Miles Traveled (VMT) metrics consistent with State law and concluded that impacts would be less than significant with implementation of applicable mitigation measures. Public services and utilities will be provided consistent with City requirements, ensuring adequate capacity to serve the proposed development.

Finding F: The proposed development will not have a substantial adverse effect on surrounding property and will be compatible with the existing and planned land use character of the surrounding area.

Medical and healthcare-related uses are compatible with the surrounding residential, commercial, and public facility uses. The PD Master Plan Amendment does not approve final building design or site layout; compatibility will be ensured through future Design Permit review addressing building height, massing, setbacks, landscaping, and buffering. Environmental impacts have been evaluated through the Final Subsequent Environmental Impact Report and mitigated to a less-than-significant level. Accordingly, the proposed development will not have a substantial adverse effect on surrounding properties.

Finding G: Findings required for the concurrent approval of a Zoning Map Amendment can be made.

As demonstrated in the Zoning Map Amendment findings, the proposed amendment is consistent with the General Plan, will not be detrimental to public health, safety, or welfare, is internally consistent with the Zoning Code, and the site is physically suitable for the proposed uses and development standards. Therefore, all required findings for concurrent approval of the Zoning Map Amendment can be made.

CONCLUSION:

The proposed Zoning and Planned Development Master Plan Amendment is consistent with the General Plan and applicable City policies, supports the City's economic development and healthcare access goals, has been reviewed in compliance with CEQA, and would not result in significant environmental impacts with implementation of mitigation measures. The proposed development standards establish clear limits and phasing requirements that balance flexibility with ensuring preservation of the medical campus intent. Staff recommends that the Planning Commission recommend that the City Council certify the Final Subsequent Environmental Impact Report (SEIR) and approve the Zoning and Planned Development Master Plan Amendment for the Rosewood Medical Campus.

CEQA (California Environmental Quality Act):

CEQA Determination and Background

The Rosewood (formerly Lillian Commons) Medical Mixed-Use Master Plan was previously reviewed under the California Environmental Quality Act (CEQA) through preparation and adoption of an Initial Study/Mitigated Negative Declaration (IS/MND) in 2020. That environmental review evaluated development of a mixed-use project consisting of residential, medical, and related commercial uses and identified mitigation measures to reduce potential environmental impacts to a less-than-significant level. The current request before the City is a Planned Development (PD) Master Plan Amendment affecting the medical campus portion of the previously approved Master Plan. The amendment proposes increases in allowable medical/commercial square footage, building height, building coverage, changes to parking standards, and modifications to permitted uses. These changes represent a modification to the previously approved project and required further environmental review. Pursuant to CEQA Guidelines Section 15162, the City determined that a Subsequent Environmental Impact Report (SEIR) was required because the proposed amendments could result in new or more severe environmental impacts than those analyzed in the previously adopted IS/MND.

Subsequent Environmental Impact Report Process

A Draft Subsequent Environmental Impact Report (Draft SEIR) was prepared to evaluate the potential environmental impacts associated with the proposed amendments to the Rosewood Medical Campus. The Draft SEIR is a focused environmental analysis that builds upon the previously adopted environmental document and examines only those environmental topic areas where new or more severe impacts could occur as a result of the proposed changes. The Draft SEIR was circulated for public review and comment for a 60-day public review period from September 5, 2025 through November 3, 2025, in compliance with CEQA. Notice of availability was provided in accordance with CEQA requirements, and the document was made available online and at designated public locations. A community open house was held during the public review period to receive verbal comments on the Draft SEIR. In addition, written comments were received from public agencies and members of the public.

Scope of Environmental Analysis

Consistent with CEQA Guidelines Section 15163, the SEIR focuses on environmental topics where changes to the project could result in new or more severe impacts compared to the previously approved project. The SEIR evaluated the following topic areas: Air Quality, Greenhouse Gas Emissions, Energy, Noise, and Transportation. All other environmental topic areas were previously analyzed in the adopted IS/MND and were determined to remain adequately addressed. No new information was identified that would require further analysis of those topics.

Summary of Environmental Impacts and Mitigation

Air Quality and Greenhouse Gas Emissions

The SEIR evaluated construction- and operation-related air quality and greenhouse gas emissions associated with the increased development capacity. With implementation of mitigation measures, including compliance with CalGreen requirements and provision of electric-vehicle-capable parking, air quality and greenhouse gas impacts would be reduced to a less-than-significant level.

Noise

Construction noise associated with expanded development was identified as a potentially significant impact. The SEIR includes mitigation measures requiring implementation of construction noise control practices, equipment standards, and scheduling limitations. With these measures in place, construction noise impacts would be reduced to a less-than-significant level. Operational noise impacts were determined to be less than significant.

Transportation

Transportation impacts were evaluated using Vehicle Miles Traveled (VMT) metrics, consistent with current State law and CEQA Guidelines. The analysis concluded that the proposed amendments would not result in a significant VMT impact. With implementation of applicable mitigation measures transportation impacts would be less than significant.

Final SEIR and Responses to Comments

The Final Subsequent Environmental Impact Report includes written responses to all comments received during the public review period. Responses address the environmental issues raised and, where appropriate, clarify or expand upon the analysis contained in the Draft SEIR. No new significant environmental impacts were identified, and no new mitigation measures were required beyond those already included in the Draft SEIR. The Final SEIR reflects the independent judgment of the City of Morgan Hill and has been prepared in compliance with CEQA and the CEQA Guidelines. CEQA Findings and Conclusion. The Final SEIR concludes that, with implementation of the identified mitigation measures, all potentially significant environmental impacts associated with the proposed PD Master Plan Amendment would be reduced to a less-than-significant level. No significant and unavoidable impacts were identified. As a result, adoption of a Statement of Overriding Considerations is not required. A Mitigation Monitoring and Reporting Program (MMRP) has been prepared to ensure that all mitigation measures are implemented as part of project development.

Staff recommends that the Planning Commission recommend that the City Council certify the Final Subsequent Environmental Impact Report, adopt the Mitigation Monitoring and Reporting Program, and approve the proposed Zoning Amendment and Planned Development Master Plan Amendment.

COMMUNITY ENGAGEMENT:

The proposed project was publicly noticed (mailing to property owners within 600 feet of the project and newspaper legal notice) for the minimum 10-day period and a project identification sign was posted on the project site pursuant to the Planning Division requirements. A project webpage has been created for the project and is updated routinely. Public outreach has been conducted in accordance with CEQA and City noticing requirements, including circulation of the Draft SEIR, a community open house, and publication of public hearing notices. Additional opportunities for public comment will be provided at the City Council hearings on the Final SEIR and PD Master Plan Amendment.

ATTACHMENTS:

1. Planning Commission Resolution Recommend City Council Approval
2. Rosewood Medical Master Plan - Proposed Redlines
3. Rosewood Medical Master Plan - Conceptual Site Plan
4. Findings of Fact - Final SEIR

RESOLUTION NO. 26-01

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING THAT THE CITY COUNCIL CERTIFY THE FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT AND APPROVE A ZONING AMENDMENT AND PLANNED DEVELOPMENT (PD) MASTER PLAN AMENDMENT FOR THE ROSEWOOD (FORMERLY LILLIAN COMMONS) MEDICAL MIXED-USE PROJECT (FILE NOS. AAE2022-0008 / EA2022-0011) LOCATED ON THE SOUTHEAST CORNER OF THE INTERSECTION OF JUAN HERNANDEZ DRIVE AND BARRETT AVENUE (JUAN HERNANDEZ – BROOKFIELD PROPERTIES (BFH CM LLC) (FORMERLY KNOWN AS LILLIAN COMMONS) (APNS 817-09-040 AND -057)

WHEREAS, on September 29, 2022, the applicant submitted an application requesting approval of a Zoning Amendment and Planned Development (PD) Master Plan Amendment for the Rosewood (formerly Lillian Commons) Medical Mixed-Use Project to modify development standards and permitted uses within the previously approved PD Master Plan area;

WHEREAS, the project site is located within the previously approved Rosewood Medical Mixed-Use Master Plan area near the intersection of Juan Hernandez Drive and Barrett Avenue in the City of Morgan Hill;

WHEREAS, the proposed Planned Development Master Plan Amendment would increase the allowable medical and commercial floor area to a total of 275,000 square feet, allow building heights up to 65 feet, increase maximum building coverage to 60-percent, remove floor area ratio standards, modify parking requirements for medical office uses, and expand permitted uses to include assisted living and other healthcare-related uses;

WHEREAS, the proposed amendments are intended to support development of a comprehensive medical campus within the existing Master Plan area and respond to changing healthcare delivery needs and market conditions;

WHEREAS, the Rosewood site was previously approved by the City Council in November 2020 through adoption of a Planned Development Master Plan, Zoning Amendment, and Mitigated Negative Declaration for a mixed-use development including residential and medical uses;

WHEREAS, the City determined that the proposed amendments could result in new or more severe environmental impacts than those analyzed in the previously adopted environmental document and therefore required preparation of a Subsequent Environmental Impact Report pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15162;

WHEREAS, the Final Subsequent Environmental Impact Report evaluated potential environmental impacts related to air quality and greenhouse gas emissions, noise, and transportation, and identified mitigation measures to reduce all potential impacts to a less-than-significant level;

WHEREAS, no significant and unavoidable environmental impacts were identified, and adoption of a statement of overriding considerations is not required;

WHEREAS, such request was considered by the Planning Commission at their regular meeting of January 13, 2026, and the Planning Commission has reviewed the staff report, the Final Subsequent Environmental Impact Report, the Mitigation Monitoring and Reporting Program, the Findings of Fact, all related application materials, and public testimony presented at the duly noticed public hearing;

WHEREAS, the proposed Planned Development Master Plan Amendment is consistent with the Morgan Hill 2035 General Plan, including policies related to mixed-use development, economic development, access to healthcare services, employment-generating uses, efficient land use, and coordination of land use and transportation planning;

WHEREAS, the Planning Commission finds that the proposed Zoning Amendment and Planned Development Master Plan Amendment are consistent with the General Plan, the Planned Development zoning framework, and the public health, safety, and welfare;

WHEREAS, the project has been reviewed in compliance with the California Environmental Quality Act (CEQA); and

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

NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

California Environmental Quality Act Findings

SECTION 1. A Subsequent Environmental Impact Report (SEIR) has been prepared for the Rosewood (formerly Lillian Commons) Medical Mixed-Use Project in accordance with the California Environmental Quality Act of 1970, as amended (CEQA), and the State and local guidelines implementing CEQA. The SEIR evaluates amendments to the previously approved Planned Development Master Plan, including increases in allowable medical/commercial square footage, building height, and modifications to development standards and permitted uses.

SECTION 2. The SEIR is a focused environmental analysis prepared pursuant to CEQA Guidelines Section 15162 and evaluates environmental topics where new

or more severe impacts could occur as a result of the proposed amendments. The SEIR analyzes potential impacts related to air quality and greenhouse gas emissions, noise, and transportation.

SECTION 3. The SEIR identifies mitigation measures that reduce all potentially significant environmental impacts to a less-than-significant level. No significant and unavoidable impacts were identified, and adoption of a statement of overriding considerations is not required. The SEIR reflects the independent judgment of the City and, together with the Mitigation Monitoring and Reporting Program, adequately addresses the environmental effects of the Project as proposed.

Accordingly, the SEIR has been completed in compliance with CEQA and provides the appropriate environmental clearance for the Project.

Zoning Map Amendment Findings

SECTION 4. The proposed Zoning Map Amendment is consistent with the General Plan and will not be detrimental to the public health, safety, convenience, or welfare of the City.

The proposed Zoning Map Amendment is consistent with the Morgan Hill 2035 General Plan and applicable land use policies. The amendment has been evaluated through a Subsequent Environmental Impact Report prepared in compliance with CEQA, which concludes that all potential environmental impacts would be reduced to a less-than-significant level with mitigation. The amendment does not introduce incompatible land uses and will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

SECTION 5. The site is physically suitable for the proposed zoning and development.

The site is adequate in size, shape, location, and physical characteristics to accommodate the permitted land uses and development standards. The site is served by existing infrastructure and transportation facilities and is suitable for development consistent with the Zoning Code and General Plan.

Planned Development (PD) Combining District Findings

SECTION 6. The proposed Planned Development Master Plan Amendment is consistent with the General Plan and Zoning Code.

The proposed Planned Development Master Plan Amendment is consistent with the Morgan Hill 2035 General Plan and the purpose and intent of the Planned Development Combining District. The amendment supports

policies related to mixed-use development, economic development, employment growth, and access to healthcare services.

SECTION 7. The proposed development is superior to development that could occur under existing zoning standards.

The Planned Development framework allows for coordinated site planning, design flexibility, and structured parking that would not be achievable under conventional zoning standards. The proposed development represents a superior planning outcome.

SECTION 8. The proposed development provides a substantial public benefit.

The proposed amendment supports expansion of healthcare services, employment growth, and access to medical care for Morgan Hill residents. These public benefits are sufficient to justify the requested deviations from standard zoning regulations.

SECTION 9. The site is adequate and will be served by appropriate infrastructure and public services.

The site is of sufficient size and configuration to accommodate the proposed development. Adequate transportation facilities, infrastructure, and public services exist or will be provided, and transportation impacts would be less than significant.

SECTION 10. The proposed development will be compatible with surrounding land uses.

The proposed amendment does not approve final site design, and compatibility with surrounding uses will be ensured through future Design Permit review. Environmental impacts have been evaluated and mitigated through the Subsequent Environmental Impact Report, and the project will not result in substantial adverse effects on surrounding properties.

SECTION 11. Findings required for concurrent approval of the Zoning Map Amendment can be made.

All required findings for the concurrent Zoning Map Amendment can be made, as the project is consistent with the General Plan, the site is physically suitable, and the project will not be detrimental to the public health, safety, or welfare.

SECTION 12. The Planning Commission hereby recommends that the City Council certify the Final Subsequent Environmental Impact Report for the Rosewood (formerly Lillian Commons) Medical Mixed-Use Project, together with the

Mitigation Monitoring and Reporting Program, in compliance with the California Environmental Quality Act.

SECTION 13. The Planning Commission hereby recommends that the City Council adopt the Findings of Fact for the project, finding that all potential environmental impacts have been reduced to a less-than-significant level through implementation of mitigation measures.

SECTION 14. The Planning Commission hereby recommends that the City Council approve the Zoning Amendment and Planned Development (PD) Master Plan Amendment for the Rosewood Medical Campus, as described in the staff report and project application materials.

PASSED AND ADOPTED THIS 13th DAY OF JANUARY 2026, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

APPROVED:

JENNA LUNA, Deputy City Clerk

JAMES WILSON, Chair

EXHIBIT "A"
Rosewood Medical Master Plan Redlines

EXHIBIT A

PD Master Plan Zoning Amendment / General Plan Amendment/
Application for Development Permit

~~Lillian Commons~~Rosewood/Morgan Hill
Medical Campus
A Mixed Use Development

~~Lillian Commons~~BFH CM Commercial, LLC-Applicant

CITY OF MORGAN HILL
PLAN APPROVED

THIS PLAN WAS APPROVED BY
THE PLANNING COMMISSION

ON October 13, 2020

AND CITY COUNCIL

ON November 18, 2020

ZA2019-0016

FILE NUMBER

Adam Pazkowski

PLANNING OFFICIAL

Introduced November 4, 2020TBD

Prepared by
EMC Planning Group

INTRODUCTION

This Planned Development (PD) Master Plan has been prepared pursuant to the requirements of the City of Morgan Hill Municipal Code, and submittal requirements of the Community Development Department. This PD Master Plan also incorporates the requirements for a General Plan Amendment; the property has been concurrently re-designated from Commercial to Mixed Use Flex.

The PD Master Plan covers an area of approximately 19.7 acres east of Juan Hernandez Drive and north of Tennant Avenue. Refer to PD Master Plan section 4.5 for maps illustrating the plan boundary.

The PD Master Plan presents the following required information:

- Planning objectives;
- Community benefits;
- Land uses and approvals;
- Development standard deviations requested;
- Circulation plan;
- Locations of public facilities and open space;
- Diagrams showing various aspects of planned development;
- Development phasing; and
- Ongoing obligations

The PD Master Plan provides an overlay to the base Commercial Services (CS) zoning district. The purpose of the CS zoning district is to provide an area for commercial services that may be inappropriate in neighborhood or pedestrian-oriented shopping areas, and which generally require automotive access for customer convenience, servicing of vehicles or equipment, loading or unloading, or parking of commercial service vehicles.

The purpose of the Planned Development (PD) combining district is to allow for high quality development that deviates from standards and regulations applicable to base zoning districts in the City of Morgan Hill. Permitted land uses may deviate from the land use regulations of the applicable base zoning district, in this case Service Commercial, provided the PD combining district allows only those land uses permitted in the applicable general plan land use designation.

PLANNING OBJECTIVES

The PD Master Plan is designed to achieve the following planning objectives:

- Build off existing medical offices to provide a complete medical services center within the City.
- ~~Provide~~Include flex zoning that would allow a small commercial component with retail/restaurant uses to serve the employees and visitors to the medical office/hospital uses as well as the surrounding community.
- Provide housing for the medical office/ hospital uses that would be affordable to the employees of these uses.
- Provide high-density housing in proximity to a school, commercial services, and employment opportunities.

COMMUNITY BENEFITS AND GENERAL PLAN AMENDMENT JUSTIFICATION

3.1 Planned Development Community Benefits

The PD Master Plan will provide the following community benefits to the City of Morgan Hill:

- Provide the City with a well-rounded medical center featuring medical offices, urgent care/ pharmacy, and hospital beds.
- Provide the City with additional high-density housing to help the City achieve its Regional Housing Needs Allocation for lower income housing, and construct affordable housing units.
- Provide the neighborhood and City with open space, courtyards, and plazas that

provide opportunities for people to informally meet and gather.

- Provide the neighborhood and City with pedestrian and bicycle pathways that enhance circulation within the property and connect to the surrounding neighborhood.
 - Locate housing in proximity to parks, a school, retail, and employment opportunities to reduce vehicle miles traveled and greenhouse gas emissions.
 - Provide the City with green buildings and sustainable development features. These will include photovoltaic renewable energy and meeting or exceeding Title 24 standards by three to five percent.
 - Provide accessible parks and open space beyond the minimum required by the City. Park land will be dedicated to the City and the project will provide a walking/ jogging trail around the perimeter of the property to facilitate healthy living.

3.2 General Plan Amendment Justification

The PD Master Plan incorporates an amendment to the 2035 General Plan designation for the property to Mixed Use Flex (MU-F). The general plan amendment is necessary to permit the residential and hospital uses. Under the PD zoning, only those uses allowed in the property's general plan land use designation may be permitted by the PD zoning, and the general plan amendment to Mixed Use Flex accomplishes that purpose.

The 2035 General Plan defines the Mixed Use Flex district as follows:

The Mixed Use Flex designation, which is primarily applied to properties along the Monterey Road corridor north and south of downtown, allows for a mix of residential, commercial, and office uses applied either vertically (i.e., one structure with multiple uses) or horizontally (i.e., structures with different land uses located adjacent to one another). Density should transition from higher to lower at the ends of Monterey corridor. The Mixed Use Flex designation allows 7 to 24 units per acre and a maximum FAR of 0.5. Prior to development of Residential or Mixed-Use projects within the Mixed Use Flex designation a block level master plan is required to identify how commercial uses will be incorporated within the development of the block and how individual development projects will connect with each other. Commercial development may proceed without preparation of a block level master plan consistent with the Commercial designation. [This amendment would change the FAR threshold restriction on the medical parcels \(A, B, and D\) to 0.666.](#)

This definition suits the development planned in the PD Master Plan, as the PD Master Plan conceptual Site Plan incorporates housing near the medical office/hospital uses that is intended to be affordable to the employees of these uses. ~~In addition, the conceptual Site Plan incorporates a small commercial component within a 10,000 square foot building, with retail/restaurant uses to serve the~~

~~employees and visitors to the hospital as well as the surrounding residential community.~~ The conceptual Site Plan shows how the medical office/hospital, ~~commercial,~~ and high-density residential uses will be arranged and connect with one another.

Best Interest of the Community

Why is the proposed amendment in the best interest of the community?

The residential uses are located within the property to provide a transition in intensity between the existing medical uses, Barrett Avenue Elementary School, and the single family residential uses abutting Juan Hernandez Drive to the west. The commercial, medical office/ hospital uses will be located adjacent to the existing medical offices, providing a campus feel on the property. The structured parking will provide adequate parking to accommodate the medical uses ~~and provide overflow parking for the compatible high-density residential uses on the project site.~~

~~The mix of uses will provide convenient retail uses and services adjacent to both the high density residential uses and the medical office/hospital.~~ The medical office/hospital will be located close to a freeway access, and just off two thoroughfares (Tennant Avenue and Butterfield Boulevard) providing convenient access to Morgan Hill residents and those from elsewhere in the region.

Public Need

Is there currently a public need for this amendment?

The Commercial uses outlined in the 2035 General Plan, though appropriate for this property, do not include the “third leg” which provides a sustainable living solution for commercial and institutional employees. Housing, and especially affordable housing, are a critical public need throughout the State, and especially in the Bay Area. Apartments¹ are an affordable housing option for service workers and would provide employees the opportunity to eliminate their commute to work. The one and two bedroom apartments², with 15 percent affordable, would allow younger adults, families, and seniors to live and work in a sustainable manner. Additionally the proposed amendment to the 2035 General Plan for this property would go a long way toward meeting several General Plan policies, as listed below, and addressed in Section 7.0, 2035 General Plan Consistency.

Housing- Policy HE-4u: Mix of Housing Near Services. Encourage a mix of housing types in each neighborhood located convenient to shopping, services, recreation, and transit routes.

Healthy Community- Policy HC-3.8 Private Open Space. Encourage new development to permit public access to private open space and parks where feasible and appropriate.

City & Neighborhood Form- Policy CNF-13.1 Mixed Use Flex Development. Encourage a mix of uses, either vertically or horizontally, to allow residents and employees to meet daily needs without the use of the private automobile.

The proposed hospital would also provide for the public needs, adding a much-needed medical services to the City of Morgan Hill. The hospital will also provide a variety of jobs for the city and surrounding

population.

¹ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

² All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

PROPERTY AND DEVELOPMENT DESCRIPTIONS

4.1 Property –Description

Location

The property within the PD Master Plan is located in the City of Morgan Hill, California, on Juan Hernandez Drive between Tennant Avenue and Barrett Avenue, adjacent to South Valley Freeway (US Highway 101-Salinas Valley Freeway). [Figure 1, Regional Location Map](#), shows the property location in a regional setting. All figures discussed in this section are presented in Section 4.5. Regional access to the property is provided by US Highway 101, and local access to the property is provided by Tennant Avenue from the south and Barrett Avenue from the north. Ingress and egress to the project site will be primarily from Juan Hernandez Drive, along the western property boundary.

The approximately 19.67-acre property consists of two adjoining undeveloped parcels of land (13.94- acres and 4.04-acres) and one developed parcel (1.69-acres). [Figure 2, Location Map](#), illustrates the location of the property with the parcels delineated. [Figure 3, Assessor’s Parcel Map](#), presents the parcel map for the property and the Assessor’s Parcels Numbers (APNs) 817-09-041 (13.94-acres), 817-09- 039 (4.04-acres) and 817-09-040 (1.69-acres). Legal descriptions are presented in Section 9.0.

Property Characteristics

The undeveloped land is relatively flat, with several trees located on the northern parcel. Most of the property is vacant and has been farmed in the distant past. Two medical office buildings and related site improvements (driveway, parking, landscaping, and utilities) exist on the southern portion of the property as illustrated on [Figure 4, Existing Conditions Map](#).

Existing Land Use Designation and Zoning

The property is designated Commercial in the 2035 General Plan as illustrated in [Figure 5, Existing City General Plan Land Use Diagram](#), and is located in the Service Commercial zoning district with a Planned Development Combining District Overlay (PD) as illustrated in [Figure 6, Existing City Zoning Map](#).

Property Data

Project Location

City of Morgan Hill, CA (East of Juan Hernandez Drive, south of Barrett Avenue and west of US Highway 101 or Salinas Valley Freeway).

Street Address

0 and 16130 Juan Hernandez Drive, Morgan Hill, CA

Existing Assessor's Parcel Numbers

817-09-039, and 817-09-040, and 817-09-041

Acreage

Gross Property Acreage: 4.04, 1.69, and 13.94 (19.67 acres)

Net Property Acreage: 4.04, 1.69, and 13.94 (19.67 acres) ~~4.03, 1.66, and 13.49 (19.18 acres)~~

Zoning

Services Commercial District (CS) with Planned Development Combining District (PD) overlay

General Plan Designation

Mixed Use Flex (amended from Commercial)

4.2 PD Master Plan Description

General Plan Amendment

Incorporated into the PD Master Plan is an amendment to the 2035 General Plan land use diagram to change the designation for the property from Commercial to Mixed Use Flex (MU-F). [Figure 7, General Plan Amendment](#) indicated the existing and proposed land use designation.

Zoning Map Amendment

Concurrent with approval of the PD Master Plan, the property will be re-zoned by ordinance to reflect the application of the Planned Development combining district with a base CS district, and incorporation of this PD Master Plan for the property as illustrated in [Figure 8, Zoning Plat](#).

Parcel Map

A parcel map will divide the property's three existing parcels into four parcels to facilitate development or sale. The two vacant parcels would be subdivided into three parcels (A-C). The

existing medical office site (Parcel D), would be reconfigured and included as part of the overall PD Master Plan. ~~Figure 9, Tentative~~

~~4-2 Planned Development Master Plan~~

~~Parcel Map 10, Site Plan~~, prepared by the project engineer indicates how the property will be subdivided. The three existing lots will be re-organized into four parcels: Parcel A, ~~4.176.30~~ acres, Parcel B, ~~1.781.62~~ acres, Parcel C, ~~9.4910.06~~ acres, Parcel D, ~~4.131.69~~ acres, ~~and 0.10 acres will be dedicated as right-of-way along Barrett Avenue.~~

Development

Development anticipated within the PD Master Plan would be in the range of ~~350,000—417,696~~ 572,033-606,033 square feet of residential, commercial, office, and/or institutional uses, including up to 150 multi-family dwelling units. All land uses permitted in the PD Master Plan are presented in Section 5.0.

Figure 10, ~~Site Plan~~, is presented in Section 4.5. Figure 10 illustrates probable build-out on-site, which is commensurate with the low end of the square footage range indicated above. Figure 10B illustrates an alternative build-out that reflects the high end of the square footage range. The conceptual Site Plan (Figure 10) includes five anticipates the -uses described below. The square footage of each use is that provided on the conceptual Site Plan, and could slightly increase or decrease. These specific individual uses are for illustrative purposes only and none are individually required for future submissions to be in conformance.

- ~~4,500 square foot urgent care/pharmacy facility on the existing medical site~~ approximately 16,000 square feet of existing medical facilities (to be retained);
- 10,000 square ~~foot medical office as cancer center~~ feet for flex commercial/medical;
- ~~100215,000 square foot medical office,~~ urgent care, residential care, assisted living, skilled nursing and/or hospital with a parking deck (multi-story with 54,000 ~~46,500~~ square-foot footprint);
- ~~10,000 square foot commercial retail/restaurant building;~~ and
- 150-unit multifamily residential development.

All uses will share common driveway access to Juan Hernandez Drive ~~and Barrett Avenue~~. The conceptual Site Plan illustrates the overall development concept, including the proposed land uses, building placement, circulation patterns, parking, and open space. The descriptions in this section are based on the conceptual Site Plan.

Parcels A and B

The proposed medical/hospital ~~facility~~ facilities will occupy ~~one the~~ buildings in on ~~Parcels A and B~~. Two pick-up/drop-off areas are located adjacent to the proposed buildings to assist patients. Development of ~~Parcels A and B~~ includes a ~~500-space~~ parking structure that will be shared ~~by among~~ the ~~adjacent Medical~~ uses along with access and utility infrastructure. Parcel A and B employees/residents/visitors will have access to the publicly-accessible park located on Parcel C via the sidewalk and trail connections. A small park is also located on Parcel A for

visitors and employees.

Parcel B

~~This parcel will be developed with approximately 10,000 square feet of commercial/retail uses, including a 5,000 square-foot sit down restaurant, a 55-space surface parking lot, and access and utility infrastructure. The remaining 5,000 square feet will be available for other personal service or retail uses. The mix of uses within this building will be market driven and could fluctuate over the life of the building.~~

Parcel C

Parcel C will be developed with 150 multifamily residential units. ~~Additional vehicle parking will be available through a shared parking agreement with the developer of Parcel A..~~ Parcel C may also be developed with Single Family attached and detached for-sale dwelling units or other medical office uses.

Parcel D

Parcel D includes two existing medical buildings totaling ~~15,900~~approximately 16,000 square feet and parking. The existing medical buildings will ~~remain unless~~remain unless full build out is pursued at which point the buildings will be removed and replaced by buildings and/or parking and a new one-story 4,500-square-foot urgent care/pharmacy medical facility will be ~~constructed on this parcel, located in what is now occupied by a portion of the parking lot, leaving 30 surface parking spaces to remain for the existing medical facility and urgent care/pharmacy. A 10,000-square foot medical office—cancer center and a 66-space surface parking lot will be developed on this reconfigured parcel. Parking for the existing medical building displaced by the proposed urgent care/ pharmacy facility will be replaced adjacent to the proposed medical office—cancer center and through a shared parking agreement with the remainder of the medical facility that will be developed on the new Parcel A.~~

Parkland/Open Space

The PD Master Plan includes the provision of approximately 2.92.0 acres of parks and open space. Amenities on Parcel C include a pickleball court, swimming pool, hot tub, lounging patio, and a tot lot/play area, open play fields/lawns, shade structures, picnic tables, seating areas, and jogging/walking trail connections to adjacent sidewalk systems. ~~Recreational~~If proposed, recreational parkland amenities in Parcel A could include passive recreational opportunities with a landscaped area and park benches, ~~located between the medical/hospital facility and the commercial uses on Parcel B.~~ Trail connections are provided throughout the property including new pedestrian access to the existing medical campus (Parcel D).

Site Access/Circulation

Access to the project site will be provided by four two new driveways: ~~the existing driveway to the medical office would may be retained and extended to provide secondary access to the medical/hospital facility and cancer center. An additional driveways, adjacent to existing driveway and approximately 460 feet north of the existing driveway, Rosewood Lane will provide the primary access to Parcels A-C through the middle of the property. St. James Drive will be extended into the site, forming a four-legged intersection at Juan Hernandez Drive. The existing driveway to the medical offices on Parcel D will be closed; access to the existing facilities will be provided from the St. James extension. Two additional driveways will provide secondary access to the multifamily residential development from Barrett Avenue. The accessways for all project components are interconnected within the property.~~ All new accessways will be designed to meet City of Morgan Hill design and performance standards for streets, driveways, curb, gutter and sidewalks. The conceptual Site Plan provides a layout of the circulation system for the project.

Juan Hernandez Drive is a two lane street with striping at Barrett Avenue to allow for turn lanes. The street is wide enough to provide on street parking but individual spaces are not

marked. Barrett Avenue is a two lane street primarily providing access to Barrett Elementary School. Two left turn lanes from Juan Hernandez Drive into the property are proposed.

Sidewalks will be extended into the property from the existing sidewalks along Juan Hernandez Drive and Barrett Avenue. Connection will be made to the existing sidewalks on Juan Hernandez Drive and Barrett Avenue. Within the project boundary, sidewalks will be provided on all internal driveways to meet Americans with Disabilities (ADA) standards. Bicycle traffic shares the paved area or uses the sidewalk. Pathways and sidewalks designated for bicycle use will meet Caltrans design standards for bikeways. The passive park with a jogging/walking trail for pedestrians, will serve as a passage way from Barrett Avenue to the south side of the property. Additionally, all the uses proposed in the development project will have pedestrian connections to the park.

Parking

Parking will be located on each parcel ~~and a shared parking agreement will be implemented per Municipal Code Section 18.72.050, on-site parking alternative Section F,~~ to meet the parking needs of the development. ~~Parking below standards for some uses will be met by implementing a shared parking agreement between the newly created parcels within the property.~~ Additionally, the mix of land uses will result in walking trips that will reduce parking demands for some uses. Proposed Medical site parking ratios are described below.

Signage and Lighting

A detailed signage and lighting plans will be submitted during the Design Review phase of the project review. Signage and lighting will comply with the City of Morgan Hill Municipal Code, Sections 18.88 and 18.72.060G. We anticipate signage will be located at the intersection of Juan Hernandez Drive and the main access drive into the property, currently labeled as ~~Street~~ A Rosewood Lane on the conceptual Site Plan.

Additional internal signage locations have not been determined at this time.

Storm Water Infrastructure

All drainage systems will be designed to comply with City and Regional Water Quality Control Board requirements for storm water management. Bio swales will be dispersed throughout the

development, ~~including a 25-foot wide landscape buffer along the east property line~~ and a storm water basin, ~~will be~~ located in the southeast corner of the property. All drainage improvements will be designed and landscaped to meet City and State design criteria and performance standards. Where necessary, fencing around the ponds will consist of black chain link or decorative fencing and landscaping to shield views from US Highway 101 and onsite patrons.

Other Utilities

Sewer, water, and wastewater infrastructure will be designed and constructed in conformance with City standards. Ownership and maintenance will generally correspond to location within public or private property. Where utilities cross private property, easements will be established as necessary to provide access. Other utility infrastructure (gas, electric, communications, etc.) will be designed and constructed in conformance with State or utility standards. Ownership of these utilities will remain with the utility, with easements established as necessary to provide access.

Phasing

The proposed project would likely be constructed in phases starting with development of Parcel C, followed by development of Parcels B and D, and closing with the development of Parcel A. The hospital use will require approvals by the Office of Statewide Health Planning and Development (OSHDP) and the Division of the State Architect, some approvals could take as long as seven years, which is why it is expected to be the final element of the project to be developed. ~~Full-occupancy of all uses is assumed to occur in the year 2025-2027.~~ Market factors could result in a changed phasing sequence.

Conceptual Development Plans

Figure 10, ~~Conceptual Site Plan~~, illustrates the overall development concept, including the proposed land uses, buildings, circulation patterns, parking, and open space and common areas. This plan documents the percentage of site area that will be dedicated for all types of open space. It also illustrates the probable conceptual medical site plan layout. Figure 10B, Site Plan Alternative, illustrates a medical site layout that includes the anticipated maximum building square footage on Parcels A, B, and D.

Figure 11, Pedestrian Circulation/Open Space Plan, illustrates the connectivity of the project, how it relates to the surrounding pedestrian network, and open space proposed on the project site.

Figure 12, Illustrative Site Plan, is a conceptual color rendering of how all the elements come together on the property.

Figure 13, Conceptual Site and Utility Plan, provides locations of sewer, water and fire connection on the site plan and also shows the proposed storm water management areas.

Figure 14, Conceptual Grading Plan, provides conceptual contour grading, drainage and flood control facilities, easement, property lines, rights-of-ways, and existing features beyond the site boundaries. Structures, building footprint and floor elevations are also depicted on the conceptual Grading Plan.

Full Size Plans, Illustrative Building Elevations ~~will be provided at the Design Review stage, provided under separate cover, illustrate the building elevations and provide perspective renderings for each building.~~ The building architecture and design are ~~inspired-expected to be inspired~~ by a distinctly modern and geometric aesthetic, using classical materials for a timeless appearance. The elevations ~~are-may be~~ crafted of ~~warm~~-wood, ~~grey~~-stone and ~~contrasting-light~~-stucco. ~~The-tTransparent~~ glazing panes ~~will-provide~~may also be used to provide ample daylight and animate the buildings, flooding the interior spaces with natural light and the orthogonal volumes and surfaces complement each other. The parking deck form ~~is-will be~~ reduced in mass by using landscape screens facing US Highway 101.

Full Size ~~Plans, The~~ Conceptual Landscape Plans, ~~will be provided under separate cover, will~~ be provided at the Design Review stage and will identify landscaped areas throughout the PD Master Plan and explain the main landscape concepts to be achieved for the project. The conceptual Landscape Plans will identify the major types of plant material to be used including street trees, parking lot trees, shrubbery to be used to screen the parking lots, and buffer plantings.

Conceptual Site Development Data

The PD Master Plan's conceptual Site Plan (see Figure 10) and the site plan alternative (Figure 10B) are ~~is~~ used to provide the numbers that were used to prepare the project description and CEQA documentation. The Conceptual Site Plan shown in Figure 10 represents probable medical campus buildout areas; Figure 10B represents maximum medical campus buildout. Additional dwelling units or floor area may be achieved on the property. The PD Master Plan allows a range of ~~350,000—417,696~~ 572,033 – 606,033 square feet of commercial, office, and/or institutional floor space and a maximum of 150 multi-family or single family dwelling units. It is expected the conceptual Site Plan will be modified prior to Design Review. Modification will be kept to a limit acceptable to not trigger additional CEQA impacts or mitigation measures. If the conceptual Site Plan changes exceed this limit, additional CEQA documentation may be necessary.

~~Medical Office / Cancer~~

~~Center Building Coverage:~~

~~10,000 square feet Floor Area:~~

~~10,000 square feet~~

~~Building Height: One story (25-foot maximum)~~

~~Parking: 96 shared spaces, including 30 existing spaces, 2 ADA spaces, 2 EV spaces, and 5 bicycle spaces~~

Medical / Hospital/Urgent Care/Pharmacy/Retail/Restaurant (Site Plan, Figure 10)

Building Coverage: ~~33,333~~ 138,000 square feet (including the proposed Decked Parking listed directly below)

Floor Area: ~~100,000~~ 241,000 square feet

Building Height: ~~Three-Four~~ story (~~52~~ 65-foot maximum including ~~rooftop equipment~~ parapet)

Parking: ~~500-848~~ shared spaces within deck, including ~~9-30~~ ADA spaces, ~~10 EV spaces, and 25 bicycle spaces (based on 9-foot-wide, 18-foot-deep parking stalls and a 25-foot-wide drive aisle)~~

Decked Parking

Building Coverage: ~~54,000~~ 46,500 square feet

Building Height: ~~Three-Six~~ story (~~6532-foot~~feet)

Medical / Hospital/Urgent Care/Pharmacy/Retail/Restaurant (Site Plan Alternative, Figure 10B)

Building Coverage: 129,000 square feet (including the proposed Decked Parking listed directly below)

Floor Area: 275,000 square feet

Building Height: Four story (65-foot maximum including parapet)

Parking: 965 shared spaces within deck, including 30 ADA spaces (based on 9-foot-wide, 18-foot-deep parking stalls and a 25-foot-wide drive aisle)

Decked Parking

Building Coverage: 54,000 square feet

Building Height: Six story (65-foot)

Retail/Restaurant

~~Building Coverage: 10,000-~~

~~square-foot Floor Area: 10,000-~~

~~square-foot Building Height:~~

~~One story (25-foot)~~

~~Parking: 55 spaces, including 3 ADA spaces, 2 EV spaces, and 5 uncovered bicycle spaces~~

Multi-Family Housing

Building Coverage: 51,750 square feet (apartments and clubhouse/leasing

office)³ Floor Area: 175,500 square feet – apartments; 3,000 square feet –

club house⁴ Building Height: Varies by building: Three story (35-foot

maximum)

³ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

⁴ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

Dwelling Units: 150 Units

Parking: 359 spaces, including 8 ADA spaces, 200 covered spaces, and 7 EV spaces

Bicycle Parking: 36 covered bicycle spaces, 40 uncovered bicycle spaces

Urgent Care and Pharmacy

Building Coverage: 4,500-

square feet **Floor Area:** 4,500-

square feet **Building Height:**

One story (25-foot)

Parking: 96 shared spaces, including 30 existing spaces, 2 ADA spaces, 3 uncovered bicycle spaces

Existing Medical Buildings

Building Coverage: 15,900 square feet (12,300 square feet and 3,600 square feet)

Floor Area: 15,900 square feet

Building Height: One story

Parking: 96 shared spaces, including 30-50 existing automobile spaces, including 4-2 ADA spaces, 2-
EV spaces and 4 uncovered bicycle spaces.

Park

Open Space / Passive Park Acreage: +/- 2.2-0 acres

Recreation exclusive for Multi-Family: +/- 0.70 acres

Additional open space is provided on site in landscaped buffers including walking/jogging trails.

Total Building Coverage (Medical parcel)

(Net Property Land Area: 835,391,418,601 square feet /

19,189.61 acres) Allowed: 417,696,209,300 square feet (based

on 50% of net land area)

Proposed: Not to exceed 50.60% (Figure 10 conceptual Site Plan indicates 212,319,138,000 square feet (25.33% of net land area); Figure 10B Site Plan Alternative indicates 129,000 square feet (31% of net land area))

Floor Area Ratio (FAR) (Medical parcel)

(Net Property Land Area: 835,391,418,601 square feet /

19.189.61 acres) Maximum FAR (per MU-F 0.5):

417,696209,300 square feet

Proposed FAR: (0.~~4258~~-0.566) ~~350~~241,000 to ~~417,696~~275,000 square feet (Figure 10 ~~conceptual~~ Site Plan indicates ~~351,786~~241,000 square feet; Figure 10B indicates 275,000 square feet)

Total Square Feet (Medical)

~~(Within buildings/carports on conceptual Site Plan)~~

Retail/Restaurant: 10,000 square feet

Medical Offices (4): ~~30,400~~ square feet

Medical/Hospital/Urgent Care/Pharmacy/Retail/Restaurant/Skilled Nursing/Residential Care/Assisted Living: ~~100,000~~241,000 – 275,000 square feet

Residential: ~~178,500~~ square feet (includes club house/leasing office at ~~3,000~~ square feet)

Covered Residential Parking: 32,886 square feet—expected to be carports

Total: ~~351,786~~241,000 – 275,000 square feet – (does not include the ~~commercial-medical~~ parking structure)

Total Parking (Medical)

Proposed Vehicle Parking: ~~1,010~~1,031 spaces total (Site Plan); 1,333 spaces total (Site Plan Alternative) (~~96 compact spaces at bio swales~~)

Covered Vehicle Parking: ~~700~~848 spaces (Site Plan); 965 spaces (Site Plan Alternative) (~~500 spaces within parking structure~~)

Surface Vehicular Parking: 183 spaces (Site Plan); 368 spaces Site Plan Alternative

Proposed Parking Ratio: 1 stall per 233 square feet (Site Plan); 1 stall per 206 square feet (Site Plan Alternative)

Bicycle Parking Required: ~~145~~118 (~~48~~36 covered spaces, 8297

uncovered spaces)(Site Plan); 165 (55 covered spaces, 110 uncovered spaces)(Site Plan Alternative)

ADA Parking Required: 218 spaces (Site Plan); 27 (Site Plan Alternative)

Electric Vehicle (EV) Required: 21 spaces (Site Plan); 27 (Site Plan Alternative)23 spaces

4.3 Implementing Approvals

After the actions noted above are complete (General Plan Amendment, Zoning Map Amendment, and Parcel Map), the following implementing actions will remain to be taken by the City prior to construction. These approvals will most likely be separate actions for each parcel within the PD Master Plan.

Final Maps. After the tentative parcel map is approved, final maps will be filed. It is anticipated that a separate final map may be filed for each parcel, along with a corresponding improvement plan.

Design Review Permits. Prior to construction, each structure will be required to obtain a design review permit. Each design review permit will be approved by resolution by the Planning Commission.

Conditional Use Permits. Some uses that are allowed within the PD Master Plan will require a conditional use permit. Each conditional use permit will be approved by resolution by the Planning Commission.

4.4 Conditions Prior to Residential Construction

Prior to the issuance of building permits for residential construction on Parcel C, the Development Services Director shall confirm that Developer Lillian Commons L.L.C. has satisfied all?

of the following criteria:

- (1) Obtained building permits for and commenced construction of:
 - a. ~~expansion of the parking lot on Parcel D from 45 spots to at least 60 spots, in order to support medical campus needs; and~~

~~b.a.~~ Street A or B (as designated on the Conceptual Site Plan), with utility infrastructure suitable for a medical campus or hospital.

-or-

(2) Developer and healthcare provider have filed application with OSHPD, paid application fee and submitted construction documents and specifications to a warm shell standard.

4.5 Ownership and Ongoing Obligations

The PD Master Plan, General Plan Amendment, and subdivision proponent seeks to obtain City approval of the General Plan Amendment, PD Master Plan and subdivision entitlements. The applicant/ proponent intends to develop Parcel D with the Medical Center (e.g. urgent care/pharmacy, cancer center, medical offices, etc.). ~~The medical/hospital parcel, retail/restaurant parcel, and residential parcel will most likely be sold to end users or to specialized developers.~~

Park land will be set aside within an easement upon filing of the final parcel map(s). Infrastructure will be constructed by future developers. Dedication and long-term maintenance financing of circulation, water, wastewater, and storm water infrastructure will be determined when development applications are processed.

A memorandum of agreement (MOA) or development agreement (DA) will be drafted by the applicant and distributed to the developers of each lot to allow for an orderly manner in which to provide capital improvements and maintenance of the infrastructure and common areas located throughout the property. It is expected that a shared parking agreement will be prepared as part of the MOA/DA to allow shared parking among the end users of the PD Master Plan development.

4.6 Maps and Diagrams

Maps and Diagrams are presented on the following pages.



Figure 15

Table 1, PD Master Plan Allowed and Conditional Uses, presents uses allowed by the PD Master Plan. The table identifies the use as a permitted (P) or conditionally permitted (C) land use. Uses in bold are new uses added to the permitted uses in the CS zoning district as part of this PD Master Plan. Some uses permitted in the CS district were eliminated from the list. The MU-F General Plan designation permits the property to be developed in a mixed use fashion allowing residential and hospital uses not currently allowed within the 2035 General Plan Commercial land use designation or the CS zoning district.

The conceptual Site Plan portrays five types of uses on the property; however, a revised site plan, or the future reuse or re-purposing of buildings after they are constructed and initially occupied, could change or add to those uses. Table 1, PD Master Plan Allowed and Conditional Uses, provides a comprehensive list of allowed and conditional land uses that could be approved within the PD Master Plan.

Table 1-1 Parcel C PD Master Plan Allowed and Conditional Uses

Use	Planned Development (PD)
Hospitals	P
Medical Offices and Clinics	P
Mixed Use Residential	P

Table 1-2 Parcels A, B, and D PD Master Plan Allowed and Conditional Uses*

Use	Planned Development (PD)
Banks and Financial Institutions Assisted Living Facilities	P
Banks and Financial Institutions	P
Business Support Services	P
College and Trade Schools	C
Convenience Market	C
Commercial Recreation, Indoor <15,000 square feet	P
Community Assembly	C
Cultural Institutions	P
Day Care Center	CP
Drive-Through and Drive-in Facilities	C

Use	Planned Development (PD)
Emergency Shelters	C
Farmers Markets	CP
General Retail	P
Hospitals	P
Hotel and Motels	CP
Instructional Services	P
Medical Offices and Clinics	P
Parking Lots and Structures	P
Parks and Recreational Facilities	P
Personal Services	P
Professional Offices	P
Residential Care Facilities	CP
Residential Care Facilities, Small	CP
Restaurant- Fast Food, Sit Down	CP
School, Public and Private	C
Skilled Nursing Facility	P
Social Services	C
Accessory Uses	(per Section 18.44)
Temporary Uses	(per Section 18.92.150)

- A minimum of 75% of the total developed gross building square footage within the Medical Campus shall consist of medical uses. Non-medical uses shall not exceed 25% of the total developed gross building square footage.
- Medical uses for purposes of this Planned Development Master Plan are limited to facilities providing diagnosis, treatment, surgery, imaging, or outpatient clinical services on a non-residential basis, including hospital facilities, medical office buildings, outpatient facilities, clinics, diagnostic and imaging centers, and similar uses consistent with Morgan Hill Municipal Code Title 18.
- Skilled nursing facilities and also long-term supportive healthcare residential uses such as nursing homes, assisted living facilities, and residential care facilities shall not be counted toward the minimum required medical uses square footage.
- The City shall not approve or issue building permits for any non-medical uses until building permits have been issued for a minimum of 50,000 square feet of medical uses or the non-medical uses are being processed concurrently with the medical uses and conform with the square-footage requirements for medical.
- Non-medical uses may be approved concurrently with medical uses provided the development phase includes at least 50,000 square feet of medical uses and the project will remain in compliance with the 75% minimum medical uses and 25% maximum non-medical uses buildout.
- **Non-medical uses must be in conjunction with a Hospital or other medical uses.**

DEVELOPMENT STANDARDS

Development standards such as heights, setbacks, and building coverage within the planned development combining district are established in the PD Master Plan. Those standards may deviate from development standards in the Service Commercial base zoning district except that the maximum permitted floor area ratio and residential density may not exceed maximums established in the 2035 General Plan for the commercial land use designation. The floor area ratio for the Commercial land use designation in the 2035 General Plan is 0.6. The general plan amendment to Mixed Use Flex changes the floor area ratio to 0.5, which is reflected in the PD Master Plan. Standards in bold have been revised from those of the CS zoning district as part of this PD Master Plan. [Table 2, PD Master Plan Development Standards](#), presents the development standards.

Table 2 PD Master Plan Development Standards

Development Aspect	Parameter
Minimum Lot Size	10,000 square feet
Minimum Lot Dimensions	100-foot width; 100-foot depth
Maximum building coverage	50% 60%
Minimum setbacks (front, rear, side, street) [1]	25, 0, 0, 15 feet (respectively)
Maximum height (exceptions 18.56.020)	Residential/Office – 3 stories or 35 feet Hospital-Medical – 4 stories or 55-56 56 feet Medical Parking Structure – 6 stories or 65 65 feet
Floor Area Ratio	0.50-6 0.66 Medical w/ Mixed Use Flex (MU-F)
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
On-Site Parking	Per Section 18.72 [2]
Retail	1 space per 250 square feet of net floor area
Restaurant (sit down)	1 space per 100 square feet of net floor area
Medical Office	1 space per 200-250 250 square feet of net floor area
Residential (multi-family)	1 bedroom unit – 1 covered 2 bedroom unit – 1 covered and 1 uncovered per unit
Guest Parking	1 per 3 units (shared with Medical Office use)
Electrical Vehicle Parking	1 per 25 to 49 automobile spaces, 2 per 50 to 100 automobile spaces, plus 1 per 50 ratio over 100 automobile spaces
Non-Residential Bicycle Parking	Short term: 10% of required automobile spaces; long term (enclosed): 5% of required automobile spaces
Residential Bicycle Parking	10% of automobile spaces; long-term (enclosed), 1 per 5 units

NOTE:

[1] Outdoor seating, courtyards, and other publicly-accessible spaces **may occupy** the front setback. Residential porches and similar entry features may project ~~ten~~ feet into the front setback.

[2] Unless otherwise ~~modified~~**modified** in this table.

~~[2][3]~~ **[2][3]** Minimum parking stall dimensions within a parking deck/parking structure: 9-foot width; 18-foot depth when the drive aisle is at least 25-feet wide

PD Master Plan Development Standards for Single Family Residential

Development Aspect	Parameter
Minimum Lot Size (Single Family Residential)	1,000 square feet
Minimum Lot Dimensions	22-foot width; 45-foot depth
Floor Area Ratio	0.5 w/ Mixed Use Flex (MU-F)
Minimum Setbacks (front, rear, interior side, street side)	5 or N/A, 5 or N/A, 0 [1] or 3, 5 feet (respectively)
Maximum Height	3 stories or 35 feet [2]
Signs	Per Section 18.88
Lighting	Per Section 18.72.060.G
Landscaping	Per Section 18.64
Open Space	Per Section 18.40-4 based on lot size
Parking Residential (Single Family) Guest Parking	Per Section 18.72 [3] 2 spaces - 1 covered space for each housing unit 1 per housing unit [4] (shared with Medical Office use)

NOTE:

[1] A setback of zero feet is acceptable on one side yard; provided, that the sum of both side yard setbacks is at least eight feet

[2] Roof elements with minimum 5:12 roof pitch may exceed the building plate height by up to eight feet.

[3] Unless otherwise modified in this table.

[4] These guest spaces may include a combination of driveway parking, alley parking, on-street parking in front of the residence, and designated guest parking spaces.

CONSISTENCY WITH 2035 GENERAL PLAN

7.1 General Plan Land Use Designations

2035 General Plan- Commercial. The Commercial designation is primarily located along arterial roadways west of US Highway 101 and along the eastern freeway frontage. This designation is intended to allow a wide range of retail businesses, administrative and executive office uses, and professional services, either in stand-alone buildings or as part of shopping centers. The largest concentrations of this designation are found along Monterey Road and at the freeway interchanges, where retail stores are emphasized. The Service Commercial overlay along Monterey Road, north of Wright Avenue, allows auto-related uses, except for sales. The Commercial designation allows a maximum FAR of 0.6 and Mixed Use Flex designation allows a maximum FAR of 0.5.

The General Plan goals and policies for Commercial with a Planned Development Combining District overlay are described below. In general, the 2035 General Plan encourages neighborhood-scale shopping near residential neighborhoods to foster walking and biking and to avoid car trips.

2035 General Plan - Mixed Use Flex. The Mixed Use Flex designation, which is primarily applied to properties along the Monterey Road corridor north and south of downtown, allows for a mix of residential, commercial, and office uses applied either vertically (i.e., one structure with multiple uses) or horizontally (i.e., structures with different land uses located adjacent to one another). Density should transition from higher to lower at the ends of Monterey corridor. The Mixed Use Flex designation allows 7 to 24 units per acre and a maximum FAR of 0.5. Prior to development of a Residential or Mixed-Use project within the Mixed Use Flex designation, a block level master plan is required to identify how commercial uses will be incorporated within the development of the block and how individual development projects will connect with each other. Commercial development may proceed without preparation of a block level master plan consistent with the Commercial designation.

Because the PD Master Plan includes a mix of uses on the property including retail, medical office, medical hospital, multi-family apartments⁵, and a park element as part of the Planned Development Combining District, Mixed Use in addition to Commercial 2035 General Plan goals and policies have been analyzed.

⁵ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

7.2 General Plan Goals and Policies

Applicable 2035 General Plan Goals, Policies, and Implementation Measures are presented in Table 3 through Table 9 below, along with an assessment of PD Master Plan consistency.

City and Neighborhood Form

Table 3 General Plan 2035 - City and Neighborhood Form Goals and Policies

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
Residential Neighborhoods-GOAL CNF-10 A variety of housing types and densities available to all residents.	Consistent: The PD Master Plan allows for a variety of housing types. The conceptual Site Plan shows multifamily residential which will provide the community with new housing types including one and two bedroom apartments. ⁶
Policy CNF-10.3 Adequate Supply of Multi-Family Housing. Provide for an adequate supply of multi-family housing, located convenient to shopping, services, and transportation routes.	The PD Master Plan will assist the City in achieving an adequate housing supply as the PD Master Plan allows for 150 residential units. The conceptual Site Plan provides for a mix of residential, commercial, and medical uses that will allow for the placement of housing convenient to the shops, services, and offices, and adjacent to major transportation routes.
Policy CNF-10.6 Density Near Infrastructure. Encourage higher residential densities at locations where convenient access and adequate infrastructure is readily available.	Consistent: The property is adjacent to Juan Hernandez Road and Barrett Avenue in an area with existing utilities. A survey was completed by Whitson Engineers that determined there was adequate infrastructure available around the project site to support the uses identified in the PD Master Plan.
New Subdivisions-GOAL CNF-11 High quality, aesthetically pleasing, livable, sustainable, well-planned residential neighborhoods, well-connected to neighborhood services.	Consistent: The PD Master Plan's conceptual Site Plan provides a well-planned, aesthetically pleasing, livable, sustainable and well-connected residential neighborhood with integrated commercial/retail and medical offices.

⁶ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

Policy CNF-11.5 Outside Connections. Require new subdivisions to provide multiple connections to the surrounding community. Methods to achieve this may include: ▪ Providing multiple points of entry into the project for motorists, bicyclists and pedestrians. ▪ Extending the existing street pattern at the edges of the subdivision into the site. Extended streets should match the type and scale of streets to which they connect. ▪ Installing landscaping and street improvements at the edge of subdivisions that appear as common amenities shared with adjacent neighborhoods.	Consistent: As shown in the PD Master Plan conceptual Site Plan, development within the property will be designed to be compatible with the surrounding neighborhood. Multiple points of pedestrian ingress/egress are provided along Barrett Avenue and Juan Hernandez Drive, with connections to existing sidewalks. Two points of ingress/egress for vehicles and bicycles are provided along Barrett Avenue, and two along Juan Hernandez Drive. A private drive is provided along the southern portion of the property that could provide connectivity to the adjacent vacant parcel to the south when it is developed in the future. The conceptual Site Plan provides for connectivity to this adjacent vacant parcel to facilitate connectivity in anticipation of its eventual development. Residential and open space/park uses will be adjacent to existing residential uses and
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General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
- Minimizing the use of gates, fences, and walls that separate the subdivision from the surrounding community. - Planning for future connections to adjacent undeveloped property.	Barrett Elementary School, and connectivity within the property will be provided via several pedestrian paths. The open space area abuts Barrett Avenue, which is adjacent to Barrett Elementary School, and will be made accessible to the school. The northern most open space/park area will be dedicated by easement for public use, including use by the Barrett Elementary School, to be used as a common amenity.
Policy CNF-11.10 Open Space. Require new subdivisions to feature integrated common open spaces, parks, and community facilities that serve as social and design focal points. Open spaces should be a close walking distance from all residents and should be large enough to be useful for residents.	The conceptual Site Plan includes approximately three acres of passive park/open space. Approximately 1.7 acres of the open space will be available to the elementary school for its use and benefit. The remainder of open space, including walking trails, serves the residential, commercial and office components of the plan, as well as neighboring residents. The open space and park areas are within walking distance of all of these uses and connected by pedestrian paths.
Policy CNF-12.1 Neighborhood Center Design. Allow neighborhood centers within future residential neighborhoods. Neighborhood centers are envisioned as nodes or focal points that offer neighborhood-serving services and amenities within a reasonable walking distance from adjoining residential areas. These centers should be designed to increase the accessibility of goods and services within existing residential neighborhoods, particularly for the benefit of senior citizens and those with limited mobility, and to offer opportunities for socialization.	Consistent: The PD Master Plan includes neighborhood serving uses and amenities including retail, restaurant, and medical office/hospital uses to serve the proposed and existing neighborhood. These uses include public gathering areas and pedestrian access. These services will be within walking distance to the existing and proposed neighborhoods and will increase the accessibility of services for the existing neighborhood, particularly for the benefit of senior citizens by providing close walkable medical offices.
Policy CNF-12.4 Neighborhood Center Requirements. Require future neighborhood centers to meet the following requirements: - The design of neighborhood center should provide a sense of place, promote casual interaction, and enhance overall well-being. - The design of neighborhood center should complement the residential character of its immediate surroundings, including site design, access, building style, building materials, signage, lighting, and landscaping.	Consistent: The PD Master Plan conceptual Site Plan includes pedestrian pathways that connect the open space, residential, retail, and medical components of the plan. The PD Master Plan includes a small retail center and open space/park areas that, along with the pedestrian access ways, will provide gathering areas and a sense of place, thereby promoting casual interaction and overall wellbeing. The project will be required to undergo design review with the City of Morgan Hill to ensure that the design complements the residential character of the adjacent neighborhood.

General Plan City and Neighborhood Form Goals and Policies	Consistency Analysis
Mixed Use Flex-GOAL CNF-13 Mixed use flex developments that include a variety of uses and forms to foster a dynamic urban environment. Policy CNF-13.1 Mixed Use Flex Development. Encourage a mix of uses, either vertically or horizontally, to allow residents and employees to meet daily needs without the use of the private automobile.	Consistent: The PD Master Plan allows for a variety of uses including retail, residential, and medical uses. The combination of uses within the property provides for walkability to services for residents and employees.
Commercial and Office- GOAL CNF-15 Sufficient, sustainable, and concentrated commercial and office uses. Policy CNF-15.3 Retail Uses at Major Intersections. Encourage retail sales use at major intersections as the focus of clustered commercial development.	Consistent: The PD Master Plan provides for clustered commercial, medical, and retail uses near a major intersection at the south side of Morgan Hill.
Policy CNF-15.5 Office Development. Encourage new regional and local-serving office development at appropriate locations.	Consistent: The PD Master Plan allows for medical offices / hospital uses to create a campus of medical offices to serve the community and region.
Commercial / Industrial-GOAL CNF-18 Integrated job-generating centers that offer workers and businesses a range of services to meet their daily needs. Policy CNF-18.1 Vibrant Job Centers. Encourage land with a Commercial/Industrial designation to develop with job-generating uses with amenities that support workers and businesses, such as restaurants, lodging, fitness centers, and hair salons.	Consistent: The PD Master Plan allows for concentrated and integrated retail, medical offices and hospital uses that will provide jobs for the City and the surrounding neighborhood. The medical office/ hospital is expected to produce approximately 472 jobs. The PD Master Plan also allows for amenities such as restaurants, and personal services to serve the neighborhood and the surrounding community.

Housing

Table 4 General Plan 2035 - Housing Goals and Policies

General Plan Housing Goals and Policies	Consistency Analysis
Goal HE-4 A range of housing types for all age groups, served by transit, recreational amenities, shopping, and health and personal services, that allows residents to age in place.	Consistent: The PD Master Plan allows for a range of housing types including one and two bedroom units and affordable units. The PD Master Plan allows for housing conveniently co-located with services including medical office / hospital and retail uses. Residents of the neighborhood would live within walking distance of health and personal services that would allow for them to age in place.
Policy HE-4u: Mix of Housing Near Services. Encourage a mix of housing types in each neighborhood located convenient to shopping, services, recreation, and transit routes.	The PD Master Plan allows for a range of housing types including one and two bedroom units and affordable units. The PD Master Plan allows for housing conveniently co-located with services including medical office / hospital, retail uses, open space/park uses, and Barrett Elementary School. The nearest Valley Transportation Authority bus route is located more than one mile from the property, but the applicant is open to the establishment of service at the property.

Economic Development

Table 5 General Plan 2035 - Economic Development Goals and Policies

General Plan Economic Development Goals and Policies	Consistency Analysis
Policy ED-7.4 Compatible Uses in Retail Centers. Encourage the evolution of retail centers into mixed-use activity nodes by supporting integration of uses that provide necessary or useful services or amenities that will benefit nearby residential areas and commercial establishments. Such uses may include but shall not be limited to: a. Health services and fitness facilities. b. Childcare. c. Housing, including affordable and senior housing. d. Religious facilities. e. Education/training facilities. f. Parks/community facilities/public gathering places.	Consistent: The PD Master Plan provides a mix of retail and medical uses convenient to the proposed and existing adjacent neighborhood. The medical and retail uses will provide health and retail services and amenities to the existing and proposed neighborhood. The PD Master Plan also includes public plaza and gathering locations.
GOAL ED-8 Office and industrial areas that provide high-quality work locations for existing and new businesses. Policy ED-8.1 Office and Industrial Development. Support the development of office and industrial facilities to meet local demand, compete for regional growth opportunities, and create high-quality jobs that match with local housing opportunities.	Consistent: The PD Master Plan allows for medical and retail uses to meet local demand and create high quality jobs. The PD Master Plan also allows for residential uses thereby providing local housing opportunities adjacent to places of employment.

Healthy Community

Table 6 General Plan 2035 - Healthy Community Goals and Policies

General Plan Healthy Community Goals and Policies	Consistency Analysis
Parks, Recreation, and Trails- GOAL HC-3 Usable, complete, well-maintained, safe, and high-quality activities and amenities, including active and passive parks and recreational facilities, community gardens, and trails that are accessible to all ages, functional abilities, and socio-economic groups.	Consistent: As shown in the conceptual Site Plan, the PD Master Plan includes over three acres of passive park areas, open space buffer areas, and a tot lot connected by meandering pedestrian pathways. The passive park and open space on the property will allow for multiple activities for all socio-economic groups, functional ability, and ages.
Policy HC-3.8 Private Open Space. Encourage new development to permit public access to private open space and parks where feasible and appropriate.	Consistent: The PD Master Plan identifies open space areas that will be available to residents and patrons of the medical and retail facilities.

General Plan Healthy Community Goals and Policies	Consistency Analysis
Access to Health Care- GOAL HC-7 Access for all residents to health care facilities and other important community health amenities. Policy HC-7.2 Professional Education. Encourage increased education and professional development resources to support students and employees in the health care field.	Consistent: The PD Master Plan provides for 130,400 square feet of medical facilities and important health amenities for residents. It is expected that a wide variety of medical practices will be provided within a campus setting that could encourage increased professional development resources to support students/interns in the health care field.

Transportation

Table 7 General Plan 2035- Transportation Goals and Policies

General Plan Transportation Goals and Policies	Consistency Analysis
GOAL TR-3 A coordinated, continuous network of streets and roads. Policy TR-3.16 Private Development Access along Arterials. Require development that occurs along arterial streets to obtain access through a local street or major entrance and not through curb cuts directly onto the arterial street wherever possible.	Consistent: The property is not accessed directly from an arterial. Tennant Avenue and Butterfield Boulevard are the nearest arterials to the property. The property is accessed from Juan Hernandez Drive and Barrett Avenue, which connect to these arterials.
Policy TR-3.17 Planned Development Access near Highway 101. Require Planned Developments (PDs) for commercial, office, or industrial uses at the intersections of Highway 101 and arterial streets to take access from a public street intersecting with the arterial street at a minimum distance of 600 feet from the freeway on and off ramps, unless the City Engineer finds that direct access to the arterial street or closer access will meet safety standards, or that mitigating actions will be taken to ensure safe access and minimum interference with traffic flows.	Consistent: Access to the property will be from Juan Hernandez Drive and Barrett Avenue. Juan Hernandez Drive is an existing City street that intersects Tennant Avenue at a safe distance from the offramp of US Highway 101. The nearest property driveway is more than 700 feet north of Tennant Avenue.

Parking-GOAL TR-5 Adequate off-street parking. Policy TE-5.1 Adequate Parking Supply. Ensure that all developments provide adequate and convenient parking...	Consistent: The conceptual Site Plan provides for a 500-space parking structure and 96 additional spaces for the existing and proposed medical uses, 55 spaces for the retail use, and 359 spaces for residential use, which totals 1,010 on-site parking spaces. Based on the parking demand study, the parking supply for the entire project is proposed to total 1,010 spaces, as indicated in the study. The total gross parking requirement for the entire project is 965 spaces using the more conservative approach. There will be an overall surplus of about 45 spaces using City gross parking requirements with selected ITE peak parking rates. The project therefore will provide an adequate total parking supply to meet the overall project demand. Parking is conveniently located within walking distance to the various uses, and can be easily facilitated through a shared parking arrangement.
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Policy TR-5.3 Parking Lot Connection. Require cross-connection of parking lots, where feasible and practical, at the time of design review for all commercial and industrial developments.	Consistent: As shown in the PD Master Plan conceptual Site Plan, parking lots are cross-connected where practical.
Bikeways-GOAL TR-8A useable and comprehensive bikeway system that safely connects neighborhoods with workplaces and community destinations. Policy TR-8.12 Bicycle Parking. Bicycle parking and other supportive facilities shall be provided at all schools, parks, recreation facilities, commercial centers, civic buildings (including the library), transit centers, and workplaces based on the recommendations and standards in the Bikeways Master Plan.	Consistent: Existing bike lanes on Juan Hernandez Drive will serve the development providing a safe bikeway system to get to and from the property. Bicycle parking will be provided at each use on the property to encourage residents, employees, and patrons to use alternative means of transportation. On-site bicycle parking will adhere to the Bikeways Master Plan guidelines, and zoning code requirements.
Pedestrian Network- GOAL TR-9 Expanded pedestrian opportunities. Policy TR-9.7 Concurrent Implementation. Where feasible, implement the trails and pedestrian system concurrent with adjacent developments.	Consistent: As shown in the conceptual Site Plan, sidewalks and pathways will be provided throughout the property to encourage walking on the campus. Sidewalks connect to those located on adjacent streets to provide connectivity.
Policy TR 10.3 and TR-10.4 Flexible Work Hours. Encourage employers to provide a flexible set of working hours to ease traffic congestion. Carpooling. Support a Countywide car/ vanpool matching program.	Consistent: The applicant will provide educational materials to end uses or future developers to encourage employers to provide flexible work hours, carpooling options, and other alternative transportation methods as may be available. Bay Area employers with 50 or more full-time employees within the Bay Area Air Quality Management District geographic boundaries are required to register and offer commuter benefits to their employees in order to comply with Air District Regulation 14, Rule 1.

Natural Resources and Environment

Table 8 General Plan 2035 - Natural Resources and Environment Goals and Policies

General Plan Natural Resources and Environment Goals and Policies	Consistency Analysis
Water Quality and Conservation - GOAL NRE-7 Conservation of water resources. Policy NRE-7.1 Water Standards for Private Development. Promote water conservation and efficient water use in all private development projects. Require development to exceed State standards for the use of water.	Consistent: Water saving measures will be implemented on the development project in the way of "green" design features. Very low flow toilets, efficient landscaping, and water capture and reuse will be used to conserve water.

Policy NRE-7.3 Water Efficiency and Landscaping. Promote water conservation and efficient water use in all public and private landscaping plans.	Consistent: Drought tolerant and area-suitable landscape materials will be utilized on the development project to promote water conservation.
EnergyEfficiency-GOALNRE-16Conservationofenergy resources. Policy NRE-16.1 Energy Standards for New Development. New development, including public buildings, should be designed to exceed State standards for the use of energy.	Consistent: New development will be designed consistent with energy standards that meet and exceed the City and State standards for use of energy.
Policy NRE-16.7 Renewable Energy. Encourage new and existing development to incorporate renewable energy generating features, like solar panels and solar hot water heaters.	Consistent: Future development of the property will adhere to new State climate change regulations, which include requirements to provide solar energy and otherwise reduce electrical use. Design approval of development is required, during which the merits of the project site plan and design will be considered, including renewable energy.

Safety, Services, and Infrastructure

Table 9 General Plan 2035- Safety, Services, and Infrastructure Goals and Policies

General Plan Safety, Services and Infrastructure Goals and Policies	Consistency Analysis
Noise GOAL SSI-8 Prevention of noise from interfering with human activities or causing health problems. Policy SSI-8.1 Exterior Noise Level Standards. Require new development projects to be designed and constructed to meet acceptable exterior noise level standards (see Table SSI-1), as follows: - Apply a maximum exterior noise level of 60 dBA Ldn in residential areas where outdoor use is a major consideration (e.g., backyards in single-family housing developments and recreation areas in multi-family housing projects). Where the City determines that providing an Ldn of 60 dBA or lower cannot be achieved after the application of reasonable and feasible mitigation, an Ldn of 65 dBA may be permitted. - Indoor noise levels should not exceed an Ldn of 45 dBA in new residential housing units.	Consistent: The conceptual Site Plan includes a 25 foot buffer from the US Highway 101 off-ramp and places the parking and parking garage closest to the freeway to further buffer the medical and residential uses. Residentially occupied buildings are located a minimum of 250 feet from the US Highway 101 through lanes. A noise analysis was completed for the project that determined all exterior and interior noise levels would be met with implementation of the recommendations contained therein. Mitigation measures will be implemented when the buildings are constructed to ensure the acceptable noise levels are met.

Noise levels in new residential development exposed to an exterior Ldn 60dBA or greater should be limited to a maximum instantaneous noise level (e.g., trucks on busy streets, train warning whistles) in bedrooms of 50dBA. Maximum instantaneous noise levels in all other habitable rooms should not exceed 55 dBA. The maximum outdoor noise level for new residences near the railroad shall be 70 dBA Ldn, recognizing that train noise is characterized by relatively few loud events.	
Policy SSI-8.4 Office Noise Level Standards. Interior noise levels in office buildings should be maintained at 45 dBA Leq (hourly average) or less, rather than 45 dBA Ldn (daily average).	Consistent: Mitigation measures including noise reduction measures and emergency generator noise suppressors will be implemented when the buildings are constructed to ensure the acceptable noise levels are met. A noise analysis is provided as part of the CEQA documentation.
Policy SSI-8.9 Site Planning and Design. Require attention to site planning and design techniques other than sound walls to reduce noise impacts, including: a) installing earth berms, b) increasing the distance between the noise source and the receiver; c) using non-sensitive structures such as parking lots, utility areas, and garages to shield noise sensitive areas; d) orienting buildings to shield outdoor spaces from the noise source; and e) minimizing the noise at its source.	Consistent: Building location was taken into account in the conceptual Site Plan to locate sensitive uses a minimum of 250 feet from the throughlanes of US Highway 101. Building placement and strategically placed landscaping will help to minimize noise at its source. Additionally, the noise analysis recommends an 8 foot sound wall along Highway 101 to reduce noise impacts to the residential component of the project.

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PD MASTER PLAN AND ZONING FINDINGS

8.1 PD Master Plan Findings

The following statements describe how the PD Master Plan complies with the findings required for the approval of a planned development project per Municipal Code Section 18.30.050.H.7 (Findings).

General Plan and Zoning Consistency

- a. *The proposed development is consistent with the general plan, zoning code and any applicable specific plan or area plan adopted by city council.*

Finding

The PD Master Plan incorporates an amendment of the 2035 General Plan. The 2035 General Plan designation of Mixed Use Flex with a seven dwelling unit per acre minimum and 24 dwelling unit per acre maximum will allow the residential uses proposed within the PD Master Plan and the hospital use, not currently an allowed use on the property. Section 7 outlines in greater detail how the PD Master Plan is consistent with the goals and policies of the 2035 General Plan. As allowed by Municipal Code Section 18.30.050, the PD Master Plan identifies several changes to the development standards that apply in the CS district; these changes include increased building heights and modifications to parking standards for shared parking arrangements. The floor area ratio is reduced from 0.6 to 0.5. The Planning Commission will have say on two aspects of future development, to ensure consistency with zoning regulations. Design approval is required for all development, during which the merits of the site plan and architectural design will be considered. Some uses may require a conditional use permit, and those will require a hearing to determine suitability. During these reviews, consistency with zoning code requirements will be analyzed as they specifically relate to the development project. The PD Master Plan is not located within a specific plan or area plan.

Superior to Development Under Existing Zoning

- b. *The proposed development is superior to the development that could occur under the standards applicable in the existing zoning districts.*

Finding

The PD Master Plan allows a mix of compatible uses, including a much-needed residential component to provide sustainability to the remainder of the uses, and a retail and medical office / hospital component to provide work opportunities to the neighborhood and community. The urgent care/ pharmacy would provide a convenient location for the surrounding neighborhood and patrons to the school to utilize the services it will provide. The affordable multi-family residential uses will allow tenants to age in place, and will provide a near-by down-sizing option for empty nesters in the adjacent single family houses. The passive park with a walking/jogging trail system, located along Barrett Avenue and US Highway 101, will allow for enjoyment by the retail and medical office employees and visitors, as well as by the apartment residents⁷ and residents of the surrounding neighborhood. The high-density residential use will allow elementary school-aged children to walk to Barrett Elementary School. The retail area will provide convenience services to both the medical/office uses and residents.

Substantial Public Benefit

- c. *The proposed project will provide a substantial public benefit as defined in Paragraph 8 (Substantial Public Benefit Defined) below. The public benefit provided shall be of sufficient value as determined by the planning commission to justify deviation from the standards of the zoning district that currently applies to the property.*

Substantial Public Benefit Defined. When used in this section, “substantial public benefit” means a project feature not otherwise required by the zoning code or any other provision of local, state, or federal law that substantially exceeds the city’s minimum development standards and significantly advances goals of the general plan. A project must include one or more substantial public benefits to be rezoned as a planned development. The public benefit provided shall be of sufficient value as determined by city council to justify deviation from the standards of the zoning district that currently apply to the property. Examples of substantial public benefits include but are not limited to:

- a. **Housing that is affordable to lower-income households.***
- b. **Public plazas, courtyards, open space, and other public gathering places that provide opportunities for people to informally meet and gather.***
- c. **New or improved pedestrian and bicycle pathways that enhance circulation within the property and connectivity to the surrounding neighborhood.***
- d. **Green building and sustainable development features that substantially exceed the city’s minimum requirements.***
- e. **Preservation, restoration, or rehabilitation of a historic resource.***
- f. **Increased transportation options for residents and visitors to walk, bike, and take public transit to destinations and reduce greenhouse gas emissions.***
- g. **Publicly accessible parks and open space beyond the minimum required by the city or other public agency.***

- h. Habitat restoration and or protection of natural resources beyond the minimum required by the city or other public agency.*

⁷ All references to apartments instead refer to townhomes and single-family detached dwellings as revised by the new site plan revised on October 6, 2020.

Finding

The items shown in bold above are items for which the PD Master Plan exceeds the City's minimum development standards.

Affordable Housing. The PD Master Plan adds residential uses on the property in conjunction with an amendment to the 2035 General Plan. The residential units are planned at a density of about 20 units per acre, thus increasing the inherent affordability, and 15 percent of the units will be deed restricted affordable units. The PD Master Plan proponent agrees to enter into a contract with the City to ensure the continued affordability of all affordable rental units for 55 years or a longer period of time if required by an applicable construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Rents for the lower income density bonus units will be set at an affordable rent as defined in Section 50053 of the Health and Safety Code.

Single Family for-sale units will comply with the City of Morgan Hill Municipal Code Section 18.48.070, and the city shall ensure that the initial occupant of all affordable for-sale units are households of low-, very low-, or moderate-income, as applicable, that the units are offered at an affordable housing cost as defined in Health and Safety Code Section 50052.5, and that affordability covenants and restrictions continue for 55 years.

Under Municipal Code Section 18.156, residential units are subject to Residential Development Control System (RDCS), and require an application for Residential Building Allotment for any units proposed. SB-330 (2019 – Nancy Skinner) was recently signed by the Governor and eliminates this program that is designed to meter new housing development over time.

Parks and Public Gathering Places. A passive park along Barrett Avenue, a passive park between the retail and medical uses, and installation of a walking/jogging trail around the perimeter of the property are proposed to provide a public benefit. The two park areas encompass approximately 2.20 acres of land. This acreage does not include the walking trail within other open areas of the property. This area can be used by residents, employees, and the general public as they visit the uses on the project site. The tenants on the property may also use the passive park as an amenity for people to informally meet and gather.

Pedestrian and Bicycle Pathways. Pathways are proposed within the park to allow walking opportunities and exercise for seniors and youth. Walkways will connect from the park to all other uses on the property and to the surrounding local streets to provide full connectivity. This will encourage visitors to walk, bike, and use other forms of transportation to reduce greenhouse gas emissions and promote a healthy community. The pathways will provide a connection between the high-density residential uses and Barrett Elementary School, and will connect all uses to the retail commercial area.

Because the development is a Commercial subdivision, the applicant is technically not required to dedicate open space per Title 17, Section 17.28.150. However the proponents, because they are submitting for a PD Master Plan, would like to dedicate a portion of the property as park area, available to the public and to the adjacent Barrett Elementary School. The minimum required open space for this project, if it were a multi-family subdivision, would be to provide recreation amenities in the amount

of .0088 acres per dwelling unit, at 200 dwelling units this would equal 1.76 acres of land. The park area and open space adjacent to Barrett Avenue is approximately 1.73 acres and would be dedicated with an easement, and be available to the general public. Additional public open space is provided where the pathway continues along US Highway 101. Additional open space and amenities are provided for private use of the multi-family residences (approximately 0.70 acres) and as a break area for the employees (approximately 0.44 acres); these would remain in private ownership.

Green and Sustainable Design. The buildings and site furnishings will include green building and sustainable development features such as LED smart lighting, solar power, very low flow toilets, and building materials to encourage healthy indoor air quality.

Residential market-rate and affordable housing rental units are proposed to provide a sustainable land use pattern that reduces the number and length of vehicle trips. This higher density residential and mixed use development is within walking distance to Barrett Elementary School, and will also provide for convenient services within walking distance for the on-site employees and residents.

Bicycle parking and pathways are provided to promote alternative modes of transportation. Landscaping will be designed to meet and exceed the state standards for water conservation, including low water use trees and shrubs, and plantings to provide shade to reduce the need for excessive building cooling.

Community Benefits from the Project

Healthcare Facilities. The PD Master Plan would provide much needed medical facilities to serve the community. The Urgent Care/Pharmacy would reduce trips traveled to receive routine medical care. The Cancer Center would provide services to meet the growing need for this service in the area.

Retail Component. Providing an appropriately sized retail/restaurant building would provide onsite workers the opportunity to have breakfast or lunch within walking distance from their place of employment, avoiding automobile travel.

Creates Jobs for Morgan Hill. The hospital, urgent care/pharmacy, medical office and retail uses proposed will provide varied work opportunities for the people living in Morgan Hill and the surrounding area.

Parks and Public Gathering Places. A passive park along Barrett Avenue, a passive park between the retail and medical uses, and installation of a walking/jogging trail around the perimeter of the property are proposed to provide a public health benefit. The two park areas encompass approximately 2.20 acres of land. It is expected the Restaurants will also have outdoor dining areas, providing places to gather.

Pedestrian and Bicycle Pathways. Pathways are proposed within the parks to allow walking opportunities and exercise for all ages. Walkways will connect from the park and to all other uses on the property and to the sidewalks on the surrounding streets, providing full connectivity.

Affordable Housing. The PD Master Plan adds residential uses on the property in conjunction with an amendment to the 2035 General Plan. As proposed in the Conceptual Site Plan, the residential units

are planned at a density of about 20 units per acre, thus increasing the inherent affordability, and 15 percent of the units will be deed restricted affordable units. If the project is designed with Single Family for-sale units, affordable housing will be provided per the City code.

School Drop-off. The project will help to alleviate the parking and drop-off issues associated with Barrett Avenue Elementary School. Cross walks will be installed on both adjoining streets to enhance walkability to and from the project. Parking to serve the school and public is expected to be provided in the park adjacent to Barrett Avenue.

Green and Sustainable Design. The buildings and site furnishings will include green building and sustainable development features.

Landscape the Site. The development will provide abundant landscaping throughout to create a green and aesthetic feel, as well as screen development from the traffic on US Highway 101, Juan Hernandez Drive and Barrett Avenue.

Restore Habitat. The project tree and landscape planting will enhance wildlife on the project site as well as provide a visually pleasing atmosphere for the surrounding area. Flowering plants and trees are proposed to accomplish this restoration. Adequate Property Size

Adequate Property Size

d. The site for the proposed development is adequate in size and shape to accommodate proposed land uses.

Finding

With approximately 19.67 acres of land, there is adequate land area to provide the uses proposed in the PD Master Plan. The medical office / hospital uses proposed are intentionally located adjacent to the existing medical office to promote a walkable medical campus. The retail uses, including public services, are proposed along the active local street to ensure visibility and ease of access by the surrounding residential uses and provide easy access by the residents and employees on the property. Residential uses, providing affordable housing, are located on the property to provide adequate separation from the highway and close proximity to the passive park and Barrett Elementary School.

The PD Master Plan under a Mixed Use Flex general plan designation, which includes multi-family residential uses, retail commercial and restaurant, medical office/hospital uses, and open space parks, will provide a dynamic environment of compact living. This will allow residents and employees to meet daily needs and lessen the need for a private automobile.

Adequate Infrastructure

e. Adequate transportation facilities, infrastructure, and public services exist or will be provided to serve the proposed development.

Finding

The PD Master Plan, which abuts the US Highway 101 off-ramp, is surrounded on two sides by local streets and has a driveway connection just south of the existing medical offices, used for access to the medical campus and additional driveways are proposed for site access. Juan Hernandez Drive and Barrett Avenue are existing local streets with the capacity to handle the development of this property. Circulation to the property from within Morgan Hill is provided by Tennant Avenue and Butterfield Boulevard. Public utilities exist in the surrounding streets and can serve the proposed development.

Compatible with Surroundings

- f. *The proposed development will not have a substantial adverse effect on surrounding property and will be compatible with the existing and planned land use character of the surrounding area.*

Finding

The PD Master Plan deviates from the approved commercial zoning existing on the property by the addition of hospital and multi-family residential uses. With the incorporated general plan amendment to Mixed Use Flex, and the mixed use development envisioned in the conceptual Site Plan, suitable transitions between the existing uses will be provided. There are no uses included in the conceptual Site Plan that would have an adverse effect on the surrounding residential and school uses. The existing residential uses adjacent to Juan Hernandez Drive and Barrett Avenue, and Barrett Elementary School will benefit from the retail and restaurant uses that the PD Master Plan provides. The park and open space provided on the property will benefit the adjacent Barrett Elementary School and the adjacent residences. The high density residential use will provide a suitable buffer between the adjacent single-family residences and school, and the walkable medical campus. The uses proposed will not cause odors, health risks, or safety issues to the surrounding sensitive uses. Adequate measures will be taken during the construction phase to protect the surrounding property from noise, vibration, dust, and construction traffic.

Zoning Map Findings

- g. *Findings required for the concurrent approval of a zoning map amendment can be made.*

Finding

The project site is in a Services Commercial zoning district with a PD combining overlay so the finding can be made that it is consistent with the zoning map. Amending the 2035 General Plan use to allow the residential and hospital use will not alter the zoning map.

8.2 Zoning Amendment Findings

The following statements describe how the PD Master Plan complies with the findings required for the approval of a planned development project per Municipal Code Section 18.114.060 - Findings for Approval.

A. *Findings for all Zoning Code and Zoning Map Amendments.*

General Plan Consistency

1. *The proposed amendment is consistent with the general plan and any applicable specific plan as provided by Government Code Section 65860.*

Finding

With the general plan amendment that is incorporated into the PD Master Plan, the zoning map amendment is consistent with the 2035 General Plan. The general plan land use diagram amendment from Commercial to Mixed Use Flex allows specific residential uses to be included in the CS district with the PD overlay.

Public Interest, Health, Safety, Convenience, Welfare

2. *The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the city.*

Finding

The multi-family residential uses would be beneficial to the public interest, health, safety, convenience, and welfare of the city. The multi-family residential uses would provide more opportunities for residents to work near the medical offices, retail uses, and medical/hospital facility on the property, all of which provide job opportunities for the onsite and surrounding residential uses. The residential uses, including 15 percent affordable units, would also allow seniors the opportunity to age in place, consistent with 2025 General Plan policy. Providing residential uses in close proximity to the commercial and office uses would also reduce the greenhouse gas emissions if the residents were employees or were patrons of the proposed uses, and would enable school-aged children to walk to school. The multi-family residential housing added on this property, when capped at 150 units, would not create an overload on the local street system. Additionally, where the housing is positioned on the property allows for a step down from the existing residential and public facility use to the denser office and commercial uses. The hospital use would also be beneficial to the public interest, health, safety, convenience, and welfare of the city. The hospital would provide much needed medical service to the community and a variety of job opportunities.

Internal Consistency

- B. *Additional Finding for Zoning Code Text Amendments. The proposed amendment is internally consistent with other applicable provisions of the zoning code.*

Finding

No changes to the existing zoning code text will be made. The PD Master Plan continues to rely on Zoning Code development standards for the most part. Several deviations from established standards are specifically outlined in the PD Master Plan, consistent with the regulations for establishing PD districts and PD Master Plans. There would be no internal inconsistencies as a result of the PD Master Plan.

Physically Suitable Site

- C. *Additional Finding for Zoning Map Amendments. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.*

Finding

The 19.67 acre parcel is suitable in design, location, shape and size to accommodate the uses allowed by the PD Master Plan. The multi-family residential use would be appropriate next to the passive park located on the property along Barrett Avenue and would serve as a buffer from the more intense uses of office/commercial on the southern end of the property. With the amendment to the 2035 General Plan changing the land use designation from Commercial to Mixed Use Flex, the PD Master Plan is consistent with the general plan and zoning code. All of the uses in the PD Master Plan will contribute to the health, safety, and welfare of persons living or working on the property and surrounding properties, and to the community at large. The PD Master Plan promote community health and social interaction within the neighborhood by providing retail stores, a restaurant, plazas, and open spaces as gathering places. The pathways provide places for healthful exercise.

LEGAL DESCRIPTIONS

Legal Description – APN 817-09-039 and 817-09-041

Real property in the City of Morgan Hill, County of Santa Clara, State of California, described as follows:

All of parcels “D” and “E”, as shown on that certain Parcel Map filed for record in the Office of the Recorder, County of Santa Clara, State of California on May 24, 1983 in Book 513 of Maps, on Pages 14, 15, and 16, more particularly described as follows:

Beginning at the most southerly corner of said parcel “D”, as shown on said Parcel Map; thence

- 1) South 89°03’ 48” West, 637.61’, thence
- 2) Along a non-tangent circular curve, concave west, the center of which bears South 89°03’ 47” West, with a radius 536.00’, through a central angle 3° 44’ 38”, an arc length of 35.02 feet; thence
- 3) North 89° 03’ 48” East, 276.87 feet; thence
- 4) North 19° 31’ 04” East, 203.35 feet; thence
- 5) North 70° 28’ 56” West, 58.00 feet; thence
- 6) North 25° 28’ 56” West, 83.00 feet; thence
- 7) South 64° 31’ 04” West, 321.00 feet; thence
- 8) Along a non-tangent circular curve, concave southwest, the center of which bears South 68° 32’ 11” West, with a radius 536.00’, through a central angle 4° 00’ 40”, and arc length of 37.52 feet; thence
- 9) North 25° 28’ 29” West, 711.68 feet; thence
- 10) Along a tangent circular curve, concave east, with a radius 20.00 feet, through a central angle 89° 59’ 29”, and arc length of 31.41 feet; thence
- 11) North 64° 31’ 00” East, 717.84 feet; thence
- 12) Along a non-tangent circular curve, concave south, the center of which bears South 15° 32’ 49” East, with a radius 20.00 feet, through a central angle 42° 46’ 35”, an arc length 14.93 feet; thence

- 13) Along a tangent reverse circular curve, concave northwest, with a radius 42.06 feet, through a central angle $137^{\circ} 35' 51''$, an arc length 101.01 feet; thence
- 14) South $20^{\circ} 31' 38''$ East, 842.39 feet; thence
- 15) Along a non-tangent circular curve, concave west, the center of which bears South $69^{\circ} 29' 06''$ West, with a radius 547.00 feet, through a central angle $46^{\circ} 59' 24''$, an arc length 448.61 feet; thence
- 16) South $26^{\circ} 26' 41''$ West, 17.26 feet, more or less to the Point of Beginning End of

Description

All of parcels "C", as shown on that certain Parcel Map filed for record in the Office of the Recorder, County of Santa Clara, State of California

Legal Description – APN 817-09-040

The land referred to herein below is situated in the City of Morgan Hill, County of Santa Clara, State of California and is described as follows:

Parcel One:

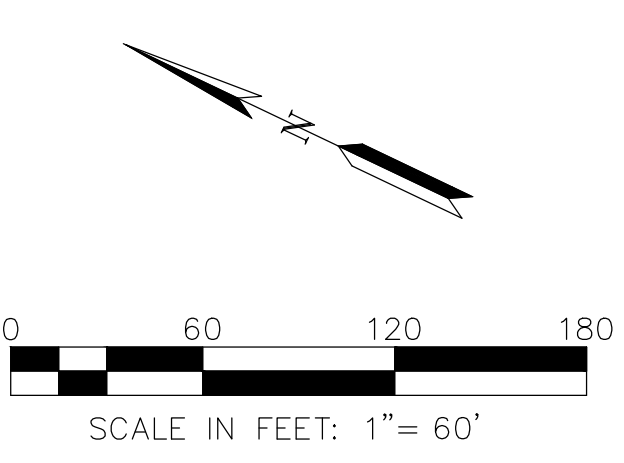
Parcel C, as shown on Parcel Map recorded in Book 513 of Maps, at Pages 14, 15, 16, Santa Clara County Records, and being a portion of Lot 25 and lot 52 of "Catherine Dune Ranch Map No. 7", as shown on Map thereof, recorded in Book "L" of Maps, at page 26, Santa Clara County Records.

Parcel two:

An easement for ingress and egress over, under, on and across a strip of land 35.00 feet wide, described as follows:

Beginning at an iron pipe distant thereon South 25 degrees 57' 55" East 126.93 feet from the Southerly corner common to Lots 24 and 25, as shown on said Map and running thence North 89 degrees 03' 48" East 276.87 feet, South 00 degrees 56 deg. 12" East 35.00 feet, and South 89 degrees 03' 48" West 272.72 feet; thence along a curve to the left from a tangent bearing of North 00 degrees 56' 12" West, having a radius of 536.00 feet and a Central Angle of 3 degrees 44' 48", a distance of 35.03 feet to the Point of Beginning.

Item 2



RESIDENTIAL N/A

FIGURE
10B
JOB NO.
212006

STORMWATER FACILITY NOTE:
STORMWATER TREATMENT BASINS AND OTHER STORMWATER FACILITIES ARE LOCATED CONCEPTUALLY ON THIS PLAN. THE DEVELOPER RESERVES THE RIGHT TO RELOCATE, OR ADD ADDITIONAL STORMWATER FACILITIES AS NECESSARY TO COMPLY WITH CURRENT CITY AND STATE POST-CONSTRUCTION STORMWATER REQUIREMENTS.



PROJECT DATA

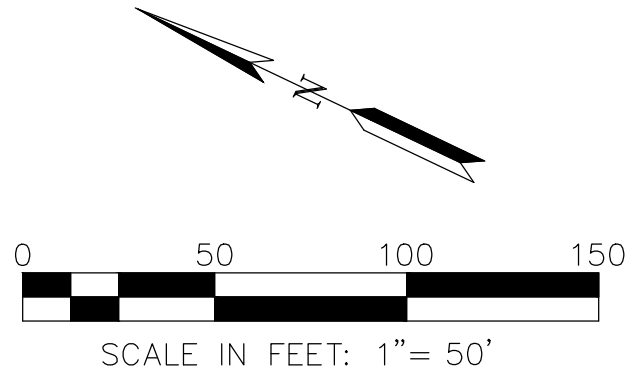
- ASSESSORS PARCEL NUMBER
817-09-039
817-09-040
817-09-041
- EXISTING SITE
PERVIOUS 8.45 AC
IMPERVIOUS 1.16 AC
TOTAL 9.61 AC
- PROPOSED SITE
PERVIOUS 3.37 AC
IMPERVIOUS 6.24 AC
TOTAL 9.61 AC
- OFFSITE UTILITIES
STORM DRAIN CITY OF MORGAN HILL
SANITARY SEWER CITY OF MORGAN HILL
WATER CITY OF MORGAN HILL
GAS & ELECTRIC PG&E
TELEPHONE VERIZON
- ONSITE UTILITIES
STORM DRAIN PRIVATE
SANITARY SEWER PRIVATE
WATER CITY OF MORGAN HILL/PRIVATE
GAS & ELECTRIC PG&E
TELEPHONE VERIZON
- LEGAL DESCRIPTION
PARCELS C, D, AND E, AS SAID PARCELS ARE SHOWN AND SO DESIGNATED ON THE PARCEL MAP FILED FOR RECORD MAY 24, 1983, IN BOOK 513 OF MAPS, PAGE 16, SANTA CLARA COUNTY RECORDS, STATE OF CALIFORNIA.
- PARCEL AREAS
PARCEL A 9.61 AC
PARCEL B 10.06 AC
TOTAL 19.67 AC
- BUILDING SETBACKS
FRONT 25'
REAR 0'
SIDE 0'

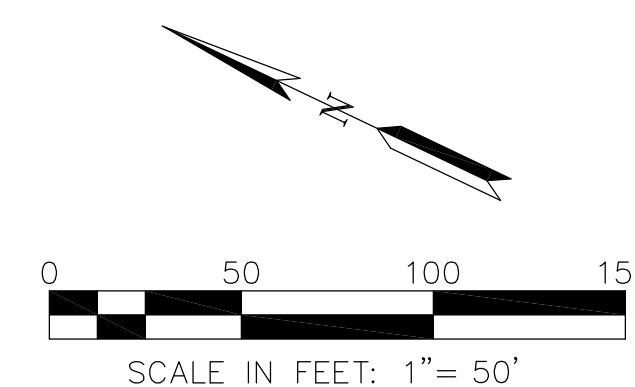
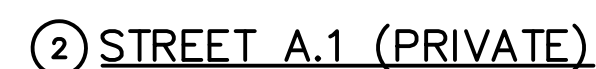
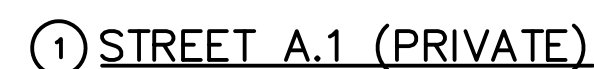
CONSTRUCTION NOTES

- PROJECT DESIGNED IN COMPLIANCE WITH CENTRAL COAST REGIONAL WATER QUALITY CONTROL BOARD PERFORMANCE REQUIREMENTS 1-4.
- STORMWATER BIOTRETENTION BASIN DESIGNED TO MEET CENTRAL COAST REGIONAL WATER QUALITY CONTROL BOARD (CCRWQCB) PERFORMANCE REQUIREMENT 2 FOR WATER QUALITY TREATMENT AND PERFORMANCE REQUIREMENT 3 FOR RUNOFF RETENTION OF THE 95% STORM EVENT.
 - UNDERGROUND CHAMBER SYSTEM DESIGNED TO MEET CCRWQCB PERFORMANCE REQUIREMENT 2 FOR WATER QUALITY TREATMENT AND PERFORMANCE REQUIREMENT 3 FOR RUNOFF RETENTION OF THE 95% STORM EVENT.
 - STORMWATER DETENTION BASIN DESIGNED TO MEET CCRWQCB PERFORMANCE REQUIREMENT NO. 4. THE BASIN IS DESIGNED TO DETAIN STORMWATER FOR THE 2 YEAR THROUGH 25 YEAR STORM EVENTS FOR ROSEWOOD RESIDENTIAL AND WITH AN ASSUMED ROSEWOOD MEDICAL IMPERVIOUS AREA OF 6.02 AC. PROPOSED MEDICAL IMPERVIOUS AREA TRIBUTARY TO THE BASIN IS 4.93 AC.
 - ACCESSIBLE PARKING. SEE SITE PLAN FOR PARKING COUNT AND REQUIREMENTS.
 - TRASH ENCLOSURE
 - DOMESTIC WATER METER AND BACKFLOW PREVENTER
 - FIRE MAIN DOUBLE CHECK VALVE ASSEMBLY
 - PUBLIC WATER MAIN
 - PRIVATE DOMESTIC WATER
 - PRIVATE FIRE LINE
 - ACCESS EASEMENT, PUBLIC SERVICE EASEMENT, STORM DRAIN EASEMENT
 - SOUTHBOUND LEFT TURN LANE CHANNELIZATION
 - FIRE HYDRANT
 - CURB CUT
 - TRENCH DRAIN

LEGEND

- ASPHALT PAVING
- PROPOSED BUILDING
- CONCRETE
- STORMWATER BIOTRETENTION BASIN
- PROPERTY LINE
- SEWER BUILDING POINT OF CONNECTION
- WATER BUILDING POINT OF CONNECTION
- FIRE BUILDING POINT OF CONNECTION
- FIRE HYDRANT
- FIRE DEPARTMENT CONNECTION AND POST INDICATOR VALVE
- UTILITY MANHOLE
- STORM DRAIN INLET
- UNDERGROUND STORM CHAMBER





RESOLUTION NO. 26-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL CERTIFYING THE FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT FOR THE ROSEWOOD/MORGAN HILL MEDICAL CAMPUS PROJECT AS CONSISTENT WITH THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND ADOPTING CEQA FINDINGS OF FACT REGARDING ENVIRONMENTAL IMPACTS AND A RELATED MITIGATION MONITORING AND REPORTING PROGRAM

WHEREAS, a Subsequent Environmental Impact Report (SEIR) (SCH Number 2023080645) was prepared for the Rosewood/Morgan Hill Medical Campus Project in accordance with the California Environmental Quality Act (CEQA). The SEIR identifies new significant impacts or substantially more severe significant impacts that the proposed project would result in beyond those identified for the 2020 Lillian Commons Medical Campus Project (Lillian Commons Project) Initial Study/Mitigated Negative Declaration (2020 IS/MND) (State Clearinghouse [SCH] No. 2020060601). As part of the analysis, the Draft SEIR identifies applicable mitigation measures from the 2020 IS/MND, modified mitigation measures, and new mitigation measures that would be required to be implemented as part of the proposed project. A Notice of Preparation (NOP) was circulated between August 25, 2023, and September 25, 2023, to receive comments regarding the scope and content of the SEIR. The Draft SEIR was circulated between September 5, 2025, and November 3, 2025; and

WHEREAS, the City of Morgan Hill received comments on the Draft SEIR by seven individuals, groups, and public agencies. Responses to those comments were included in a Final SEIR document in accordance with the requirements of CEQA; and

WHEREAS, the information contained in the Final SEIR, consisting of the Draft SEIR document in combination with the Final SEIR document, was reviewed and considered by the Planning Commission at a duly-noticed Planning Commission public hearing held on January 13th, 2026; and the Planning Commission took action to recommend to the City Council that the Final SEIR be certified as being found complete, correct, and in substantial compliance with the requirements of CEQA; and

WHEREAS, the SEIR concluded that implementation of the proposed project could result in significant effects on the environment and identified mitigation measures that would reduce all of the identified significant effects to a less-than-significant level; and

WHEREAS, in connection with the approval of a project involving the preparation of a SEIR that identifies one or more significant environmental effects, CEQA requires the decision-making body of the lead agency to incorporate feasible mitigation measures that would reduce those significant environmental effects to a less-than-significant level and adopt a Findings of Fact; and

WHEREAS, whenever a lead agency approves a project requiring the implementation of measures to mitigate or avoid significant effects on the environment, CEQA also requires a lead agency to adopt a mitigation monitoring and reporting program to ensure compliance with the mitigation measures during project implementation, and such a mitigation monitoring and reporting program has been prepared for the proposed project for consideration by the decision-maker of the City of Morgan Hill as lead agency for the proposed project (the "Mitigation Monitoring and Reporting Program"); and

WHEREAS, the City of Morgan Hill is the lead agency for the proposed project, and the City Council is the decision-making body for the proposed approval to construct and otherwise undertake the proposed project; and

WHEREAS, the SEIR and the related Findings of Fact and Mitigation Monitoring and Reporting Program for the project are, by this reference, incorporated into this Resolution as if fully set forth herein; and

WHEREAS, the SEIR, related Findings of Fact, and Mitigation Monitoring and Reporting Program for the proposed project are on file in the Development Services Department located at 17575 Peak Avenue, Morgan Hill, California, 95037, and are available for inspection by any interested person at that location.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1: FINDINGS OF FACT BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL REGARDING THE FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT FOR THE ROSEWOOD/MORGAN HILL MEDICAL CAMPUS PROJECT: The City Council finds, determines, and declares the findings and facts as set forth in the attached Exhibit "A" by this reference incorporated herein.

SECTION 2: CERTIFICATION OF FINAL SEIR: The City Council hereby certifies that the Final SEIR has been completed in compliance with CEQA.

PASSED AND ADOPTED THIS 21st DAY OF JANUARY 2026, AT A REGULAR MEETING OF THE CITY COUNCIL BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

MICHELE BIGELOW, City Clerk

MARK TURNER, Mayor

CERTIFICATE OF THE CITY CLERK

I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 26-XX, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the ____ day of _____, 2026.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBIT "A"

FINDINGS OF FACT BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL REGARDING THE FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT FOR THE ROSEWOOD/MORGAN HILL MEDICAL CAMPUS PROJECT (State Clearinghouse No. 2023080645)

The following Findings, the mitigation measures specified herein, and the Mitigation Monitoring and Reporting Program attached hereto are hereby adopted by the Morgan Hill City Council in accordance with the California Environmental Quality Act (CEQA), Public Resources Code Sections 21081, 21081.5 and 21081.6, and the CEQA Guidelines, Title 14, California Code of Regulations, Sections 15091 and 15092 for the Rosewood/Morgan Hill Medical Campus Project (project).

Section 15091 of the CEQA Guidelines states that:

- a. *No public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. The possible findings are:*
 - (1) *Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.*
 - (2) *Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.*
 - (3) *Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.*

In short, CEQA requires that the lead agency adopt mitigation measures or alternatives, where feasible, to avoid or mitigate significant environmental impacts that will otherwise occur with implementation of the project. Project mitigation or alternatives are not required, however, where they are infeasible or where the responsibility for modifying the project lies with another agency.

For those significant effects that cannot be mitigated to a less-than-significant level, the public agency is required to find that specific overriding economic, legal, social,

technological, or other benefits of the project outweigh the significant effects on the environment. The CEQA Guidelines state in Section 15093 that:

“If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered ‘acceptable.’”

The project would not result in significant and unavoidable impacts. Thus, a statement of overriding considerations is not required.

A. ENVIRONMENTAL REVIEW PROCESS

The Subsequent Environmental Impact Report (SEIR) prepared by the City of Morgan Hill (City) for the Rosewood/Morgan Hill Medical Campus Project (project) consists of the Draft SEIR and the Final SEIR/Response to Comments on the Draft SEIR.

On August 25, 2023, the City of Morgan Hill circulated a Notice of Preparation (NOP) for a 30-day comment period to request input on the types of impacts that could result from the proposed project. The Draft SEIR was made available for public review for a 60-day comment period that began on September 5, 2025 and ended on November 3, 2025. The Notice of Availability of a Draft SEIR was posted with the Santa Clara County Clerk, sent to the State Clearinghouse, published on the City’s website, and mailed to responsible agencies. The City of Morgan Hill received a total of seven written comment letters during the public comment period, as well as verbal comments received from one commenter at the community open house meeting held on October 23, 2025.

The City released the Final SEIR for public review on December 19, 2025. The Final SEIR consists of copies of all comments received on the Draft SEIR, a summary of verbal comments received on the Draft SEIR, a list of commenters, and all responses to comments. The Final SEIR, Draft SEIR, and Mitigation Monitoring and Reporting Program (MMRP) together comprise the SEIR for the project. The analysis and conclusions contained in the SEIR reflect the independent judgment of the City.

B. PROJECT DESCRIPTION

Chapter 3 of the Draft SEIR includes a detailed description of the project. Revisions to the project description were not required.

The approximately 9.61-acre project site consists of two parcels identified by Assessor’s Parcel Numbers (APNs) 817-09-040 and -057, located to the southeast of the Juan Hernandez Drive/Barrett Avenue intersection in the City of Morgan Hill. The majority of the project site is currently undeveloped and contains ruderal grasses. Two medical office buildings totaling 15,900 square feet (sf), as well as a paved surface parking lot and landscaping trees, occur on a 1.69-acre portion of the project site. Development of the project site was originally evaluated in the 2020 Lillian Commons

Project IS/MND, which anticipated development of a larger 19.67-acre project site with a 4,500-sf urgent care facility, a 10,000-sf medical building, a 100,000-sf medical office/hospital containing 55 beds, a three-story parking garage with 500 parking spaces, a 10,000-sf commercial retail/restaurant building, and a 200-unit multi-family residential complex. The 2020 IS/MND found that all potential physical environmental effects attributable to the approved project would be reduced to a less-than-significant level and was adopted by the Morgan Hill City Council. Subsequently, modifications to the proposed project were proposed and the City determined that the modified project could result in new or substantially increased significant impacts not previously identified in the 2020 IS/MND. Thus, the City prepared a SEIR pursuant to CEQA Guidelines Section 15162 focused on the topics that could potentially result in significant effects.

The proposed project consists of a request to amend an adopted Planned Development (PD) Master Plan to allow an increase in medical office square footage within the 9.61-acre project site. The project proposes to construct a total of 275,000 sf of medical office uses, comprised of two 100,000-sf, four-story medical office buildings, and one 75,000-sf medical office building. Through approval of the PD Master Plan Amendment, the proposed project would result in a net increase of 150,500 sf of medical/commercial uses relative to the originally approved project. After accounting for the existing 15,900-sf of medical office use that would be demolished as part of the proposed project, the total net increase would be 134,600 sf. The proposed project would also include a 54,000-sf, six-story parking structure, comprised of 965 parking spaces. As a result of the increased square footage, the building coverage and floor area ratio (FAR) standards would also change. The maximum allowed building coverage will increase from 50 percent to 60 percent and FAR would be removed entirely from PD Master Plan development standards. The three medical office buildings would each be located to the south of Rosewood Lane. The maximum allowable building height for the medical office buildings would be increased as part of the PD Master Plan Amendment, from 55 feet to 65 feet. Lastly, the required parking for "Medical Office" uses would change from one space per 200 sf of net floor area to one space per 250 sf of net floor area.

The proposed PD Master Plan Amendment would also add assisted living facilities as a permitted use and change daycare facilities, farmers markets, residential care facilities, and skilled nursing facilities from conditionally permitted to permitted uses.

With respect to the parking structure, the originally approved project included construction of a three-story, 32-foot-tall parking structure, whereas the proposed project is proposing development of a six-story, 65-foot-tall parking structure. Thus, the proposed project modifications would result in a net increase of three floors and 33 feet.

The project objectives are to:

1. Create an entitled (close to shovel-ready) project that has the breadth of uses and maximum capacity to ensure the optimal pathway to deliver high-quality medical services to Morgan Hill and the surrounding South County communities.
2. Approve a project that has the ability to be phased to meet existing needs and scale up in size as demand increases.
 - a. As a hospital would be the last piece of a medical campus (according to hospital groups), the existing approved 124,500-sf of space would not be large enough to eventually accommodate a hospital footprint, this amendment rectifies that.
3. As Morgan Hill does not have the population density of other parts of the Bay Area to justify a standalone hospital, this amendment enables a continuum of care to create the localized demand for a centralized healthcare facility. Allowing uses such as skilled-nursing facilities, assisted living and residential care as permitted uses on a portion of the campus would help create demand desired by healthcare providers to make an investment of such magnitude for clinics, medical office buildings and a hospital, as well as create additional services for residents of Morgan Hill seeking healthcare options.
4. Provide easy and direct vehicular access to and from US-101 for medical services that are located on Juan Hernandez Drive, a street that can accommodate the anticipated traffic demands of the proposed project and can be served by existing (nearby) utilities.
5. Take advantage of the investments made by the Rosewood residential project, which has made the investment and has constructed the access road, detention pond, and utility infrastructure for the medical campus site that will remove potential obstacles for rapid development by a medical services provider.
6. Enable a highly desirable site to incentivize the investment of hundreds of millions of dollars creating hundreds of jobs (e.g. construction and permanent) in the Morgan Hill community.
7. Deliver healthcare options for Morgan Hill residents.
 - a. The City's Economic Blueprint identifies four industries that are key to Morgan Hill's future, one of which is "Healthcare." Under "Healthcare," the explicit goal is to "[g]row and foster the medical service and diagnostics industry by attracting services and facilities."
 - b. The Economic Blueprint has specific action items related to healthcare:
 - i. Expand Locations for Medical Uses: The main tools the City has to regulate land development are the General Plan and the Zoning Code. These tools support medical uses through ease and clear rules for development. The City should Ensure General Plan & Zoning Code Allow for a Range of Medical Uses (Action #32).
 - ii. Actively Promote Locations for Medical Uses: The City should Identify & Market PreZoned Medical Sites (Action #33) to clearly outline pre-approved locations for medical services. Similar to the Auto Dealer Incentive Policy. This direction clearly announces that

the City wants these uses in the community and eases their ability to locate. To create awareness of new zoning regulations the City should Increase Outreach and Medical Service Providers (Action #34) and Create & Implement a Targeted Marketing Campaign (Action #35).

The proposed project would require the following approvals:

- Certification of the SEIR: Certify the Rosewood/Morgan Hill Medical Campus Project SEIR and make environmental findings pursuant to CEQA.
- PD Master Plan Amendment to increase the maximum allowed medical office square footage within the project site to 275,000 sf, building coverage to 60 percent, medical office parking to one space per 250 sf, and maximum building height to 65 feet. Additionally, FAR will be eliminated. Assisted living facilities will be added as a permitted use and day care centers, farmers markets, residential care facilities, and skilled nursing facilities will all be changed from conditionally permitted to permitted uses.

C. SIGNIFICANT IMPACTS IDENTIFIED IN THE SEIR THAT ARE REDUCED TO A LEVEL OF "LESS THAN SIGNIFICANT" BY THE MITIGATION MEASURES INCORPORATED INTO THE PROJECT

The following findings are hereby made by the City of Morgan Hill City Council for the significant environmental effects identified in the SEIR that would be reduced to a less than significant level through incorporation of mitigation measures. The City finds for each of the significant or potentially significant impacts identified in this section, that based upon substantial evidence in the record, changes or alterations have been required or incorporated into the project which avoid or substantially lessen the significant effects as identified in the SEIR. Adoption of the mitigation measures set forth below will reduce these significant or potentially significant effects to less-than-significant levels and will effectively make the mitigation measures part of the project. In addition, compliance with City laws and other applicable regulations will further reduce project impacts. Therefore, the City finds that based upon substantial evidence in the record, changes or alterations have been required or incorporated into the project which avoid or substantially lessen the significant effects as identified in the SEIR.

The Final SEIR identified several impacts associated with the project that would be reduced to a level of less than significant with the implementation of mitigation measures identified in the Final SEIR:

Air Quality, Greenhouse Gas Emissions, and Energy

Impact 4.1-6: Generate greenhouse gas (GHG) emissions, either directly or indirectly, that may have a significant impact on the environment, or conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of GHGs. With the implementation of Mitigation Measure 4.1-6, this impact would be reduced to less than cumulatively considerable.

SEIR 4.1-6 Prior to the approval of project improvement plans, the applicant shall implement the following measure:

- Consistent with BAAQMD's Transportation criterion d., EV Capable parking spaces (including EV Capable parking spaces with electric vehicle supply equipment [EVSE]) shall be installed throughout the project site at the ratio specified by the current CalGreen Tier 2 standards.

Compliance with the foregoing measure shall be ensured by the City of Morgan Hill Community Development Department.

Finding: According to the Bay Area Air Quality Management District's (BAAQMD's) thresholds of significance, a project must either include specific project design elements related to buildings and transportation or be consistent with a local GHG reduction strategy. Because the City's Climate Action Plan (CAP) does not qualify as a local GHG reduction strategy under CEQA Guidelines Section 15183.5(b), the proposed project was evaluated for consistency with the BAAQMD's Buildings and Transportation criteria. The proposed project would comply with BAAQMD's Buildings criterion a., related to the prohibition of natural gas on-site, Buildings criterion b., related to the wasteful, inefficient, or unnecessary use of energy, and Transportation criterion c., related to vehicle miles traveled (VMT). However, the proposed project has the potential to conflict with Transportation criterion d., related to the provision of electric vehicle (EV) charging stations. Thus, while the proposed project would result in a reduction of operational GHG emissions as compared to the approved Lillian Commons Project, a previously unidentified cumulatively considerable and significant impact related to GHG emissions could occur as a result of a change in the regulatory setting (i.e., the adoption of new BAAQMD GHG thresholds) that has occurred since the 2020 IS/MND was adopted. The project would implement Mitigation Measure SEIR 4.1-6, which requires EV Capable parking spaces be installed throughout the project site at the ratio specified by the 2022 California Green Buildings Standards Code (CalGreen) Tier 2 standards. Implementation of Mitigation Measure SEIR 4.1-6 would ensure compliance with BAAQMD's Transportation Criterion d. Therefore, this impact would be less than cumulatively considerable with adherence to Mitigation Measure SEIR 4.1-6.

Noise

Impact 4.2-1: Generation of a substantial temporary increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies. With the implementation of Mitigation Measure NOI-1.1, this impact would be reduced to less than significant.

NOI-1.1 Prior to issuance of a grading permit for Phase 1 of the proposed project, the project applicant shall prepare a Noise Construction Control Plan that includes, but is not necessarily limited to, the following construction best management control practices:

- Equipment and trucks used for construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically attenuating shields or shrouds).
- Impact tools (e.g., jackhammers, pavement breakers, and rock drills) used for construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools.
- Stationary noise sources shall be located as far from noise-sensitive receptors as possible, and they shall be muffled and enclosed within temporary sheds, incorporate insulation barriers, or include other measures.
- Construct temporary noise barriers, where feasible, to screen stationary noise-generating equipment. A temporary noise barrier with a height of eight feet would provide a minimum 6.0 dBA noise reduction for the residences to the north and to the west of the project site when construction activities occur at the ground level if the barrier is constructed in a manner that eliminates any cracks or gaps.
- Unnecessary idling of internal combustion engines should be strictly prohibited.
- Construction staging areas shall be established at locations that will create the greatest distance between the construction-related noise sources and noise-sensitive receptors nearest to the project site during all project construction. Locate material stockpiles, maintenance/equipment staging, and parking areas, as far as feasible from residential receptors.

- Control noise from construction workers' radios to a point where they are not audible at existing residences bordering the project site.
- Where feasible, temporary power service from local utility companies should be used instead of portable generators.
- Locate cranes as far from noise-sensitive receptors as possible.
- During final grading, substitute graders for bulldozers, where feasible. Wheeled heavy equipment are quieter than track equipment and should be used where feasible.
- Substitute nail guns for manual hammering, where feasible.
- Avoid the use of circular saws, miter/chop saws, and radial arm saws near the adjoining noise-sensitive receptors. Where feasible, shield saws with a solid screen with material having a minimum surface density of two pounds per square foot (e.g., such as 0.75-inch plywood).
- Maintain smooth vehicle pathways for trucks and equipment accessing the site and avoid local residential neighborhoods as much as possible.
- During interior construction, the exterior windows facing noise-sensitive receptors should be closed.
- During interior construction, locate noise-generating equipment within the building to break the line-of-sight to the adjoining receptors.
- The contractor(s) shall prepare a detailed construction schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with adjacent residential land uses so that construction activities can be scheduled to minimize noise disturbance.
- Designate a "disturbance coordinator" who would be responsible for responding to any complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., bad muffler, etc.) and will require that reasonable measures be implemented to correct the problem. Conspicuously post the telephone number for the disturbance coordinator at the construction site and include in it the notice sent to neighbors regarding the construction schedule.

The Noise Construction Control Plan shall be submitted for review and approval of the Development Services Director and the Morgan

Hill Development Services Department.

Finding: According to the Noise and Vibration Assessment prepared for the proposed project by Illingworth & Rodkin, Inc. (I&R), construction noise levels would range from 27 to 78 A-weighted noise level (dBA) L_{eq} at the existing off-site sensitive receptors (i.e., residences to the west and south of the project site). As such, the existing off-site sensitive receptors would be exposed to construction noise levels exceeding the 60 dBA L_{eq} threshold, as established in the 2020 IS/MND, as well as noise levels exceeding 5.0 dBA L_{eq} over existing noise levels. However, the existing off-site sensitive receptors would only be exposed to excess noise levels during Phase 1 of the proposed construction. In addition, the proposed project would not result in construction noise levels higher than those calculated for the Lillian Commons Project. Furthermore, the proposed project would exceed the applied thresholds for a shorter period of time relative to noise levels generated by construction of the approved Lillian Commons Project's non-residential component, as the Noise Assessment prepared for the proposed project determined that construction of the previously approved non-residential uses would have exceeded the applicable noise level thresholds for an estimated 28 months, whereas the current project would exceed the noise level thresholds for an estimated total of 15 months. Mitigation Measure NOI-1.1 requires preparation and implementation of a Noise Construction Control Plan that incorporates noise control best management practices to address the predicted exceedance of the applicable construction noise level threshold, which will be reviewed by the City's Development Services Director. The Construction Control Plan would require all phases of construction associated with the proposed project to use reasonable noise reduction measures and comply with the City's noise ordinance as required by General Plan Policy NOI-1.8. In addition, construction activities would be limited to between 7:00 AM and 8:00 PM on weekdays, and between 9:00 AM and 6:00 PM on Saturdays, as established by Morgan Hill Municipal Code Section 8.28.040. Construction activity would not be permitted on Sundays or federal holidays. Finally, the Construction Control Plan would also require all gasoline-powered construction equipment shall be equipped with an operating muffler or baffling systems as originally provided by the manufacturer(s). Implementation of Mitigation Measure NOI-1.1 would ensure that potential impacts related to the generation of a substantial temporary increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies, would be less than significant.

Impact 4.2-2: Generation of a substantial permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies. With the implementation of Mitigation Measure NOI-2.1, this impact would be reduced to less than significant.

NOI-2.1 A qualified acoustical consultant shall be retained to review mechanical equipment systems during final design of the proposed project. The consultant shall review selected equipment, including the emergency generator and transformer, and determine specific noise reduction measures necessary to reduce noise to comply with the City's noise level requirements. Prior to issuance of building permits for the project, the emergency generator and transformer must be selected and approved by the City of Morgan Hill Planning Division. The generator and transformer shall include adequate noise suppressing features to reduce impacts on surrounding land uses to meet the City's exterior and interior noise level requirements of 60 dBA.

Finding: Operational noise levels associated with the proposed project at surrounding sensitive noise receptors are not anticipated to exceed the applicable noise thresholds, as set forth in Morgan Hill Municipal Code Section 18.76.090. However, because the final design of the proposed project has not been prepared, the proposed project would still be subject to Mitigation Measure NOI-2.1. Mitigation Measure NOI-2.1 requires that a qualified acoustical consultant be retained to review the proposed mechanical equipment systems to determine if specific noise-reduction measures are necessary to comply with the City's noise regulations. Implementation of Mitigation Measure NOI-2.1 would ensure that the final design and location of the proposed mechanical equipment systems are reviewed by a qualified acoustical consultant prior to completion of the project's final design and that sensitive receptors adjacent to the project site are not subject to potential mechanical noise impacts. Therefore, impacts related to the generation of a substantial permanent increase in ambient noise levels in the vicinity of the project would be less than significant.

Transportation

Impact 4.3-3: Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment) or result in inadequate emergency access. With the implementation of Mitigation Measure SEIR 4.3-3, this impact would be reduced to less than significant.

SEIR 4.3-3 Prior to the commencement of construction, a construction signage and traffic control plan shall be provided to the City's Development Services Department for review and approval. The construction signage and traffic control plan shall include (but not be limited to) items such as:

- Guidance on the number and size of trucks per day entering and leaving the project site;

- Identification of arrival/departure times that would minimize traffic impacts;
- Approved truck circulation patterns;
- Locations of staging areas;
- Locations of employee parking and methods to encourage carpooling and use of alternative transportation;
- Methods for partial and complete street closures (e.g., timing, signage, location, and duration restrictions);
- Criteria for use of flaggers and other traffic controls;
- Preservation of safe and convenient passage for bicyclists and pedestrians through/around construction areas;
- Monitoring for roadbed damage and timing for completing repairs;
- Limitations on construction activity during peak/holiday weekends and special events;
- Preservation of emergency vehicle access;
- Coordination of construction activities with construction of other projects that occur concurrently in the City to minimize potential additive construction traffic disruptions, avoid duplicative efforts (e.g., multiple occurrences if similar signage), and maximize effectiveness of traffic mitigation measures (e.g., joint employee alternative transportation programs);
- Removing traffic obstructions during emergency evacuation events; and
- Signs providing a point of contact for nearby residents to obtain construction information, have questions answered, and convey complaints shall be posted in the vicinity of the project site.

The construction signage and traffic control plan shall be developed such that the following minimum set of performance standards is achieved throughout project construction. It is anticipated that additional performance standards would be developed once details of project construction are better known.

- All construction employees shall park in designated lots owned by the project applicant or on private lots otherwise arranged for by the project applicant.
- Roadways shall be maintained clear of debris (e.g., rocks) that could otherwise impede travel and impact public safety.

Finding: Construction activities associated with the proposed project would include the use of construction equipment, including on-site earth-moving vehicles,

bulldozers, and other heavy machinery, as well as building materials delivery, and construction worker commutes. The transport of heavy construction equipment to the site, haul truck trips, and construction worker commutes could affect the local roadway network. Because a construction management plan detailing information related to construction routes and equipment staging is not available, the SEIR conservatively concluded that construction activities could include disruptions to the transportation network near the project site, such as along Juan Hernandez Drive, Barrett Avenue, and Tennant Avenue. As such, without proper planning of construction activities, construction traffic and potential street closures could interfere with existing roadway operations, including pedestrian, bicycle, and transit facilities, during the construction phase. Mitigation Measure SEIR 4.3-3 requires the approval of a construction signage and traffic control plan prior to commencement of project construction. Implementation of Mitigation Measure SEIR 4.3-3 would ensure the construction activities, construction traffic, and potential street closures associated with the proposed project would not interfere with existing roadway operations, including pedestrian, bicycle, and transit facilities. Therefore, approval of a construction signage and traffic control plan would ensure that the proposed project would not substantially increase hazards due to a geometric design feature or incompatible uses or result in inadequate emergency access, and that a less than significant impact would occur.

Initial Study

IV-a: Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service. With the implementation of Mitigation Measures BIO-1.1 and BIO-1.2, this impact would be reduced to less than significant.

BIO-1.1 Construction shall be scheduled to avoid the nesting season to the extent feasible. If construction can be scheduled to occur between September 1st and January 31st (inclusive) to avoid the raptor nesting season, no impacts will be expected. If construction takes place between February 1st and August 31st, then pre-construction surveys for nesting birds shall be completed by a qualified ornithologist to ensure that no nests will be disturbed during project implementation. Surveys shall be completed within 30 days of the on-set of site clearing or construction activities. During this survey, the ornithologist shall inspect all trees and other potential nesting habitats (e.g., trees, shrubs, buildings) on-site trees as well as all trees within 250 feet of the site for nests.

BIO-1.2 If an active nest is found sufficiently close to work areas to be disturbed by these activities, the ornithologist shall determine the

extent of a disturbance-free buffer zone to be established around the nest (typically 250 feet for raptors and 50-100 feet for other species) that shall remain off limits to construction until the nesting season is over, to ensure that no nests of species protected by the Migratory Bird Treaty Act and California Fish and Wildlife Code will be disturbed during project implementation. A report indicating the result of the survey and any designated buffer zones shall be submitted to the satisfaction of the Development Services Director prior to issuance of a grading permit.

Finding: The 2020 IS/MND states that the project site is not located in an area containing any of the sensitive natural communities or special-status species identified in the City's General Plan EIR. However, according to the Biological Resources Assessment (BRA) prepared by WRA Environmental Consultants, Inc. for the 2020 IS/MND, three (3) species of special-status birds have the potential to occur on-site, including white-tailed kite, loggerhead shrike, and grasshopper sparrow. In addition, the 2020 IS/MND determined that because the project would include the removal of sixteen (16) trees, the project could result in the removal of nesting or foraging habitat for nesting raptors and migratory birds. Because the proposed project would be within the same disturbance footprint evaluated in the 2020 IS/MND, impacts to special-status species associated with the proposed project could be significant. Although the proposed project would involve a greater intensity of development than was analyzed in the 2020 IS/MND, as well as greater building heights, the proposed project would not result in the removal of a greater number of trees or the disturbance of a larger area than was previously analyzed. Nonetheless, to ensure that impacts to special-status bird species would be less than significant, the proposed project would be required to comply with Mitigation Measures BIO-1.1 and BIO-1.2 as included in the 2020 IS/MND. Mitigation Measure BIO-1.1 requires pre-construction surveys for nesting birds be conducted within 30 days of the on-set of construction activities should project construction take place between February 1st and August 31st. Additionally, Mitigation Measure BIO-1.2 requires the establishment of a disturbance free buffer zone around any active nest that could be disturbed by construction activities. Implementation of Mitigation Measures BIO-1.1 and BIO-1.2 would ensure that active nests belonging to raptors and migratory birds would not be disturbed by construction activities associated with the proposed project. Therefore, potential impacts to nesting raptors and migratory birds would be reduced to a less-than-significant level.

IV-e: Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance. With the implementation of Mitigation Measures BIO-5.1 and BIO-5.2, this impact would be reduced to less than significant.

BIO-5.1 To the extent feasible, activities shall avoid impacts to any protected trees. Avoidance is considered to be completely avoiding any work

or staging under the dripline of trees. The boundary of the designated avoidance buffer shall be flagged or fenced prior to initial ground disturbance. If complete avoidance is not feasible, BIO-5.2 shall be implemented.

BIO-5.2 The project proponent shall comply with local ordinances and submit permit applications for removal, trimming, damage, or relocation of all trees covered by the City ordinance. Any trees to be removed shall require replacement at a two- to-one ratio on a comparable ratio of size. The replacement trees shall be planted on-site to the extent feasible and the project proponent shall comply with all other replacement requirements imposed by the City.

Finding: According to the 2020 IS/MND, the project site contains multiple trees that qualify for protection under the City of Morgan Hill Municipal Code, including fourteen (14) coast live oaks, one Peruvian pepper, and one Monterey pine, all of which would be removed for project construction. Because the proposed project would be within the same disturbance footprint evaluated in the 2020 IS/MND, development of the proposed project would result in significant impacts to the same protected trees. Therefore, to ensure that impacts related to conflicts with local policies or ordinances protecting biological resources would be less than significant, the proposed project would be required to comply with Mitigation Measures BIO-5.1 and BIO-5.2 as included in the 2020 IS/MND. Mitigation Measure BIO-5.1 requires the complete avoidance of any work or staging under the dripline of trees, and the designation of any avoidance buffer prior to initial ground disturbance. If complete avoidance of protected trees is not feasible, Mitigation Measure BIO-5.2 would require compliance with Chapter 12.32 of the City's Municipal Code, which requires the project applicant to apply for a tree removal permit, and to plant replacement trees for those removed. Implementation of Mitigation Measures BIO-5.1 and BIO-5.2 would ensure that construction activities avoid impacts to protected trees and would enforce compliance with the regulations and requirements provided under Chapter 12.32 of the Municipal Code. Therefore, the proposed project would not conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance, and impacts related to protected trees would be less than significant.

D. MITIGATION MONITORING AND REPORTING PROGRAM

When making findings, the lead agency must adopt a reporting or monitoring program for the mitigation measures it has adopted or made a condition of project approval to mitigate or avoid significant effects on the environment. The City hereby adopts the MMRP for the project, included as Attachment A to these findings. The mitigation measures identified in the Final SEIR and adopted and incorporated into the project will be monitored pursuant to this program.

E. ALTERNATIVES

Pursuant to CEQA Guidelines Section 15126.6, the SEIR examined a range of reasonable alternatives to the proposed project that would attain most of the basic project objectives but would avoid or substantially lessen the significant adverse impacts. The City has reviewed the impacts associated with each alternative as compared with the proposed project, and has also considered each alternative's feasibility, considering a range of economic, environmental, social, and legal factors. Overall, the City concludes that the No Project (No Build) Alternative would be the environmentally superior alternative. However, pursuant to CEQA Guidelines Section 15126.6 (e)(2), if the No Project (No Build) Alternative is determined to be environmentally superior, the EIR shall also identify an environmentally superior alternative among the other alternatives. The alternatives considered by the City are summarized as follows.

No Project (No Build) Alternative: Under the No Project (No Build) Alternative, existing site conditions would be maintained, and the site would not be developed. Impacts identified for the proposed project that would be less than significant with mitigation measures, including impacts related to air quality, greenhouse gas emissions, and energy, biological resources, noise, and transportation would be avoided under the No Project (No Build) Alternative. The No Project (No Build) Alternative is an environmentally superior alternative to the proposed project. Because the No Project (No Build) Alternative would not result in any new development on the site, the Alternative would avoid all environmental impacts of the project. The Alternative would not, however, meet any of the applicant's project objectives. Therefore, the No Project (No Build) Alternative is rejected.

No Project (Buildout Pursuant to Approved PD Master Plan) Alternative: The No Project (Buildout Pursuant to Approved PD Master Plan) Alternative assumes that the site would be developed pursuant to the currently approved uses set forth in the PD Master Plan, as evaluated by the 2020 IS/MND. Specifically, the project site would contain 124,500 sf of medical/commercial uses, including a 4,500-sf urgent care facility, a 10,000-sf medical building, a 100,000-sf medical office/hospital with 55 beds, a three-story parking structure with 500 spaces, and a 10,000-sf commercial retail/restaurant building. Because the City has already approved the General Plan Amendment, Zoning Amendment, PD Master Plan, and Tentative Parcel Map associated with the Lillian Commons Project, the No Project (Buildout Pursuant to the Approved PD Master Plan) Alternative would not be expected to require City approval of any further entitlements with the possible exception of Conditional Use Permits (CUPs) for uses requiring a CUP.

Unlike the approved Lillian Commons Project, the currently proposed amendment to the PD Master Plan is subject to review for consistency with BAAQMD's updated Air Quality Guidelines and qualitative GHG emissions thresholds. Should the developer proceed with developing the approved uses consistent with the approved PD Master Plan, the developer would be required to comply with Mitigation Measure GHG-1.1 as written in the 2020 IS/MND. Compliance with Mitigation Measure GHG-1.1 would

ensure development under the Alternative is consistent with the regulations in effect at the time of the 2020 IS/MND, and the currently proposed project's potential impact would not occur. Therefore, the impact related to air quality, GHG emissions, and energy could be reduced compared to the proposed project under the No Project (Buildout Pursuant to Approved PD Master Plan) Alternative.

In addition, the Noise Assessment prepared for the proposed project determined that construction of the previously approved non-residential uses would have exceeded the applicable noise level thresholds for an estimated 28 months, whereas the current project would exceed the noise level thresholds for an estimated total of 15 months. Should the developer proceed with developing the No Project (Buildout Pursuant to Approved PD Master Plan) Alternative, the developer would be required to comply with Mitigation Measure NOI-1.1 as written in the 2020 IS/MND. Compliance with Mitigation Measure NOI-1.1 requires preparation and implementation of a Noise Construction Control Plan that incorporates noise control best management practices, which would ensure development under the Alternative would reduce any potentially significant impacts associated with construction noise to a less-than-significant level. Similar to the proposed project, the Alternative would involve the use of mechanical equipment that could exceed allowable ambient noise levels. Thus, Mitigation Measure NOI-2.1, as set forth in the 2020 IS/MND, would remain applicable under the Alternative. Mitigation Measure NOI-2.1 would ensure that the final design and location of the proposed mechanical equipment systems are reviewed by a qualified acoustical consultant prior to completion of the project's final design and that sensitive receptors adjacent to the project site are not subject to potential mechanical noise impacts. Given that the Alternative would exceed the applicable threshold for a longer period of time than the proposed project, impacts related to noise would be slightly greater under the Alternative as compared to the proposed project.

The SEIR determined that the No Project (Buildout Pursuant to Approved PD Master Plan) Alternative could result in similar daily on-site construction activities and associated temporary increase in construction vehicle traffic to area roadways as compared to the proposed project. However, out of an abundance of caution, the SEIR determined that the proposed project could result in a potentially significant impact and includes Mitigation Measure 4.3-3 requiring preparation and implementation of a construction signage and traffic control plan. Therefore, the impacts related to transportation could be fewer under the Alternative as compared to the proposed project.

The No Project (Buildout Pursuant to Approved PD Master Plan) Alternative would fully meet the project objectives, with the exception of Objective #2. Objective #2 specifies that because a hospital would be the last component of a medical campus to be developed, the existing approved 124,500 sf of space would not be large enough to accommodate a hospital footprint following the development of medical offices in earlier construction phases. Therefore, the No Project (Buildout Pursuant to Approved PD Master Plan) Alternative would not have the ability to be phased to meet existing needs

and scale up in size as demand increases, and Project Objective #2 would not be met. As such, the Alternative would not be the environmentally superior alternative given the Alternative would increase the severity of impacts related to noise and would not satisfy all of the project objectives. Therefore, the No Project (Buildout Pursuant to Approved PD Master Plan) Alternative is rejected.

Reduced Size Alternative: The Reduced Size Alternative would include 225,000 sf of medical office uses, split between a four-story, 100,000-sf building, a three-story 75,000-sf building, and a two-story 50,000-sf building. The Reduced Size Alternative would retain the two existing medical buildings and parking lot located on Parcel D, thereby reducing the overall site acreage and disturbance area. The project's footprint would be reduced by approximately 50,000 sf. The Alternative would still require a PD Master Plan Amendment to increase the maximum allowed medical office square footage from 124,500 sf to 225,000 sf, building coverage to 60 percent, medical office parking to one space per 250 sf, and to increase the maximum building height from 55 feet to 65 feet. Additionally, FAR would still be eliminated, assisted living facilities would still be added as a permitted use, and day care centers, farmers markets, residential care facilities, and skilled nursing facilities would still be changed from conditionally permitted to permitted uses.

Because the Reduced Size Alternative would involve a smaller area of disturbance and building envelope than the proposed project, the GHG emissions associated with the Alternative would be less than the proposed project. However, similar to the proposed project, the Reduced Size Alternative would conflict with BAAQMD's Transportation criterion d., related to the provision of EV charging stations. Therefore, Mitigation Measure SEIR 4.1-6 would still be required under the Reduced Size Alternative. Compliance with Mitigation Measure SEIR 4.1-6 would ensure EV Capable parking spaces are installed throughout the project site at the ratio specified by the current CalGreen Tier 2 standards. Although the Reduced Size Alternative would have the same potentially significant GHG impact as the proposed project, because the Alternative would result in a reduction of GHG emissions as compared to the proposed project, impacts related to air quality, GHG emissions, and energy would be fewer than the proposed project.

Because the Reduced Size Alternative would involve less building square footage as compared to the proposed project, the intensity of construction activities would be slightly reduced. Thus, noise related to construction associated with the Alternative could be slightly reduced as compared to the proposed project. However, because construction noise would still occur under the Alternative, construction of the Alternative could still result in the generation of a substantial temporary increase in ambient noise levels in the vicinity of the project. As such, implementation of Mitigation Measure NOI-1.1 would still be required under the Alternative. In addition, although the Reduced Size Alternative would result in less square footage on a reduced project site, the proposed medical buildings would still feature emergency generator equipment and transformers. As such, similar to the proposed project, the mechanical equipment at the medical

buildings could result in the generation of a substantial permanent increase in ambient noise levels in the vicinity of the project site. Therefore, the Reduced Size Alternative would still be subject to Mitigation Measure NOI-2.1 to ensure that a qualified acoustical consultant is retained to review the proposed mechanical equipment systems and to confirm if specific noise-reduction measures are necessary. Overall, the impacts identified for the Reduced Size Alternative related to noise would be similar to the proposed project.

Similar to the proposed project, the Reduced Size Alternative would temporarily add construction vehicle traffic to area roadways. During the construction phase, construction traffic and potential street closures could interfere with existing roadway operations, including pedestrian, bicycle, and transit facilities. As such, Mitigation Measure 4.3-3, related to preparation and implementation of a construction signage and traffic control plan, would still be required under the Alternative. Because the Alternative would involve less square footage as compared to the proposed project, the intensity of construction activities, as well as the amount and overall duration of construction traffic, would be reduced. Therefore, impacts related to transportation could be fewer than the proposed project under the Alternative.

The Reduced Size Alternative would fully meet the project objectives, with the possible exception of Objective #2. Objective #2 specifies that because a hospital would be the last component of a medical campus to be developed, the existing approved 124,500 sf of space would not be large enough to accommodate a hospital footprint following the development of medical offices in earlier construction phases. Therefore, while the Reduced Size Alternative would have the ability to be phased to meet existing needs and scale up in size as demand increases, the flexibility to do so would be constrained due to the reduction in square footage by 50,000 sf. Nonetheless, the Alternative would fully meet six of the seven project objectives and could result in fewer impacts than the proposed project related to air quality, GHG emissions, and energy, and transportation, and would result in similar impacts as the proposed project related to noise. As such, the Reduced Size Alternative would be the environmentally superior alternative. Although the Reduced Size Alternative would meet six of the seven project objectives, the Alternative would satisfy the objectives to a lesser extent than the proposed project. Therefore, the Reduced Size Alternative is rejected.

F. RECIRCULATION NOT REQUIRED

No new or substantial changes to the SEIR were proposed as a result of the public comment process. The Final SEIR responds to comments provided on the Draft SEIR, and does not include any changes, clarifications or additions to the SEIR. The comments provided on the Draft SEIR did not address concerns related to any new significant impacts or substantial increases in the severity of any significant environmental impacts. Therefore, recirculation of the SEIR is not required.

G. RECORD OF PROCEEDINGS

Various documents and other materials constitute the record of proceedings upon which the City base their findings and decisions contained herein. Documents related to this proposed project are located in the City of Morgan Hill Development Services Department, 17575 Peak Avenue, Morgan Hill, California 95037.

H. SUBSTANTIAL EVIDENCE SUPPORTING FINDINGS

Substantial evidence supporting each and every finding made herein is contained in the Final SEIR and record of proceedings. Omission of reference in these findings to any evidence in the SEIR and/or record of proceedings is not intended to exclude that evidence as supporting these findings.

In making these findings, the City Council has relied upon the expertise of a variety of independent technical and professional consultants to the City, and the expertise of the City's Staff. The City Council has also carefully considered the evidence submitted by property owners and other interested agencies and individuals. To the extent that evidence consists of expert opinions that differ from the opinions of the City's outside consultants and City Staff, at most it represents a disagreement of experts, which is adequately reviewed in the SEIR. Based on its review, the City Council has determined that the opinions of its outside consultants and Staff are valid and are hereby accepted. In some instances, the City Council has also relied on the expertise of other agencies who have provided comments on the Draft SEIR and other actions related to the project. To the extent that alternatives or mitigation measures were proposed by other agencies or interested persons that differ from the mitigation adopted herein, the City Council specifically rejects these proposals based on the substantial evidence in the record supporting the mitigation adopted as sufficient and necessary to mitigate impacts to a less than significant level or to the level that the impacts can feasibly be mitigated.

ATTACHMENT "A"

MITIGATION MONITORING AND REPORTING PROGRAM

**Rosewood/Morgan Hill Medical Campus Project
File Numbers: GPA2023-0002, AAE2022-0008, and
EA2022-0011
December 19, 2025**



PREFACE

Section 21081.6 of the California Environmental Quality Act (CEQA) requires a Lead Agency to adopt a Mitigation Monitoring and Reporting Program (MMRP) whenever it approves a project for which measures have been required to mitigate or avoid significant effects on the environment. The purpose of the monitoring and reporting program is to ensure compliance with the mitigation measures during project implementation.

The Initial Study/Mitigated Negative Declaration (IS/MND) and the Subsequent Environmental Impact Report (SEIR) prepared for the Rosewood/Morgan Hill Medical Campus Project concluded that the implementation of the project could result in significant effects on the environment and mitigation measures were incorporated into the proposed project or are required as a condition of project approval. This MMRP addresses those measures in terms of how and when they will be implemented.

This document does *not* discuss those subjects for which the IS/MND and SEIR concluded that the impacts from implementation of the project would be less than significant.

I, _____, the applicant, on behalf of _____, hereby agree to fully implement the Mitigation Measures described below which have been developed in conjunction with the preparation of an IS/MND and SEIR for my proposed project. I understand that these mitigation measures or substantially similar measures will be adopted as conditions of approval with my development permit request to avoid or significantly reduce potential environmental impacts to a less than significant level, where feasible.

Project Applicant’s Signature _____

Date _____



MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
AIR QUALITY, GREENHOUSE GAS EMISSIONS, AND ENERGY			
Impact 4.1-6: Generate GHG emissions, either directly or indirectly, that may have a significant impact on the environment, or conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of GHGs. (Less than Significant with Mitigation Incorporated)			
SEIR 4.1-6: Prior to the approval of project improvement plans, the applicant shall implement the following measure: Consistent with BAAQMD's Transportation criterion d., EV Capable parking spaces (including EV Capable parking spaces with electric vehicle supply equipment [EVSE]) shall be installed throughout the project site at the ratio specified by the current CalGreen Tier 2 standards. Compliance with the foregoing measure shall be ensured by the City of Morgan Hill Community Development Department.	To be implemented by the project applicant prior to approval of project improvement plans.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	City of Morgan Hill Development Services Department

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
NOISE			
Impact 4.2-1: Generation of a substantial temporary increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies. (Less than Significant Impact with Mitigation Incorporated)			
NOI-1.1: Prior to issuance of a grading permit for Phase 1 of the proposed project, the project applicant shall prepare a Noise Construction Control Plan that includes, but is not necessarily limited to, the following construction best management control practices: • Equipment and trucks used for construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically attenuating shields or shrouds). • Impact tools (e.g., jackhammers, pavement breakers, and rock drills) used for construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air	To be implemented prior to issuance of a grading permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	City of Morgan Hill Development Services Department

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
exhaust from pneumatically powered tools. • Stationary noise sources shall be located as far from noise-sensitive receptors as possible, and they shall be muffled and enclosed within temporary sheds, incorporate insulation barriers, or include other measures. • Construct temporary noise barriers, where feasible, to screen stationary noise-generating equipment. A temporary noise barrier with a height of eight (8) feet would provide a minimum 6.0 dBA noise reduction for the residences to the north and to the west of the project site when construction activities occur at the ground level if the barrier is constructed in a manner that eliminates any cracks or gaps. • Unnecessary idling of internal combustion engines should be strictly prohibited. • Construction staging areas shall be established at locations that will create the greatest distance between the construction-related noise sources and noise-sensitive receptors nearest to the project site during all project construction. Locate material stockpiles, maintenance/equipment			

MITIGATIONS	MONITORING AND REPORTING PROGRAM		
	Timeframe and Responsibility for Implementation	Method of Compliance	Oversight of Implementation
staging, and parking areas, as far as feasible from residential receptors. • Control noise from construction workers' radios to a point where they are not audible at existing residences bordering the project site. • Where feasible, temporary power service from local utility companies should be used instead of portable generators. • Locate cranes as far from noise-sensitive receptors as possible. • During final grading, where feasible, substitute graders for bulldozers. Wheeled heavy equipment are quieter than track equipment and should be used where feasible. • Substitute nail guns for manual hammering, where feasible. • Avoid the use of circular saws, miter/chop saws, and radial arm saws near the adjoining noise-sensitive receptors. Where feasible, shield saws with a solid screen with material having a minimum surface density of two pounds per square foot (e.g., such as 0.75-inch plywood). • Maintain smooth vehicle pathways for trucks and equipment accessing the			

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site and avoid local residential neighborhoods as much as possible. • During interior construction, the exterior windows facing noise-sensitive receptors should be closed. • During interior construction, locate noise-generating equipment within the building to break the line-of-sight to the adjoining receptors. • The contractor(s) shall prepare a detailed construction schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with adjacent residential land uses so that construction activities can be scheduled to minimize noise disturbance. • Designate a "disturbance coordinator" who would be responsible for responding to any complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., bad muffler, etc.) and will require that reasonable measures to be implemented to correct the problem. Conspicuously post the telephone number for the disturbance coordinator at the construction site and include in it the notice sent to			

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neighbors regarding the construction schedule. The Noise Construction Control Plan shall be submitted for review and approval of the Development Services Director and the Morgan Hill Development Services Department.			
Impact 4.2-2: Generation of a substantial permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies. (Less than Significant Impact with Mitigation Incorporated)			
NOI-2.1: A qualified acoustical consultant shall be retained to review mechanical equipment systems during final design of the proposed project. The consultant shall review selected equipment, including the emergency generator and transformer, and determine specific noise reduction measures necessary to reduce noise to comply with the City's noise level requirements. Prior to issuance of building permits for the project, the emergency generator and transformer must be selected and approved by the City of Morgan Hill Planning Division. The generator and transformer shall include adequate noise suppressing features to reduce impacts on surrounding land uses to meet the City's	To be implemented prior to approval of final design.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	City of Morgan Hill Planning Division.

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exterior and interior noise level requirements of 60 dBA.			
TRANSPORTATION			
Impact 4.3-3: Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment) or result in inadequate emergency access. (Less than Significant Impact with Mitigation Incorporated)			
SEIR 4.3-3: Prior to the commencement of construction, a construction signage and traffic control plan shall be provided to the City's Development Services Department for review and approval. The construction signage and traffic control plan shall include (but not be limited to) items such as: • Guidance on the number and size of trucks per day entering and leaving the project site; • Identification of arrival/departure times that would minimize traffic impacts; • Approved truck circulation patterns; • Locations of staging areas; • Locations of employee parking and methods to encourage carpooling and use of alternative transportation; • Methods for partial and complete street closures (e.g., timing, signage, location, and duration restrictions); • Criteria for use of flaggers and other traffic controls;	To be implemented prior to commencement of construction.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	City of Morgan Hill Development Services Department.

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• Preservation of safe and convenient passage for bicyclists and pedestrians through/around construction areas; • Monitoring for roadbed damage and timing for completing repairs; • Limitations on construction activity during peak/holiday weekends and special events; • Preservation of emergency vehicle access; • Coordination of construction activities with construction of other projects that occur concurrently in the City to minimize potential additive construction traffic disruptions, avoid duplicative efforts (e.g., multiple occurrences if similar signage), and maximize effectiveness of traffic mitigation measures (e.g., joint employee alternative transportation programs); • Removing traffic obstructions during emergency evacuation events; and • Signs providing a point of contact for nearby residents to obtain construction information, have questions answered, and convey complaints shall be posted in the vicinity of the project site.			

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The construction signage and traffic control plan shall be developed such that the following minimum set of performance standards is achieved throughout project construction. It is anticipated that additional performance standards would be developed once details of project construction are better known. • All construction employees shall park in designated lots owned by the project applicant or on private lots otherwise arranged for by the project applicant. • Roadways shall be maintained clear of debris (e.g., rocks) that could otherwise impede travel and impact public safety.			
INITIAL STUDY			
IV: Biological Resources (Less than Significant Impact with Mitigation Incorporated)			
BIO-1.1: Construction shall be scheduled to avoid the nesting season to the extent feasible. If construction can be scheduled to occur between September 1st and January 31st (inclusive) to avoid the raptor nesting season, no impacts will be expected. If construction takes place between February 1st and August 31st, then pre- construction surveys for nesting birds shall be completed	To be implemented within 30 days of the on-set of site clearing or construction activities, if construction activities take place between February 1st and August 31st.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	City of Morgan Hill Development Services Department.

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by a qualified ornithologist to ensure that no nests will be disturbed during project implementation. Surveys shall be completed within 30 days of the on-set of site clearing or construction activities. During this survey, the ornithologist shall inspect all trees and other potential nesting habitats (e.g., trees, shrubs, buildings) on-site trees as well as all trees within 250 feet of the site for nests.			
BIO-1.2: If an active nest is found sufficiently close to work areas to be disturbed by these activities, the ornithologist shall determine the extent of a disturbance-free buffer zone to be established around the nest (typically 250 feet for raptors and 50-100 feet for other species) that shall remain off limits to construction until the nesting season is over, to ensure that no nests of species protected by the Migratory Bird Treaty Act and California Fish and Wildlife Code will be disturbed during project implementation. A report indicating the result of the survey and any designated buffer zones shall be submitted to the satisfaction of the Development Services Director prior to issuance of a grading permit.	To be implemented prior to issuance of a grading permit, if an active nest is found.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	Development Services Department.

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BIO-5.1: To the extent feasible, activities shall avoid impacts to any protected trees. Avoidance is considered to be completely avoiding any work or staging under the dripline of trees. The boundary of the designated avoidance buffer shall be flagged or fenced prior to initial ground disturbance. If complete avoidance is not feasible, BIO-5.2 shall be implemented	To be implemented prior to initial ground disturbance.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	City of Morgan Hill Development Services Department.
BIO-5.2: The project proponent shall comply with local ordinances and submit permit applications for removal, trimming, damage, or relocation of all trees covered by the City ordinance. Any trees to be removed shall require replacement at a two- to-one ratio on a comparable ratio of size. The replacement trees shall be planted on-site to the extent feasible and the project proponent shall comply with all other replacement requirements imposed by the City.	To be implemented prior to issuance of a grading permit.	All measures will be required as part of the development permit. All measures will be printed on all construction documents, contracts, and project plans prior to issuance of any grading and/or building permits.	City of Morgan Hill Development Services Department.

Source: City of Morgan Hill. *Rosewood/Morgan Hill Medical Campus Project Final SEIR*. December 2025.